

Livermore Area Recreation and Park District Staff Report

TO: Chair Pierpont and Board of Directors

FROM: Mathew Fuzie, General Manager

PREPARED BY: Jeffrey Schneider, Administrative Services Manager

DATE: June 9, 2021

SUBJECT: 2021 Pension Obligation Bonds – Approving Indenture of Trust,
Preliminary Official Statement and Bond Purchase Agreement

RECOMMENDED ACTION: That the Board of Directors approve Resolution No. _____, authorizing the issuance and sale of pension obligation bonds to refund outstanding obligations of the District to the Alameda County Employees’ Retirement Association (ACERA), and directing the execution and delivery of documents and actions related thereto.

SUMMARY:

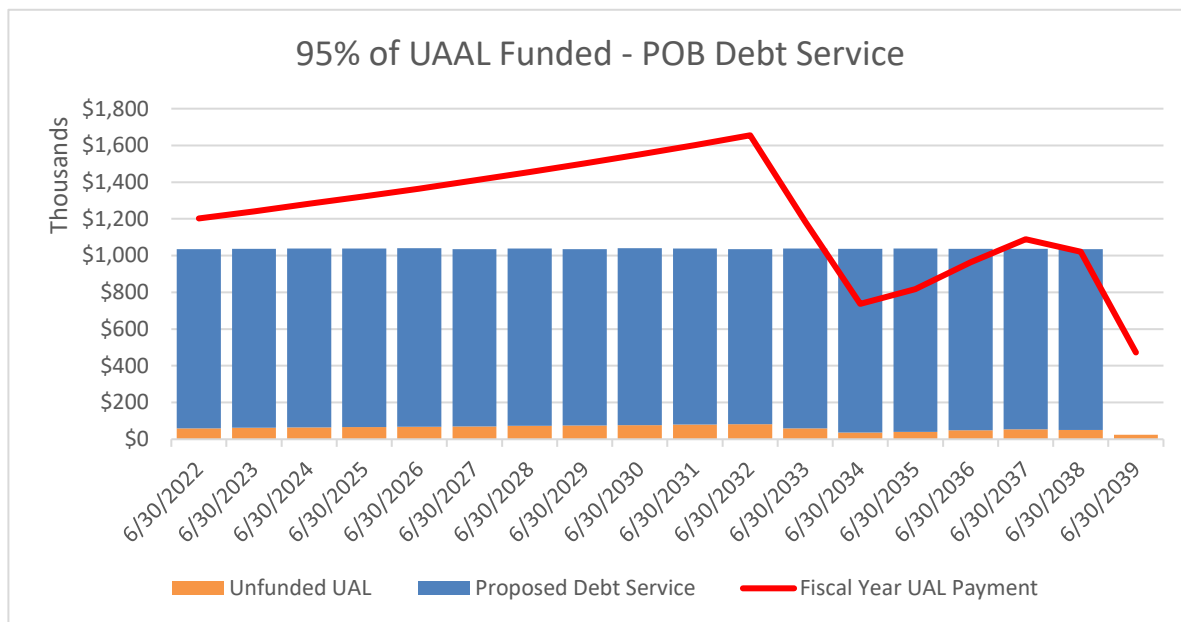
The District has explored various cost management strategies over the past 6 months to address its actuarial accrued pension liability (UAAL) with the Alameda County Employees’ Retirement Association (ACERA), which, as of December 31, 2020 amounted to \$13.3 million. The projected annual payment to pay down the UAAL is expected to increase from an estimated \$1,182,00 in calendar year 2021 to \$1,683,000 in calendar year 2032. At the District’s April 28, 2021 Board meeting, staff and its Municipal Advisor (PFM) provided a presentation discussing the District’s alternative repayment strategies, including a restructuring of the UAAL. After discussing the potential benefits and risks of a UAAL restructuring using a Pension Obligation Bond (POB), the District provided the finance team direction to proceed to conclude its analysis, including the preferred structure, of the financing. As part of the overall financing strategy, the Board of Directors approved a Debt Management and Pension Funding Policy at its May 26, 2021 meeting.

On June 4, 2021, District staff, along with the financing team (PFM, Oppenheimer, and Jones Hall) , made a presentation to the rating agency Standard & Poor’s (S&P) for the credit rating of the POBs. The rating is expected to be delivered by June 11th. Today’s approval of the Preliminary Official Statement (POS) and other related documents is the last step in the approval process. With today’s approval, the District intends to sell the POBs the week of June 21st and close the financing by June 29th.

POB NUMERICAL STRUCTURE:

One of the benefits to a POB is the ability for the District to choose its structuring options for the repayment of debt service as opposed to being subject to the repayment schedule that ACERA sets forth. The District considered various structuring options and settled on a level payment structure which will produce sizable future savings (estimated) and provide for predictable and level annual outlays. The District is contemplating to fund less than 100% of its UAAL. The intention behind funding the UAAL at a level lower than 100% with POBs is to prevent overfunding, which, given the annual fluctuations of the calculated UAAL, is a sensible approach. The combined POB debt service and unfunded annual UAAL payments are being structured to be level – equal combined annual payments through the end of FY 2038.

The graph below shows the current annual UAAL payments against a level debt service POB structure where 95% of the UAAL is funded with the proceeds of the bonds.



The financing is estimated to produce a potential total savings of \$4.2 million on a nominal basis and \$3.4 million on a present value basis. In calculating these savings, our financial advisors (PFM) have assumed that we receive an A+ rating from S&P, which they believe is the lowest rating we will receive. At this rating, the total interest cost (TIC) of the bonds we will issue is estimated to be 3.109%. If we were to receive an AA-rating, likely the highest rating we will realize per PFM, we will see a drop in that interest rate of 5-10 basis points, bringing our TIC to somewhere in the 3.00% to 3.05% range.

DESCRIPTION OF LEGAL DOCUMENTS:

- **Indenture of Trust:** Details the terms of the Bonds, including payment and redemption provisions, right and duties of the trustee and other related matters
- **Preliminary Official Statement:** Primary marketing and disclosure document to prospective bond purchasers

- **Bond Purchase Agreement:** Agreement between the District and the Underwriter, whereby the Underwriter will agree to purchase the Bonds and make a bona-fide public offering of the Bonds

NEXT STEPS:

With today's approval of the Resolution, the District intends to work with its underwriter, Oppenheimer, to distribute the POS to potential investors and begin marketing the District's POBs. Interest rates are expected to be set the week of June 21st, with a closing (and funding of the ACERA UAL) by June 29th.

SB 450 GOOD FAITH ESTIMATES

In accordance with Government Code Section 5852.1, the following information has been obtained and disclosed to the Board prior to the issuance of the Bonds: (i) the estimated true interest cost of the Bonds (being the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds) is 3.109%, (ii) the estimated finance charge of the Bonds (being the sum of all fees and charges paid to third parties) is \$340,685, (iii) the estimated proceeds of the Bonds expected to be received, net of proceeds for finance charges in (ii) above to paid from the principal amount of the Bonds and any reserves or capitalized interest paid or funded with Bonds is \$12,611,250, and (iv) the estimated total payment amount of the Bonds (being the sum of debt service plus finance to be paid to final maturity, plus any financing costs not paid from proceeds of the Bonds) is \$16,563,422. This information is based on good-faith estimates provided by the District's municipal advisor.

ATTACHMENTS:

1. Resolution No. __
2. Indenture of Trust
3. Preliminary Official Statement
4. Bond Purchase Agreement

**THE BOARD OF DIRECTORS
OF THE
LIVERMORE AREA RECREATION AND PARK DISTRICT**

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF PENSION
OBLIGATION BONDS TO REFUND OUTSTANDING OBLIGATIONS OF THE
DISTRICT TO THE ALAMEDA COUNTY EMPLOYEES' RETIREMENT
ASSOCIATION (ACERA), AND DIRECTING THE EXECUTION AND DELIVERY OF
DOCUMENTS AND ACTIONS RELATED THERETO**

WHEREAS, the Livermore Area Recreation and Park District (the "District") is a member of the Alameda County Employees' Retirement Association ("ACERA"), and as such the District is obligated by the County Employees Retirement Law of 1937, being Article 1 of Chapter 3 of Part 3 of Division 4 of Title 3 of the Government Code (section 31450 et seq.), implementing regulations of Alameda County for ACERA, being Chapter 3.68 of the Alameda County Administrative Code (section 3.68.010 et seq.), and related resolutions and actions (collectively, the "Retirement Law"), to make payments to ACERA relating to pension benefits accruing to current and former District employees (the "ACERA Obligations"); and

WHEREAS, the District currently has an unfunded actuarial accrued liability in respect of the ACERA Obligations; and

WHEREAS, the District is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "Bond Law"), to issue its bonds for the purpose of refunding certain outstanding obligations of the District, including the ACERA Obligations; and

WHEREAS, in order to realize interest savings, cash flow flexibility and/or a more prudent amortization of its unfunded actuarial accrued liability in respect of the ACERA Obligations, the

District proposes at this time to authorize the issuance and sale of its bonds under the Bond Law to refund all or a portion of the ACERA Obligations; and

WHEREAS, the information required to be obtained and disclosed with respect to the bonds by the of Directors of the District (the “Board”) in accordance with Government Code Section 5852.1 is set forth in the staff report accompanying this Resolution; and

WHEREAS, the Board wishes at this time to authorize the issuance and sale of the bonds and direct the execution and delivery of documents and actions related thereto.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. Authorization of Bonds. The Board hereby authorizes the issuance of its “2021 Taxable Pension Obligation Bonds” (the “Refunding Bonds”), under the Bond Law for the purpose of refunding all or a portion of the ACERA Obligations. The aggregate principal amount of the Refunding Bonds shall not exceed the aggregate amount of the unfunded accrued actuarial liability represented by the ACERA Obligations, as reported to the District by ACERA and determined by the Chair of the Board, the General Manager, or a designee of either (each, an “Authorized Officer”), plus an amount required to pay all costs of issuing the Refunding Bonds, which total amount is currently estimated not to exceed \$14,000,000.

Section 2. Approval of Indenture. The Refunding Bonds shall be issued under, and according to the terms of, an Indenture of Trust (the “Indenture”) between the District and U.S. Bank National Association, as trustee (the “Trustee”). The District hereby approves the Indenture prescribing the terms and provisions of the Refunding Bonds and the application of the proceeds of the Refunding Bonds. Each Authorized Officer is hereby authorized and directed to execute and deliver, and the Clerk is hereby authorized and directed to attest to, the Indenture for and in the name and on behalf of the District, in substantially the form on file with the Board, with such

changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture. The Indenture, as executed and delivered, shall contain provisions regarding the forms, denominations, redemption terms and other provisions of the Refunding Bonds which will be known following the pricing of the Refunding Bonds. The District hereby authorizes the delivery and performance of the Indenture, as executed and delivered.

Section 3. Approval of Official Statement. The Board hereby approves the preliminary Official Statement in substantially the form on file with the Board. Distribution of the preliminary Official Statement by the District and Oppenheimer & Co. Inc., as underwriter (the “Underwriter”), is hereby approved, and, prior to the distribution of the preliminary Official Statement, each Authorized Officer is hereby authorized and directed, on behalf of the District, to deem the preliminary Official Statement “final” pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officer executing the same, and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Refunding Bonds, and each Authorized Officer, acting alone, is authorized and directed to execute and deliver the final Official Statement for and on behalf of the District, to deliver to the Underwriter a certificate with respect to the information set forth therein and to deliver to the Underwriter a continuing disclosure undertaking with respect to the Refunding Bonds, as required by the Rule, substantially in the form appended to the final Official Statement.

Section 4. Approval of Bond Purchase Agreement. The Board hereby approves the Bond Purchase Agreement prescribing the provisions for sale of the Refunding Bonds by the

District to the Underwriter. Each Authorized Officer is hereby authorized and directed to execute and deliver, for and in the name and on behalf of the District, in substantially the form on file with the Board, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement. The Board hereby authorizes the delivery and performance of the Bond Purchase Agreement by the District, as executed and delivered.

Section 5. Professional Services. The Board hereby ratifies the appointment of PFM Financial Advisors LLC, as registered municipal advisor to the District with respect to the Refunding Bonds, Jones Hall, A Professional Law Corporation, as bond counsel and disclosure counsel to the District with respect to the Refunding Bonds, and U.S. Bank National Association as initial trustee under the Indenture for the Refunding Bonds. Documentation related to the appointment of the foregoing professional services firms may be executed and delivered by an Authorized Officer, as determined to be necessary or appropriate.

Section 6. Official Actions. The Authorized Officers and any and all other officers of the District are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in connection with the issuance, sale and delivery of the Refunding Bonds, including obtaining, negotiating and signing commitments for a bond insurance policy and/or reserve fund insurance policy from a municipal bond insurance company for the Refunding Bonds and the hiring of a dissemination agent by the District for the Refunding Bonds. Whenever in this resolution any officer of the District is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any

person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 7. Effective Date. This Resolution shall take effect immediately upon the approval and adoption thereof by the Board.

ON MOTION of Director _____, seconded by Director _____, the foregoing resolution was passed and adopted this _____ day of _____, 2021, by the following roll call vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

Approved this ___ day of _____, 2021,

Philip Pierpont
Chair, Board of Directors

ATTEST:

Mathew L. Fuzie
General Manager and ex-officio Clerk
to the Board of Directors

INDENTURE OF TRUST

Dated as of June 1, 2021

between the

LIVERMORE AREA RECREATION AND PARK DISTRICT

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Relating to

\$ _____
Livermore Area Recreation and Park District
2021 Taxable Pension Obligation Bonds

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[APPENDIX C – BOND INSURANCE PROVISIONS]

[APPENDIX D – RESERVE FUND INSURANCE PROVISIONS]

INDENTURE OF TRUST

This INDENTURE OF TRUST (this “Indenture”) dated as of June 1, 2021, is between the LIVERMORE AREA RECREATION AND PARK DISTRICT, a recreation and park district duly organized and existing under the laws of the State of California (the “District”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the “Trustee”).

B A C K G R O U N D :

1. The District is a member of the Alameda County Employees’ Retirement Association (“ACERA”), and as such the District is obligated by the County Employees Retirement Law of 1937, being Article 1 of Chapter 3 of Part 3 of Division 4 of Title 3 of the Government Code (section 31450 et seq.), implementing regulations of Alameda County for ACERA, being Chapter 3.68 of the Alameda County Administrative Code (section 3.68.010 et seq.), and related resolutions and actions (collectively, the “Retirement Law”), to make payments to ACERA relating to pension benefits accruing to current and former District employees (the “ACERA Obligations”).

2. The District currently has an unfunded actuarial accrued liability in respect of the ACERA Obligations.

3. The District is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the “Bond Law”), to issue its bonds for the purpose of refunding certain outstanding indebtedness of the District, including the ACERA Obligations.

4. In order to refund the ACERA Obligations and thereby realize substantial cash flow savings and accomplish a more prudent amortization of its unfunded actuarial accrued liability in respect of the ACERA Obligations, the District has determined to issue its \$_____ aggregate principal amount of Livermore Area Recreation and Park District 2021 Taxable Pension Obligation Bonds (the “Bonds”) under the Bond Law and this Indenture, and under a Resolution adopted by the Board of the District on June __, 2021.

5. The District has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the District, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited obligations of the District, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken.

A G R E E M E N T :

In order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Outstanding Bonds under this Indenture according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the District and the Trustee hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

SECTION 1.01. *Definitions.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms defined in Appendix A attached to this Indenture have the respective meanings specified in Appendix A when used in this Indenture.

SECTION 1.02. *Authorization.* Each of the parties represents and warrants that it has full legal authority and is duly empowered to enter into this Indenture, and has taken all actions necessary to authorize the execution hereof by the officers and persons signing it.

SECTION 1.03. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

AUTHORIZATION AND TERMS OF BONDS

SECTION 2.01. *Authorization and Purpose of Bonds.* The District has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the District is now duly empowered, under each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture.

The District hereby authorizes the issuance of the Bonds in the aggregate principal amount of \$_____ under the Authorizing Resolution and the Bond Law for the purposes of providing funds to refinance the ACERA Obligations as provided herein. The Bonds are designated the "Livermore Area Recreation and Park District 2021 Taxable Pension Obligation Bonds".

SECTION 2.02. *Terms of the Bonds.* The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. The Bonds shall be dated as of the Closing Date and mature on June 1 in the years and in the respective principal amounts and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the respective rates per annum, as set forth in the following table:

Maturity Date <u>(June 1)</u>	Principal <u>Amount</u>	Interest <u>Rate</u>
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Interest on the Bonds is payable from the Interest Payment Date immediately preceding the date of authentication thereof unless:

- (a) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date,
- (b) a Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or
- (c) interest on a Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

Interest is payable on each Interest Payment Date to the persons in whose names the ownership of the Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on a Bond which is not punctually paid or duly provided for on any Interest Payment Date is payable to the person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice of which is given to such Owner by first-class mail not less than ten days prior to such special record date.

The Trustee will pay interest on the Bonds by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. At the written request of the Owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee as of any Record Date, the Trustee will pay interest on such Bonds on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request, which written request will remain in effect until rescinded in writing by the Owner. The Trustee will pay principal of the Bonds in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof at the Office of the Trustee.

SECTION 2.03. *Redemption of Bonds.*

(a) Optional Redemption. The Bonds maturing on or before June 1, ____, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after June 1, ____, are subject to redemption in whole, or in part among maturities on such basis as set forth in a Request of the District, and within a maturity on a pro rata basis among the Beneficial Owners of the Bonds of such maturity, at the option of the District, on any date on or after June 1, ____, from any available source of funds, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

The District shall give the Trustee written notice of its intention to redeem Bonds under this subsection (a), and the manner of selecting such Bonds for redemption from among the maturities thereof and the amount of the redemption premium thereon, at least 30 days prior to the date fixed for redemption.

(b) Mandatory Sinking Fund Redemption. The Term Bonds are subject to mandatory redemption, within a maturity on a pro rata basis among the Beneficial Owners of the Term Bonds of such maturity, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on June 1 in the respective years as set forth in the following tables. If some but not all of the Term Bonds have been redeemed under subsection (a) of this Section, the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the District to the Trustee).

**Term Bonds Maturing
June 1, ____**

Sinking Fund Redemption Date <u>(June 1)</u>	Principal Amount <u>To Be Redeemed</u>
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**Term Bonds Maturing
June 1, ____**

Sinking Fund Redemption Date <u>(June 1)</u>	Principal Amount <u>To Be Redeemed</u>
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(c) Notice of Redemption. The Trustee on behalf and at the expense of the District will mail (by first class mail) notice of any redemption to the respective Owners of Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Securities Depositories and the Municipal Securities Rulemaking Board, at least 20 but not more than 60 days prior to the date fixed for redemption; *provided, however*, that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice must state the date of the notice, the redemption date, the redemption place and the redemption price and must designate the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and must require that such Bonds be then surrendered at the Office of the Trustee identified in such notice for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

(d) Right to Rescind Notice of Optional Redemption. The District may send a conditional notice of an optional redemption of Bonds under subsection (a) of this Section. The District may rescind any notice of the optional redemption of Bonds under subsection (a) of this Section by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption will 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, and such cancellation will not constitute an Event of Default. The District and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee will mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under subsection (c) of this Section.

(e) Manner of Redemption. Whenever provision is made in this Section 2.03 for the redemption of less than all of the Bonds of a maturity, the Trustee shall select the

Bonds of such maturity to be redeemed on a pro rata basis among the Beneficial Owners of the Bonds of such maturity. For purpose of such selection, all Bonds will be deemed to be comprised of separate \$5,000 denominations and such separate denominations will be treated as separate Bonds which may be separately redeemed.

So long as the Bonds are registered in book-entry-only form and so long as the Depository or a successor securities depository is the sole registered Owner of the Bonds, partial redemptions will be done in accordance with procedures of the Depository. It is the District's intent that redemption allocations made by the Depository be made in accordance with the proportional provisions described herein. However, neither the District nor the Trustee has a duty to assure, and can provide no assurance, that DTC will allocate redemptions among Beneficial Owners on such a proportional basis, and neither the District nor the Trustee shall have any liability whatsoever to Beneficial Owners in the event redemptions are not done on a proportionate basis for any reason. The portion of any registered Bonds of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or any integral multiple thereof.

(f) Partial Redemption of Bonds. If only a portion of a Bond is called for redemption, then upon surrender of such Bond the District will execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the District, a new Bond or Bonds of the same series and maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

(g) Effect of Redemption. From and after the date fixed for redemption, if notice of redemption has been duly mailed and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice. Unless otherwise directed in writing by the District, the Trustee shall cancel and destroy all Bonds redeemed under this Section 2.03.

SECTION 2.04. *Book Entry System.*

(a) Original Delivery. The Bonds will be initially delivered in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the Trustee shall register the ownership of each Bond on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds will be registered in the name of the Nominee on the Registration Books.

With respect to Bonds the ownership of which is registered in the name of the Nominee, the District and the Trustee has no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Nominee holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, the District and the Trustee has no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed if the

District elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The District and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal of and premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and the interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments will be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a Bond evidencing the obligation of the District to make payments of principal, interest and premium, if any, under this Indenture. Upon delivery by the Depository to the District of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee will become the Nominee hereunder for all purposes; and upon receipt of such a notice the District will promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the District will execute and deliver to such Depository a letter representing such matters as necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the District or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bond Owners. Upon the written acceptance by the Trustee, the Trustee shall agree to take all action reasonably necessary for all representations of the Trustee in such letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of such letter, the District may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. If either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the District determines to terminate the Depository as such, then the District will thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the District and the Trustee in the issuance of replacement Bonds by providing the Trustee 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, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the District fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

If the District determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the District may notify the Depository System Participants of the availability of such certificated Bonds through the

Depository. In such event, the Trustee will issue, transfer and exchange Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the District will cooperate with the Depository in taking appropriate action (a) to make available one or more separate certificates evidencing the Bonds to any Depository System Participant having Bonds credited to its account with the Depository, or (b) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Bonds, all at the District's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as a Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on that Bond and all notices with respect to that Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

SECTION 2.05. *Form and Execution of Bonds*. The Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, are set forth in Appendix B attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The District Manager shall execute, and the District Clerk of the District shall attest each Bond. Any or all of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on a Bond ceases to be such officer before the Closing Date, such signature will nevertheless be as effective as if the officer had remained in office until the Closing Date. A Bond may be signed and attested on behalf of the District by such persons as at the actual date of the execution of that Bond are the proper officers of the District, duly authorized to execute debt instruments on behalf of the District, although on the date of that Bond any such person was not an officer of the District.

Only those Bonds bearing a certificate of authentication in the form set forth in Appendix B, manually executed and dated by the Trustee, are valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee is conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.06. *Transfer and Exchange of Bonds*.

(a) Transfer. A Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of that Bond to the Trustee at its Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any Bonds under this Section 2.06. Whenever any Bond or Bonds are surrendered for transfer, the District will execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of like series, interest rate, maturity and aggregate principal amount. The District will pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of Bonds.

(b) Exchange. The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of Bonds under this subsection (b). The District will pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of Bonds.

(c) Limitations. The Trustee may refuse to transfer or exchange, under the provisions of this Section 2.06, any Bonds selected by the Trustee for redemption under Section 2.03, or any Bonds during the period established by the Trustee for the selection of Bonds for redemption.

SECTION 2.07. *Registration Books*. The Trustee will keep or cause to be kept, at its Office, sufficient records for the registration and registration of transfer of the Bonds, which shall at all times during normal business hours, and upon reasonable notice, be open to inspection by the District. The Trustee will register the ownership and transfer of the Bonds on the Registration Books under such reasonable regulations as it may prescribe.

SECTION 2.08. *Bonds Mutilated, Lost, Destroyed or Stolen*. If a Bond is mutilated, the District, at the expense of the Owner of that Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, upon surrender to the Trustee of the Bond so mutilated. The Trustee shall cancel every mutilated Bond surrendered to it and deliver such mutilated Bond to or upon the order of the District. If a Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and if indemnity satisfactory to the Trustee is given, the District, at the expense of the Owner, will execute, and the Trustee will thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Trustee in connection therewith. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and are equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued under this Indenture.

Notwithstanding any other provision of this Section 2.08, in lieu of delivering a new Bond for which principal has become due for a Bond which has been mutilated, lost, destroyed or stolen, the Trustee may make payment of such Bond in accordance with its terms upon receipt of indemnity satisfactory to the Trustee.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF BONDS

SECTION 3.01. *Issuance of Bonds.* Upon the execution and delivery of this Indenture, the District shall execute and deliver Bonds in the aggregate principal amount of \$_____ to the Trustee and the Trustee shall authenticate and deliver the Bonds to the Original Purchaser upon receipt of a Request of the District therefor.

SECTION 3.02. *Deposit and Application of Proceeds.* Upon receipt of the proceeds of the Bonds on the Closing Date, the Trustee shall deposit the proceeds into a special fund to be held by the Trustee and known as the Bond Proceeds Account which the Trustee shall establish and hold in trust hereunder, to be applied as follows:

- (a) The Trustee shall deposit the amount of \$_____ in the Costs of Issuance Fund.
- (b) The Trustee shall apply the amount of \$_____, constituting the remainder of the proceeds of sale of the Bonds, to prepay the portion of the ACERA Obligations evidenced in a pay-off letter received by the District from ACERA by effecting a wire transfer of such proceeds to ACERA, in accordance with a Request of the District.

After making the foregoing transfers, the Trustee shall close the Bond Proceeds Account.

SECTION 3.03. *Costs of Issuance Fund.* There is hereby established a separate fund to be known as the "Costs of Issuance Fund," to be held by the Trustee. The Trustee shall disburse moneys in the Costs of Issuance Fund from time to time to pay Costs of Issuance upon submission of a Request of the District stating (a) the person to whom payment is to be made, (b) the amounts to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior Request of the District; in each case together with a statement or invoice for each amount requested thereunder. On November 1, 2021, the Trustee shall transfer any amounts remaining in the Costs of Issuance Fund to the Debt Service Fund.

SECTION 3.04. *Validity of Bonds.* The validity of the authorization and issuance of the Bonds is not dependent upon the expenditure of the proceeds thereof to pay ACERA Obligations, or upon the performance by any person of its obligation with respect to the ACERA Obligations.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS; INVESTMENTS

SECTION 4.01. *Security of Bonds; Equal Security.* The obligations of the District under the Bonds, including the obligation to make all payments of principal of and interest on the Bonds when due and the obligation of the District to make the deposits required hereunder for the security of the Bonds, are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. Principal, interest, and redemption premiums (if any) on the Bonds shall be secured by a lien on, and security interest in, the funds and accounts provided for in this Article IV.

The District agrees to pay from any legally available source of revenues of the District, all amounts due and owing with respect to Bonds issued under this Indenture, including principal and interest thereon and the redemption price thereof.

The Bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation. Neither the Bonds nor the obligations of the District to make payments on the Bonds constitute an indebtedness of the District, the State of California, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

In consideration of the acceptance of the Bonds by those who hold the same from time to time, this Indenture constitutes a contract between the District and the Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the District are for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

SECTION 4.02. *Debt Service Fund; Transfer of Amounts to Trustee.* There is hereby established a separate fund to be known as the "Debt Service Fund" which shall be held by the Trustee in trust for the benefit of the Bond Owners. The Trustee will hold the Debt Service Fund for the uses and purposes set forth herein, so long as any of the Bonds remain Outstanding. The District will transfer an amount of legally available funds to the Trustee in the following amounts at the following times, for deposit by the Trustee in the following respective special accounts within the Debt Service Fund, which accounts are hereby established with the Trustee with respect to the Bonds, in the following order of priority:

- (a) Interest Account. On or before the 5th Business Day preceding each date on which interest on the Bonds is due and payable, the District will transfer to the Trustee for deposit in the Interest Account an amount which, when added to the amount then on deposit in the Interest Account, equals the aggregate amount of the interest coming due and payable on the Outstanding Bonds on that date. The Trustee will apply amounts in the Interest Account solely for the purpose of paying the interest on the Bonds when due and payable.

- (b) Principal Account. On or before the 5th Business Day preceding each date on which principal of the Bonds is due and payable at maturity or upon mandatory sinking fund redemption, the District will transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, equals the amount of principal coming due and payable on that date on the Outstanding Bonds, including the principal amount of the Term Bonds which are subject to mandatory sinking fund redemption on that date under Section 2.03(b). The Trustee will apply amounts in the Principal Account solely for the purpose of paying the principal of the Bonds at the maturity thereof and the principal of the Term Bonds upon the mandatory sinking fund redemption thereof.

SECTION 4.03. *Investment of Moneys in Funds*. The Trustee shall invest moneys in the funds and accounts established and held by it hereunder in Permitted Investments specified in the Request of the District (which Request will be deemed to include a certification that the specified investment is a Permitted Investment) delivered to the Trustee at least two Business Days in advance of the making of such investments. In the absence of any direction from the District concerning the investment of amounts held by the Trustee hereunder, the Trustee shall invest any such amounts solely in Permitted Investments described in subsection (c) of the definition thereof. The District shall ensure that all Permitted Investments mature not later than the date on which the funds invested therein are required to be expended.

Obligations purchased as an investment of moneys in any fund or account will be deemed to be part of such fund or account. Whenever in this Indenture the District is required to transfer any moneys to the Trustee, such transfer may be accomplished by transferring a like amount of Permitted Investments. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder will be retained in the respective fund or account from which such investment was made. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder upon receipt by the Trustee of the Request of the District. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made under this Section.

The Trustee shall provide the District with periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the District. Upon the District's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The District waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The District further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder.

ARTICLE V

OTHER COVENANTS OF THE DISTRICT

SECTION 5.01. *Punctual Payment.* The District shall, from any legally available source of funds of the District, punctually pay or cause to be paid the principal, premium (if any) and interest to become due in respect of all the Bonds in strict conformity with the terms of this Indenture. The District shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures.

SECTION 5.02. *Budget and Appropriation of Debt Service; Certification to Trustee.* The District covenants to take such action as may be necessary to include in each of its annual budgets the payments required to be made by the District under Section 4.02, and to make the necessary annual appropriations for all such payments. If any payment of Debt Service requires the adoption by the District of a supplemental budget or appropriation, the District will promptly adopt the same. The covenants on the part of the District herein contained constitute duties imposed by law and it is the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Indenture agreed to be carried out and performed by the District.

SECTION 5.03. *Extension of Payment of Bonds.* The District may not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and if the maturity of any of the Bonds or the time of payment of any such claims for interest is extended, such Bonds or claims for interest are not entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Outstanding Bonds and of all claims for interest thereon which have not been so extended. Nothing in this Section limits the right of the District to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance does not constitute an extension of maturity of the Bonds.

SECTION 5.04. *Books and Accounts; Financial Statements; Additional Information.* The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District. Such books of record and accounts shall at all times during business hours be subject, upon prior written request, to the reasonable inspection of the Trustee (who has no duty to inspect) or the Owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

The District will cause to be prepared annually, within nine months after the close of each Fiscal Year so long as any of the Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year, as of the end of such Fiscal Year. The District will furnish a copy of such statements, upon reasonable request, to the Trustee. The Trustee has no duty to review any such financial statement.

SECTION 5.05. *Continuing Disclosure.* The District will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision hereof, failure of the District to comply with the Continuing Disclosure Certificate does not constitute an Event of Default hereunder; *provided, however,* that any Participating Underwriter (as such term is defined in the Continuing Disclosure Certificate) or any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the District to comply with its obligations under this Section 5.05.

SECTION 5.06. *Protection of Security and Rights of Owners.* The District shall preserve and protect the security of the Bonds and the rights of the Owners. From and after the date of issuance of the Bonds, the District shall not contest the validity or enforceability of the Bonds or this Indenture.

SECTION 5.07. *Further Assurances.* The District shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Bond Owners the rights and benefits provided in this Indenture.

ARTICLE VI

THE TRUSTEE

SECTION 6.01. *Duties, Immunities and Liabilities of Trustee.*

(a) The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiving of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or duties will be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a reasonable corporate trustee would exercise or use.

(b) The District may remove the Trustee at any time, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time (A) the Trustee ceases to be eligible in accordance with subsection (e) of this Section 6.01, (B) becomes incapable of acting, (C) is adjudged a bankrupt or insolvent, (D) a receiver of the Trustee or its property is appointed, or (E) any public officer takes control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. The District may accomplish such removal by giving 30 days written notice to the Trustee, whereupon the District will appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the District, and by giving notice of such resignation by first class mail,

postage prepaid, to the Bond Owners at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the District will promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee becomes effective upon acceptance of appointment by the successor Trustee. If no successor Trustee has been appointed and accepted appointment within 45 days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee, at the expense of the District, or any Owner (on behalf of such Owner and all other Owners) may petition any federal or state court for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the District and to its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder, and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless, upon the receipt by the predecessor Trustee of the Request of the District or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the District will execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the District will mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then maintains a rating on the Bonds and to the Owners at the addresses shown on the Registration Books. If the District fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the District.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall (i) be a company or bank having trust powers, (ii) have a corporate trust office in the State of California, (iii) have (or be part of a bank holding company system whose bank holding company has) a combined capital and surplus of at least \$50,000,000, and (iv) be subject to supervision or examination by federal or state authority.

If such bank or company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or company is deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible

in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in subsection (c) of this Section.

SECTION 6.02. *Merger or Consolidation.* Any bank or company into which the Trustee may be merged or converted or with which either of them may be consolidated or any bank or company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or company shall be eligible under subsection (e) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

SECTION 6.03. *Liability of Trustee.*

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the District, and the Trustee assumes no responsibility for the correctness of the same, nor does it have any liability whatsoever therefor, nor does it make any representations as to the validity or sufficiency of this Indenture or of the Bonds nor does it incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee is, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee is not liable for the acts of any agents of the Trustee selected by it with due care. The Trustee may become the Owner of Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding. The Trustee, either as principal or agent, may engage in or be entrusted in any financial or other transaction with the District.

(b) The Trustee is not liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(c) The Trustee is not liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(d) The Trustee will not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer of the Trustee has actual knowledge thereof, or unless and until a responsible officer of the Trustee has received written notice thereof at its Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default hereunder or thereunder. The Trustee shall not be responsible for the District's payment of principal

and interest on the Bonds, the District's observance or performance of any other covenants, conditions or terms contained herein, or the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, the Trustee is not responsible for reviewing the contents of any financial statements furnished to the Trustee under Section 5.05 and may rely conclusively on the Certificate of the District accompanying such financial statements to establish the District's compliance with its financial covenants hereunder.

(e) No provision in this Indenture requires the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder. The Trustee is entitled to receive interest on any moneys advanced by it hereunder, at the maximum rate permitted by law.

(f) The Trustee may establish additional accounts or subaccounts of the funds established hereunder as the Trustee deems necessary or prudent in furtherance of its duties under this Indenture.

(g) The Trustee has no responsibility or liability whatsoever with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, nor shall the Trustee have any obligation to review any such material, and any such review by the Trustee will not be deemed to create any obligation, duty or liability on the part of the Trustee.

(h) Before taking any action under Article VIII hereof the Trustee may require indemnity satisfactory to the Trustee be furnished to it to hold the Trustee harmless from any expenses whatsoever and to protect it against any liability it may incur hereunder.

(i) The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

(j) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(k) The Trustee may execute any of the trusts or powers hereof and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

(l) The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to any project refinanced with the proceeds of the Bonds, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

SECTION 6.04. *Right to Rely on Documents.* The Trustee is protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, including, without limitation, Bond Counsel or other counsel of or to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee is not bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and such person's title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the District, which shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Trustee may (but has no duty to), in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable. The Trustee may conclusively rely on any certificate or report of any Independent Accountant appointed by the District.

SECTION 6.05. *Preservation and Inspection of Documents.* The Trustee shall retain in its possession all documents received by it under the provisions of this Indenture, which are subject during normal business hours, and upon reasonable prior written notice, to the inspection of the District and any Owner, and their agents and representatives duly authorized in writing.

SECTION 6.06. *Compensation and Indemnification.* Absent any agreement to the contrary, the District shall pay to the Trustee from time to time compensation for all services rendered under this Indenture and also all expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including any allocated costs of internal counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture.

The District further covenants to indemnify the Trustee and its officers, directors, agents and employees, against any loss, expense and liabilities, whether or not litigated, which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability and of enforcing any remedies hereunder and under any related documents, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the District under this Section 6.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

SECTION 6.07. *Accounting Records and Financial Statements.* The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with industry standards, in which complete and accurate entries shall be made

of all transactions made by it relating to the proceeds of the Bonds and all funds and accounts established and held by the Trustee under this Indenture. Such books of record and account shall be available for inspection by the District at reasonable hours, during regular business hours, with reasonable prior notice and under reasonable circumstances. The Trustee shall furnish to the District, at least semiannually, an accounting (which may be in the form of its customary statements) of all transactions relating to the proceeds of the Bonds and all funds and accounts held by the Trustee under this Indenture.

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

SECTION 7.01. *Amendments Permitted.*

(a) Amendment With Bond Owner Consent. This Indenture and the rights and obligations of the District and of the Owners of the Bonds may be modified or amended by the District and the Trustee upon Request of the District at any time by the execution of a Supplemental Indenture, with the written consents of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.05. Any such Supplemental Indenture becomes effective upon the execution and delivery thereof by the parties thereto and upon consent of the requisite Bond Owners. No such modification or amendment may:

- (i) extend the maturity of a Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the District to pay the principal thereof, or interest thereon, or any premium payable on the redemption thereof, at the time and place and at the rate and in the currency provided therein, without the written consent of the Owner of that Bond; or
- (ii) modify any of the rights or obligations of the Trustee without its written consent.

(b) Amendment Without Bond Owner Consent. This Indenture and the rights and obligations of the District and of the Owners of the Bonds may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners of the Bonds, for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the District contained in this Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the District;
- (ii) to provide additional security for the Bonds; or
- (iii) to cure any ambiguity, or to cure, correct or supplement any defective provision contained in this Indenture, or in any other respect whatsoever as the District deems necessary or desirable, provided under any circumstances that such modifications or amendments do

not materially adversely affect the interests of the Owners in the opinion of Bond Counsel filed with the District and the Trustee.

SECTION 7.02. *Effect of Supplemental Indenture.* From and after the time any Supplemental Indenture becomes effective under this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 7.03. *Endorsement or Replacement of Bonds After Amendment.* After the effective date of any amendment or modification hereof under this Article VII, the District may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the District, as to such amendment or modification and in that case upon demand of the District the Owners of such Bonds shall present such Bonds for that purpose at the Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the District may determine that new Bonds shall be prepared and executed in exchange for any or all of the Bonds and in that case upon demand of the District the Owners of the Bonds shall present such Bonds for exchange at the Office of the Trustee without cost to such Owners.

SECTION 7.04. *Amendment by Mutual Consent.* The provisions of this Article VII do not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner.

SECTION 7.05. *Trustee's Reliance.* The Trustee may conclusively rely, and is protected in relying, upon a Certificate of the District and an opinion of counsel stating that all requirements of this Indenture relating to the amendment or modification hereof have been satisfied and that such amendments or modifications do not materially adversely affect the interests of the Bond Owners.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.01. *Events of Default.* Each of the following events constitutes an Event of Default hereunder:

- (a) Failure to pay any installment of the principal of any Bonds when due, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.
- (b) Failure to pay any installment of interest on the Bonds when due.
- (c) Failure by the District to observe and perform any of the other covenants, agreements or conditions on its part contained in this Indenture or in the Bonds, if such failure has continued for a period of

30 days after written notice thereof, specifying such failure and requiring the same to be remedied, has been given to the District by the Trustee er; *provided, however*, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 30-day period, such failure will not constitute an Event of Default if corrective action is instituted by the District and thereafter diligently and in good faith cures the failure in a reasonable period of time.

- (d) The District commences a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

SECTION 8.02. *Remedies on Default.* If an Event of Default occurs under Section 8.01 and is continuing, the Trustee may, and at the written direction of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee must, (a) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same will become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and (b) subject to the provisions of Sections 8.07 and 8.09, exercise any other remedies available to the Trustee and the Bond Owners in law or at equity to enforce the rights of the Bond Owners under this Indenture. Without limiting the generality of the foregoing, the Trustee shall have the right by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Indenture and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it.

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds has been so declared due and payable, and before any judgment or decree for the payment of the moneys due has been obtained or entered, the District deposits with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest at an interest rate equal to the highest rate borne by the Outstanding Bonds, and the reasonable fees and expenses of the Trustee, including fees and expenses of its attorneys, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) has been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate has been made therefor, then, and in every such case, the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the District and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

SECTION 8.03. *Notice of Event of Default.* Immediately upon becoming aware of the occurrence of an Event of Default, but in no event later than five Business Days following becoming aware of such occurrence, the Trustee shall give notice of such Event of Default to the District by telephone confirmed in writing. Such notice must also state whether the principal of the Bonds has been declared to be or have immediately become due and payable as provided in Section 8.02(a). With respect to any Event of Default described in Section 8.01(a) or (b), the Trustee shall, and with respect to any Event of

Default described in Section 8.01(c) the Trustee in its sole discretion may, also give such notice to the Bond Owners in the same manner as provided herein for notices of redemption of the Bonds, which must include the statement that interest on the Bonds will cease to accrue from and after the date, if any, on which the Trustee declares the Bonds to become due and payable under Section 8.02 (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

SECTION 8.04. *Application of Funds Upon Event of Default.* All of the sums in the funds and accounts established and held by the Trustee hereunder upon the occurrence of an Event of Default, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee as follows and in the following order:

- (a) *First*, to the payment of any fees, costs and expenses incurred by the Trustee to protect the interests of the Owners of the Bonds; payment of the fees, costs and expenses of the Trustee (including fees and expenses of its counsel, including any allocated costs of internal counsel) incurred in and about the performance of its powers and duties under this Indenture and the payment of all fees, costs and expenses owing to the Trustee under Section 6.06, together with interest on all such amounts advanced by the Trustee at the maximum rate permitted by law.
- (b) *Second*, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on such overdue amounts at the respective rates of interest borne by those Bonds, and in case such moneys are insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue amounts without preference or priority among such interest, principal and interest on overdue amounts ratably to the aggregate of such interest, principal and interest on overdue amounts.

SECTION 8.05. *Power of Trustee to Control Proceedings.* If the Trustee, upon the happening of an Event of Default, takes any action, by judicial proceedings or otherwise, in the performance of its duties hereunder, whether upon its own discretion, with the consent or upon the request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, it has full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action. The Trustee may not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

SECTION 8.06. *Limitation on Owners' Right to Sue.* No Owner of a Bond has the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless:

- (a) said Owner has previously given to the Trustee written notice of the occurrence of an Event of Default;

- (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding have requested the Trustee in writing to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name;
- (c) said Owners have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and
- (d) the Trustee has failed to comply with such request for a period of 60 days after such written request has been received by, and said tender of indemnity has been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners has any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and premium, if any, and interest on such Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

SECTION 8.07. *Non-waiver.* Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, affects or impairs the obligation of the District, which is absolute and unconditional, to pay from any source of legally available funds of the District, the principal of and interest and redemption premium (if any) on the Bonds to the Bond Owners when due and payable as herein provided, or affects or impairs the right of action, which is also absolute and unconditional, of the Bond Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Owner does not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of the Bond Owner or any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by the Bond Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Bond Owners.

If a suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Bond Owners, the District and the Bond Owners will be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

SECTION 8.08. *Actions by Trustee as Attorney-in-Fact.* Any suit, action or proceeding which any Owner has the right to bring to enforce any right or remedy

hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, subject to the provisions of Article VI. Notwithstanding the foregoing provisions of this Section 8.08, the Trustee has no duty to enforce any such right or remedy unless it has been indemnified to its satisfaction for any additional fees, charges and expenses of the Trustee related thereto, including without limitation, fees and charges of its attorneys and advisors.

SECTION 8.09. *Remedies Not Exclusive.* No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Bond Law or any other law.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. *Benefits Limited to Parties.* Nothing in this Indenture, expressed or implied, gives any person other than the District, the Trustee and the Owners, any right, remedy, claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the District are for the sole and exclusive benefit of the Trustee and the Owners.

SECTION 9.02. *Successor is Deemed Included in All References to Predecessor.* Whenever in this Indenture or any Supplemental Indenture either the District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the District or the Trustee binds and inures to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 9.03. *Defeasance of Bonds.* If the District pays and discharges the entire indebtedness on any Bonds in any one or more of the following ways:

- (a) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;
- (b) by irrevocably depositing with the Trustee or an escrow bank, in trust, at or before maturity, an amount of cash which, together with the available amounts then on deposit in the funds and accounts established under this Indenture, in the opinion or report of an Independent Accountant is fully sufficient to pay such Bonds, including all principal, interest and redemption premium, if any;

- (c) by irrevocably depositing with the Trustee or an escrow bank, in trust, Federal Securities in such amount as an Independent Accountant determines will, together with the interest to accrue thereon and available moneys then on deposit in any of the funds and accounts established under this Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premium, if any) at or before maturity; or
- (d) by purchasing such Bonds prior to maturity and tendering such Bonds to the Trustee for cancellation;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been duly given or provision satisfactory to the Trustee has been made for the giving of such notice, then, at the election of the District, and notwithstanding that any such Bonds have not been surrendered for payment, all obligations of the Trustee and the District under this Indenture with respect to such Bonds shall cease and terminate, except only:

- (a) the obligation of the Trustee to transfer and exchange Bonds hereunder,
- (b) the obligation of the District to pay or cause to be paid to the Owners of such Bonds, from the amounts so deposited with the Trustee, all sums due thereon, and
- (c) the obligations of the District to compensate and indemnify the Trustee under Section 6.06.

The District must file notice of such election with the Trustee. The Trustee shall pay any funds thereafter held by it, which are not required for said purpose, to the District.

To accomplish defeasance, the District shall cause to be delivered (i) a report of an Independent Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement, (iii) an opinion of Bond Counsel to the effect that the Bonds are no longer Outstanding and (iv) a certificate of discharge of the Trustee with respect to the Bonds. Each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the District and the Trustee.

In the case of a defeasance or payment of all of the Bonds Outstanding in accordance with this Section 9.03, the Trustee shall pay all amounts held by it in any funds or accounts hereunder, which are not required for said purpose or for payment of amounts due the Trustee under Section 6.06, to the District.

SECTION 9.04. *Execution of Documents and Proof of Ownership by Owners.* Any request, consent, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, consent, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of Bonds and the amount, maturity, number and date of ownership thereof are conclusively proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Bond binds all future Owners of such Bond in respect of anything done or suffered to be done by the District or the Trustee in good faith and in accordance therewith.

SECTION 9.05. *Disqualified Bonds.* In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the District shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. The Trustee will not be deemed to have knowledge that any Bond is owned or held by the District unless the Trustee has received written notice to that effect.

SECTION 9.06. *Waiver of Personal Liability.* No member, officer, agent or employee of the District is individually or personally liable for the payment of the principal of or interest or any premium on the Bonds. However, nothing contained herein relieves any such member, officer, agent or employee from the performance of any official duty provided by law.

SECTION 9.07. *Destruction of Canceled Bonds.* Whenever in this Indenture provision is made for the surrender to the District of any Bonds which have been paid or canceled under the provisions of this Indenture, a certificate of destruction duly executed by the Trustee shall be deemed to be the equivalent of the surrender of such canceled Bonds and the District is entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to. The District will pay all costs of any microfilming of Bonds to be destroyed.

SECTION 9.08. *Notices.* All written notices under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice is effective either (a) upon actual receipt after deposit in the United States mail, postage prepaid, or (b) in any other case, upon actual receipt. The District or the Trustee may, by written notice to the other parties, from time to time modify the address to which communications are given hereunder.

If to the District:

Livermore Area Recreation and Park District
4444 East Avenue
Livermore, CA 94550
Attention: Administrative Services Manager

If to the Trustee:

U.S. Bank National Association
1 California Street, Suite 1000
San Francisco, California 94111
Attention: Corporate Trust Dept.

SECTION 9.09. *Partial Invalidity.* If any Section, paragraph, sentence, clause or phrase of this Indenture is for any reason held illegal, invalid or unenforceable, such holding will not affect the validity of the remaining portions of this Indenture. The District and the Trustee hereby declare that they would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable.

SECTION 9.10. *Unclaimed Moneys.* Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the District as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of the principal of and interest and redemption premium (if any) on such Bonds.

SECTION 9.11. *Execution in Counterparts.* This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.12. *Governing Law.* This Indenture shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the LIVERMORE AREA RECREATION AND PARK DISTRICT has caused this Indenture to be signed in its name by the Chair of the Board and attested to by the Clerk, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**LIVERMORE AREA RECREATION AND
PARK DISTRICT**

By _____
Chair, Board of Directors

Attest:

Clerk

**U.S. BANK NATIONAL ASSOCIATION, as
Trustee**

By _____
Authorized Officer

APPENDIX A

DEFINITIONS

“ACERA” means the Alameda County Employees’ Retirement Association.

“ACERA Obligations” means the obligation of the District under the Retirement Law to make payments to ACERA with respect to benefits accruing with respect to current and former employees of the District.

“Authorizing Resolution” means the Resolution adopted by the Board of the District on June ___, 2021, authorizing the issuance of the Bonds.

“Beneficial Owner” means the beneficial owner of each such Bond, determined under the rules of DTC.

“Board” means the Board of Directors of the District.

“Bond Counsel” means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the District of nationally-recognized experience in the issuance of obligations issued by public agencies.

“Bond Law” means the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code, as in effect on the Closing Date or as thereafter amended.

“Bond Year” means any twelve-month period beginning on June 2 in any year and extending to the next succeeding June 1, both dates inclusive; except that the first Bond Year begins on the Closing Date and ends on June 1, 2022.

“Bonds” means the Livermore Area Recreation and Park District 2021 Taxable Pension Obligation Bonds issued by the District in the aggregate principal amount of \$_____ under the Bond Law, the Authorizing Resolution and this Indenture.

“Business Day” means a day of the year (other than a Saturday or Sunday) on which banks in California are not required or permitted to be closed, and on which the New York Stock Exchange is open.

“Certificate of the District” means a certificate in writing signed by the Chair of the Board, General Manager, Administrative Services Manager, or any other officer of the District duly authorized by the District for that purpose.

“Closing Date” means June ___, 2021, the date on which the Bonds are delivered by the District to the Original Purchaser.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to: printing expenses; rating agency fees; filing and recording fees; initial fees, expenses and charges of the Trustee and its counsel, including the Trustee’s first annual administrative fee; fees, charges and disbursements of

attorneys, financial advisors, accounting firms, consultants and other professionals; bond insurance and/or reserve fund insurance premium(s); and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Debt Service Fund” means the fund by that name established and held by the Trustee under Section 4.02.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.04.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“District” means the Livermore Area Recreation and Park District, a recreation and park district organized and existing under the laws of the State of California.

“DTC” means The Depository Trust Company, and its successors and assigns.

“Event of Default” means any of the events described in Section 8.01.

“Federal Securities” means: (a) any direct general 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), for which the full faith and credit of the United States of America are pledged; (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

“Fiscal Year” means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the District as its official fiscal year period under a Certificate of the District filed with the Trustee.

“Indenture” means this Indenture of Trust between the District and the Trustee, as amended or supplemented from time to time under any Supplemental Indenture entered into under the provisions hereof.

“Independent Accountant” means any accountant or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State of California, appointed by or acceptable to the District, and who, or each of whom: (a) is in fact independent and not under domination of the District; (b) does not have any substantial interest, direct or indirect, with the District; and (c) is not connected with the District as an officer or employee of the District, but who may be regularly retained to make reports to the District.

“Interest Account” means the account by that name established and held by the Trustee under Section 4.02(a).

“Interest Payment Date” means December 1, 2021, and each June 1 and December 1 thereafter so long as any of the Bonds remain unpaid.

“Moody’s” means Moody’s Investor Services, and its successors.

“Nominee” means (a) initially, Cede & Co. as nominee of DTC, and (b) any other nominee of the Depository designated under Section 2.04(a).

“Office” means, with respect to the Trustee, the corporate trust office of the Trustee at the address set forth in Section 9.08, or at such other or additional offices as may be specified by the Trustee in writing to the District.

“Original Purchaser” means, collectively, the original purchaser of the Bonds upon the negotiated sale thereof.

“Outstanding”, when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.05) all Bonds except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and (c) Bonds in lieu of or in substitution for which other Bonds have been authorized, executed, issued and delivered by the District hereunder.

“Owner” means, with respect to any Bond, the person in whose name the ownership of such Bond is registered on the Registration Books.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

- (a) Federal Securities;
- (b) Federal Housing Administration debentures.
- (c) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
 - (i) Federal Home Loan Mortgage Corporation participation certificates (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts) or senior debt obligations;
 - (ii) Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;
 - (iii) Federal Home Loan Banks consolidated debt obligations; and
 - (iv) Federal National Mortgage Association senior debt obligations or mortgage-backed securities (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts);
- (d) Unsecured certificates of deposit, time deposits, and bankers’ acceptances (having maturities of not more than 30 days) of any bank, including the Trustee or its affiliates, the short-term obligations of which are rated “A-1” or better by S&P and “Prime-1” or better by Moody’s at the time of initial investment.

(e) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks, including the Trustee or its affiliates, which have capital and surplus of at least \$15 million.

(f) Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.

(g) Money market funds rated "AAm" or "AAm-G" by S&P, or better, including funds for which the Trustee or its affiliates or subsidiaries provide investment or other advisory services.

(h) "State Obligations", which means:

(i) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated;

(ii) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (i) above and rated "A-1+" by S&P and "Prime-1" by Moody's; and

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (i) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

(i) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(i) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(ii) the municipal obligations are secured by cash or Federal Securities described in clause (a) of the definition thereof ("United States Treasury Obligations") which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(iii) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

- (iv) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;
- (v) no substitution of a United States Treasury Obligations shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and
- (vi) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(j) Investment agreements with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA-" by S&P or "Aa3" by Moody's at the time of initial investment.

(k) The Local Agency Investment Fund which is administered by the California Treasurer for the investment of funds belonging to local agencies within the State of California.

"Principal Account" means the account by that name established and held by the Trustee under Section 4.02(b).

"Record Date" means, with respect to any Interest Payment Date, the close of business on the 15th calendar day of the month preceding such Interest Payment Date, whether or not such 15th calendar day is a Business Day.

"Registration Books" means the records maintained by the Trustee under Section 2.07 for the registration and transfer of ownership of the Bonds.

"Request of the District" means a request in writing signed by the Chair of the Board, General Manager, Administrative Services Manager, or any other officer of the District duly authorized by the District for that purpose.

"S&P" means S&P Global Ratings Inc., and its successors.

"Securities Depositories" means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Request of the District delivered by the District to the Trustee.

"Supplemental Indenture" means any indenture, agreement or other instrument which amends, supplements or modifies this Indenture and which has been duly entered into between the District and the Trustee; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Term Bonds" means the Bonds maturing on June 1 in each of the years ___ and ____.

“Trustee” means U.S. Bank National Association, as trustee hereunder, or any successor thereto appointed as Trustee hereunder in accordance with the provisions of Article VI.

APPENDIX B

FORM OF BOND

No. _____

\$_____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF ALAMEDA

**LIVERMORE AREA RECREATION AND PARK DISTRICT
2021 TAXABLE PENSION OBLIGATION BOND**

RATE OF INTEREST: _____% MATURITY DATE: June 1, 20____ ORIGINAL ISSUE DATE: June __, 2021 CUSIP: _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS

The LIVERMORE AREA RECREATION AND PARK DISTRICT, a recreation and park district duly organized and existing under the laws of the State of California (the "District"), for value received, hereby promises to pay to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above in like lawful money from the date hereof, which date shall be the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the first calendar day of the month in which such Interest Payment Date occurs (a "Record Date"), in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or before November 15, 2021, in which event it shall bear interest from the Original Issue Date identified above; *provided, however*, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually on June 1 and December 1 in each year, commencing December 1, 2021 (the "Interest Payment Dates") until payment of such Principal Amount in full.

The Principal Amount hereof is payable upon presentation hereof at the corporate office of U.S. Bank National Association, as trustee (the "Trustee"), in San Francisco, California, or such other place as designated by the Trustee. Interest hereon is payable by check of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of such Registered Owner as it appears on the registration books of the Trustee as of the preceding Record Date; provided that at the written request of the owner of at least \$1,000,000 aggregate principal amount of Bonds which written request is on file with the Trustee prior to the Record Date immediately

preceding any Interest Payment Date, interest on such Bonds shall be paid on such Interest Payment Date by wire transfer to such account within the United States of America as shall be specified in such written request.

This Bond is one of a duly authorized issue of bonds of the District designated as the "Livermore Area Recreation and Park District 2021 Taxable Pension Obligation Bonds" (the "Bonds") of an aggregate principal amount of \$_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities or interest rates) and all issued under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "Bond Law") and under an Indenture of Trust, dated as of June 1, 2021, between the District and the Trustee (the "Indenture"). The Bonds have been authorized to be issued by the District under a resolution adopted by the Board of the District on June __, 2021. Reference is hereby made to the Indenture (copies of which are on file at the office of the District) and all supplements thereto and to the Bond Law for a description of the terms on which the Bonds are issued, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the District thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the District to refinance obligations of the District owing to the Alameda County Employees' Retirement Association (ACERA). This Bond and the interest hereon and all other parity obligations and the interest thereon (to the extent set forth in the Indenture) are payable from any source of legally available funds of the District.

The rights and obligations of the District and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall permit a change in the terms of maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentages of the owners required to effect any such modification or amendment.

The Bonds maturing on or before June 1, _____, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after June 1, _____, are subject to redemption in whole, or in part among maturities on such basis as set forth in a Request of the District, and within a maturity on a pro rata basis among the Beneficial Owners of the Bonds of such maturity, at the option of the District, on any date on or after June 1, _____, from any available source of funds, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

The Bonds maturing on June 1, _____ and June 1, _____ (the "Term Bonds") are subject to mandatory redemption, within a maturity on a pro rata basis among the Beneficial Owners of the Term Bonds of such maturity, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on June 1 in the respective years as set forth in the following tables. If some but not all of the Term Bonds have been redeemed pursuant to optional redemption described in the preceding paragraph, the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of the Term

Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the District to the Trustee).

**Term Bonds Maturing
June 1, ____**

Sinking Fund Redemption Date (<u>June 1</u>)	Principal Amount <u>To Be Redeemed</u>
--	---

**Term Bonds Maturing
June 1, 20__**

Sinking Fund Redemption Date (<u>June 1</u>)	Principal Amount <u>To Be Redeemed</u>
--	---

As provided in the Indenture, the Trustee is required to mail notice of redemption of any Bonds by first class mail, postage prepaid, not less than 20 nor more than 60 days before the redemption date, to the registered owners of the Bonds to be redeemed, but neither failure to receive such notice nor any defect in the notice so mailed affects the sufficiency of the proceedings for prepayment or the cessation of accrual of interest thereon. Any notice so given by the Trustee with respect to the optional redemption of Bonds may be rescinded under the circumstances and with the effect set forth in the Indenture. If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest hereon will cease to accrue from and after the date fixed for redemption.

Whenever provision is made in the Indenture for the redemption of less than all of the Bonds of a maturity, the Trustee will select the Bonds of such maturity to be redeemed on a pro rata basis among the Beneficial Owners of the Bonds of such maturity. For purpose of such selection, all Bonds will be deemed to be comprised of separate \$5,000 denominations and such separate denominations will be treated as separate Bonds which may be separately redeemed.

So long as the Bonds are registered in book-entry-only form and so long as DTC (as defined below) or a successor securities depository is the sole registered Owner of the Bonds, partial redemptions will be done in accordance with procedures of the DTC. It is the District's intent that redemption allocations made by DTC be made in accordance with the proportional provisions described in the Indenture. However, neither the District nor the Trustee has a duty to assure, and can provide no assurance, that DTC will allocate redemptions among Beneficial Owners (as defined in the Indenture) on such a proportional basis, and neither the District nor the Trustee shall have any liability whatsoever to Beneficial Owners in the event redemptions are not done on a proportionate basis for any reason.

If an Event of Default occurs under and as defined in the Indenture, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said corporate trust office of the Trustee in Los Angeles, California, or such other place as designated by the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

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

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

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

This Bond is not entitled to any benefit under the Indenture and is not valid or obligatory for any purpose until the certificate of authentication hereon endorsed has been signed by the Trustee.

IN WITNESS WHEREOF, the LIVERMORE AREA RECREATION AND PARK DISTRICT has caused this Bond to be executed in its name and on its behalf with the facsimile signature of the Chair of its Board and to be attested to by the facsimile signature of its Clerk, all as of the Original Issue Date specified above.

**LIVERMORE AREA RECREATION AND
PARK DISTRICT**

By _____
Chair, Board of Directors

Attest:

Clerk

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably _____ constitute(s) _____ and _____ appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

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

APPENDIX C

[BOND INSURANCE PROVISIONS]

[To Come, if applicable]

APPENDIX D

[RESERVE FUND INSURANCE PROVISIONS]

[To Come, if applicable]

PRELIMINARY OFFICIAL STATEMENT DATED JUNE __, 2021

NEW ISSUE — BOOK-ENTRY ONLY

**RATING: S&P: “___”
See “RATING”**

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences caused by the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See “TAX MATTERS.”

\$ _____ *

**LIVERMORE AREA RECREATION AND PARK DISTRICT
2021 TAXABLE PENSION OBLIGATION BONDS**

Dated: Date of Delivery

Due: June 1; see inside cover

The Bonds. The above-captioned bonds (the “Bonds”) are being issued by the Livermore Area Recreation and Park District (the “District”) as fully registered bonds in book-entry form only, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). Individual purchases of the Bonds will be in principal amounts of \$5,000 or in any integral multiples of \$5,000. Interest on the Bonds will be payable on June 1 and December 1 of each year, commencing December 1, 2021, and principal payable on the Bonds will be paid on June 1 in the years set forth on the maturity schedule on the inside cover of this Official Statement. Payments of principal of and interest on the Bonds will be paid by U.S. Bank National Association, San Francisco, California, as trustee (the “Trustee”) under an Indenture of Trust, dated as of June 1, 2021 (the “Indenture”) between the District and the Trustee, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds. See “THE BONDS”.

Purpose. The Bonds are being issued to (i) refund certain obligations of the District owed to the Alameda County Employees’ Retirement Association (“ACERA”) with respect to pension benefits accruing with respect to current and former District employees (the “ACERA Obligations”), and (ii) pay costs of issuing the Bonds. See “PLAN OF FINANCING”.

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

Security. Payment of the principal of and interest on the Bonds is not limited to any special source of funds and is payable from all legally available moneys of the District. The District is not empowered or obligated to levy or pledge taxes to make payments on the Bonds. However, the District covenants pursuant to the Indenture to take such action as may be necessary to include in each of its annual budgets the payments required to be made by the District under the Indenture, and to make the necessary annual appropriations for all such payments. If any payment of debt service on the Bonds requires the adoption by the District of a supplemental budget or appropriation, the District covenants to promptly adopt the same. See “SECURITY FOR THE BONDS” and “RISK FACTORS.”

MATURITY SCHEDULE
(See inside cover)

THIS COVER PAGE CONTAINS INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT A SUMMARY OF THE SECURITY OR TERMS OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE SECTION ENTITLED “RISK FACTORS,” FOR A DISCUSSION OF SPECIAL FACTORS WHICH SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH IN THIS OFFICIAL STATEMENT, IN CONSIDERING THE INVESTMENT QUALITY OF THE BONDS. CAPITALIZED TERMS USED ON THIS COVER PAGE AND NOT OTHERWISE DEFINED SHALL HAVE THE MEANINGS SET FORTH IN THIS OFFICIAL STATEMENT.

The Bonds are offered when, as and if sold and issued, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Jones Hall is also serving as Disclosure Counsel to the District. Certain legal matters will be passed upon for the District by the General Counsel to the District and for the Underwriter by Stradling, Yocca, Carlson & Rauth, a Professional Corporation, Newport Beach, California. It is anticipated that the Bonds in book-entry form, will be available for delivery to DTC on or about June 29, 2021.

[Oppenheimer Logo]

Dated: _____, 2021.

*Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE

(Base CUSIP†: _____)

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u>
---	-----------------------------------	--------------------------------	--------------	--------------	---------------

\$ _____ % Term Bonds due June 1, 20__, Price: ____% CUSIP†: _____

\$ _____ % Term Bonds due June 1, 20__, Price: ____% CUSIP†: _____

† Copyright 2021, American Bankers Association. CUSIP data are provided by Standard & Poor's CUSIP Service Bureau, and are provided for convenience of reference only. Neither the District nor the Underwriter assume any responsibility for the accuracy of these CUSIP data.

LIVERMORE AREA RECREATION AND PARK DISTRICT (ALAMEDA COUNTY, CALIFORNIA)

BOARD OF DIRECTORS

Philip Pierpont, *Chair*
Maryalice Summers Faltings, *Vice Chair*
David Furst, *Board Member*
James E. Boswell, *Board Member*
Jan Palajac, *Board Member*

DISTRICT STAFF

Mathew Fuzie, *General Manager and ex-officio Clerk of the Board*
Jeff Schneider, *Administrative Services Manager*
Rod A. Attebery of Neumiller & Beardslee, *General Counsel to the District*

SPECIAL SERVICES

Municipal Advisor

PFM Financial Advisors LLC
San Francisco, California

Bond Counsel and Disclosure Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Trustee

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

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

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, create any implication that there has been no change in the affairs of the District or any other parties described in this Official Statement.

Use of this 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 with the purchasers of the Bonds.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

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

Document References and Summaries. All references to and summaries of the Indenture of Trust or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of 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 exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Stabilization of Prices. In connection with this offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices set forth on the cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

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

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Location Map

OFFICIAL STATEMENT

\$ _____ *

LIVERMORE AREA RECREATION AND PARK DISTRICT 2021 TAXABLE PENSION OBLIGATION BONDS

INTRODUCTION

This introduction contains only a brief summary of certain of the terms of the Bonds being offered, and a brief description of the Official Statement. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement. Certain defined terms used herein are set forth in APPENDIX B – Summary of Certain Provisions of the Indenture.

General

The purpose of this Official Statement (which includes the cover page and the Appendices) is to provide information concerning the issuance of the above-captioned bonds (the “**Bonds**”).

The District

The Livermore Area Recreation and Park District (the “**District**”) is a recreation and park district located in Alameda County (the “**County**”), in the State of California (the “**State**”). The District was originally organized in 1947, and changed its name to the “Livermore Area Recreation and Park District” in 1959. The District provides parks and recreation facilities and services within the incorporated area of the City of Livermore (the “**City**”) and adjacent unincorporated areas. Certain statistical and demographic information regarding the City, the County and the State are set forth in APPENDIX E.

The District is governed by a five member Board of Directors (the “**Board**”) who serve overlapping terms of four years, and are elected by voters within the District’s boundaries, which is an approximately 243.5 square-mile area bounded by Contra Costa County to the north, San Joaquin County to the east, Santa Clara County to the south, and the cities of Pleasanton and Dublin to the west. See “THE DISTRICT.”

Authority for the Bonds

The Bonds are being issued pursuant to Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the “**Bond Law**”) and under an Indenture of Trust, dated as of June 1, 2021 (the “**Indenture**”), between the District and U.S. Bank National Association, as trustee (the “**Trustee**”).

* Preliminary; subject to change.

The Bonds have been authorized to be issued by the District under a resolution adopted by the Board on June, 9, 2021 (the “**Resolution**”).

Purpose

The proceeds of the sale of the Bonds will be used to (i) refund certain obligations of the District owed to the Alameda County Employees’ Retirement Association (“**ACERA**”) with respect to pension benefits accruing to current and former District employees (the “**ACERA Obligations**”), and (ii) pay costs of issuing the Bonds. See “PLAN OF FINANCING.”

Redemption

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

Security for the Bonds

The obligations of the District under the Bonds, including the obligation to make all payments of principal of and interest on the Bonds when due, and the obligation of the District to make the deposits required for the security of the Bonds, are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The Bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation. Neither the Bonds nor the obligations of the District to make payments on the Bonds constitute an indebtedness of the District, the State, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

The District covenants pursuant to the Indenture to take such action as may be necessary to include in each of its annual budgets the payments required to be made by the District under the Indenture, and to make the necessary annual appropriations for all such payments. If any payment of Debt Service requires the adoption by the District of a supplemental budget or appropriation, the District covenants to promptly adopt the same. See “SECURITY FOR THE BONDS” and “APPENDIX B – Summary of Certain Provisions of the Indenture.”

No Judicial Validation Action Undertaken

No judicial validation action has been undertaken with respect to the Bonds. Article XVI, Section 18 of the California Constitution, sometimes referred to as the Constitutional Debt Limitation, does not apply to special districts such as the District and, accordingly, no validation action has been undertaken.

Risk Factors

For a list of some of the factors that should be taken into account before investing in the Bonds, including the risks of the ongoing COVID-19 pandemic, see “RISK FACTORS.”

Summaries Not Definitive

The summaries and references of documents, statutes, reports and other instruments referred to in this Official Statement do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to each document, statute, report, or instrument. The capitalization of any word not conventionally capitalized, or

otherwise defined in this Official Statement, indicates that such word is defined in a particular agreement or other document and, as used in this Official Statement, has the meaning given it in such agreement or document. See “APPENDIX B – Summary of Certain Provisions of the Indenture” for summaries of certain of such definitions.

PLAN OF FINANCING

General

The Bonds are being issued to (i) prepay a portion of the ACERA Obligations, and (ii) pay the costs of issuance of the Bonds.

The net proceeds of the Bonds will be used to refund a portion of the District’s unfunded accrued actuarial liability (“**Unfunded Liability**”) with respect to certain retirement benefits accruing with respect to current and former employees of the District in accordance with applicable law and a Contract between the District and ACERA (the “**ACERA Contract**”). ACERA has prepared actuarial valuation reports for the District setting forth the Unfunded Liability of the District with respect to its retirement plan as of June 30, 20___, showing that the Unfunded Liability of the District as of such date is \$_____.

As part of the financing, the District anticipates prepaying approximately \$_____ of its Unfunded Liability. Prior to the closing date for the Bonds, the District will obtain from ACERA a “pay-off” letter setting forth the Unfunded Liability of the District with respect to the Plans as of the expected pay-off date. The Bonds have been structured to produce a more sustainable projected annual pension cost schedule, wrapping around the unrefunded Unfunded Liability to generate level payments through 20___, and annual debt service savings in certain years.

Sources and Uses of Funds

The proceeds to be received from the sale of the Bonds are anticipated to be applied as follows:

SOURCES OF FUNDS:

Principal Amount of Bonds	\$
<i>Plus/less</i> [Net] Original Issue Premium/Discount	_____
Total Sources:	\$

USES OF FUNDS:

Payment with respect to ACERA Obligations	\$
Costs of Issuance ⁽¹⁾	_____
Total Uses:	\$

(1) Includes Underwriter’s discount, legal fees, Trustee fees, printing expenses, and other costs of issuing the Bonds.

THE BONDS

Authority

The Bonds are being issued pursuant to the Bond Law and the Indenture, and were authorized by the Board pursuant to the Resolution.

General

The Bonds will be issued in the form of fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple of \$5,000, and will be dated the date of delivery to the original purchaser. The Bonds will mature on the dates and in the amounts set forth on the inside front cover of this Official Statement.

The Bonds shall mature on June 1 in the years and in the respective principal amounts and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company (“DTC”). So long as DTC, or Cede & Co. as its nominee, is the registered owner of all the Bonds, all payments on the Bonds will be made directly to DTC, and disbursement of such payments to the DTC “Participants” (as defined in APPENDIX F) will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners (as defined in APPENDIX F) will be the responsibility of the Participants, as more fully described in “– Book-Entry Only System” below.

Interest on the Bonds is payable on June 1 and December 1 of each year, commencing December 1, 2021, and continuing to and including the date of maturity or redemption, whichever is earlier, to the persons in whose names the ownership of the Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as otherwise provided below. Interest on the Bonds is payable from the Interest Payment Date immediately preceding the date of authentication thereof unless: (i) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date, (ii) a Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or (iii) interest on a Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

Interest on a Bond which is not punctually paid or duly provided for on any Interest Payment Date is payable to the person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice of which is given to such Owner by first-class mail not less than ten days prior to such special record date. Principal represented by the Bonds is payable on June 1 in each of the years and in the amounts set forth on the inside front cover of this Official Statement.

Any Bond may be transferred upon the registration books kept by the Trustee by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed and the payment of such reasonable transfer fees as the Trustee may establish.

Bonds may be exchanged at the corporate trust office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity. The Trustee may charge the Owner a reasonable sum for each new Bond issued upon any exchange and the Trustee may 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. The Trustee is not required to register the transfer or exchange of any Bond during the period the Trustee is selecting Bonds for redemption or any Bond selected for redemption.

Redemption*

Optional Redemption. The Bonds maturing on or before June 1, 20____, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after June 1, 20____, are subject to redemption in whole, or in part among maturities on such basis as set forth in a Request of the District, and within a maturity on a pro rata basis among the Beneficial Owners of the Bonds of such maturity, at the option of the District, on any date on or after June 1, 20____, from any available source of funds, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on June 1, 20__ and June 1, 20__ (the “**Term Bonds**”) are subject to mandatory redemption, within a maturity on a pro rata basis among the Beneficial Owners of the Term Bonds of such maturity, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on June 1 in the respective years as set forth in the following tables. If some but not all of the Term Bonds have been redeemed under subsection (a) of this Section, the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the District to the Trustee).

**Term Bonds Maturing
June 1, 20__**

Sinking Fund
Redemption Date
(June 1)

Principal Amount
To Be Redeemed

**Term Bonds Maturing
June 1, 20__**

Sinking Fund
Redemption Date
(June 1)

Principal Amount
To Be Redeemed

* Preliminary; subject to change.

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds of a maturity, the Trustee shall select the Bonds of such maturity to be redeemed on a pro rata basis among the Beneficial Owners of the Bonds of such maturity. For purpose of such selection, all Bonds will be deemed to be comprised of separate \$5,000 denominations and such separate denominations will be treated as separate Bonds which may be separately redeemed.

If only a portion of a Bond is called for redemption, then upon surrender of such Bond the District will execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the District, a new Bond or Bonds of the same series and maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

Notice of Redemption. The Trustee on behalf and at the expense of the District will mail (by first class mail) notice of any redemption to the respective Owners of Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Securities Depositories and the Municipal Securities Rulemaking Board, at least 20 but not more than 60 days prior to the date fixed for redemption; *provided, however*, that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice must state the date of the notice, the redemption date, the redemption place and the redemption price and must designate the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and must require that such Bonds be then surrendered at the Office of the Trustee identified in such notice for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Right to Rescind Notice of Optional Redemption. The District may rescind any notice of the optional redemption of Bonds by written notice to the Trustee on or prior to the dated fixed for redemption. Any notice of optional redemption will 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, and such cancellation will not constitute an Event of Default. The District and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee will mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent as described above for the original notice.

Effect of Redemption. From and after the date fixed for redemption, if notice of redemption has been duly mailed and funds available for the payment of the principal of and interest on the Bonds so called for redemption have been duly provided, such Bonds so called shall cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice.

Book-Entry System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered certificates registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See "APPENDIX F – Book-Entry Provisions."

The District and the Trustee cannot and do not give any assurances that DTC, DTC Participants or others will distribute payments of principal, interest or premium, if any, with respect to the Bonds paid to DTC or its nominee as the registered owner, or will distribute any redemption notices or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The District and the Trustee are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner with respect to the Bonds or an error or delay relating thereto. See “APPENDIX F – Book-Entry Provisions.”

SECURITY FOR THE BONDS

Source of Payment

The District is obligated to satisfy its obligations under the Bonds from all legally available funds. The obligations of the District under the Bonds, including the obligation to make all payments of principal of and interest on the Bonds when due and the obligation of the District to make the deposits required under the Indenture for the security of the Bonds, are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The District has other obligations payable from its legally available funds, and the Indenture does not limit the amount such obligations that the District may incur in the future.

The Bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation. Neither the Bonds nor the obligations of the District to make payments on the Bonds constitute an indebtedness of the District, the State, or any of its political subdivisions in contravention of any constitutional or statutory debt limitation or restriction.

Pursuant to the Indenture, the District covenants to take such action as may be necessary to include in each of its annual budgets the payments required to be made by the District to pay principal of and interest on the Bonds, and to make the necessary annual appropriations for all such payments. If any payment of Debt Service requires the adoption by the District of a supplemental budget or appropriation, the District has covenanted in the Indenture to promptly adopt the same. The covenants on the part of the District are deemed to constitute duties imposed by law and it is the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in the Indenture.

Debt Service Fund

Pursuant to the Indenture, the District will transfer an amount of legally available funds to the Trustee for deposit in the debt service fund established pursuant to the Indenture (the “**Debt Service Fund**”) at the times and in the amounts sufficient to pay debt service on the Bonds. The Debt Service Fund will be held by the Trustee and so long as any Bonds are outstanding, the amounts on deposit therein will be used to pay principal of and interest on the Bonds.

Not later than the 5th Business Day preceding each Interest Payment Date, the District is required to transfer to the Trustee for deposit in the Interest Account and the Principal Account, as applicable, of the Debt Service Fund, an amount which, when added to the amount then on deposit in the such account, equals the aggregate amount of interest or principal, as applicable,

coming due and payable on the Bonds on such date. Funds held by the Trustee may be invested in Permitted Investments (as defined in the Indenture) specified by the District.

THE DISTRICT

General

The District is a recreation and park district located in the County. The District was originally organized in 1947, and changed its name to the “Livermore Area Recreation and Park District” in 1959. The District provides parks and recreation facilities and services within the incorporated area of the City and adjacent unincorporated areas. Certain statistical and demographic information regarding the City, the County, and the State are set forth in APPENDIX E.

The District is governed by a five member Board, the members of which serve overlapping terms of four years, and are elected by voters within the District’s boundaries, which is an approximately 243.5 square-mile area bounded by Contra Costa County to the north, San Joaquin County to the east, Santa Clara County to the south, and the cities of Pleasanton and Dublin to the west.

District Parks and Programs

The District’s purpose is to provide residents of the City and the surrounding unincorporated County area with recreational programs and access to a system of parks, trails, recreation areas, and facilities that promote enjoyment, lifelong learning, and active lifestyles.

District Open Spaces/Preserves. The District operates and maintains four open space/preserves: Sycamore Grove, Park Holdener Park, Garaventa Wetlands Preserve, and Brushy Peak Regional Preserve. The District maintains a network of 23 neighborhood/community parks and 12 sports parks. The District also operates three facilities that are available for events/rentals: Ravenswood Historic Site, Carnegie, and the Veterans Memorial Building, as well as a facility known as “the Barn” that is now used for storage, and an equestrian center consisting of a stadium, one covered arena, and two open areas.

District Facilities. The main facilities operated by the District include Robert Livermore Community Center (RLCC), Robert Livermore Aquatic Center and May Nissen Swim Center, Veterans Memorial Hall, Carnegie Library Building, Bothwell Arts Center, R.E. Merritt Building, and Ravenswood Historic Site. The Camp Shelly family campground facility, located in South Lake Tahoe, is leased by the District from the U.S. Forest Service. The facility is open from mid-June through Labor Day, and includes 25 camp sites, a restroom facility with showers and a variety of recreational/interpretive activities. In addition, the District operates an equestrian center that consists of a stadium, one covered arena and two open areas, and parking.

District Programs. In addition to traditional recreation programs, the district offers youth development programs serving ages 3-12 in preschool, school-based childcare, and summer programs. These programs serve approximately 1,400 children in normal (non-pandemic) years. Preschool provides part-time, play-based, child-centered, educational preschool programs. Our play-based program reflects the integration of physical, cognitive, social, emotional, language and self-help areas for the total development of the child. Extended Student Services (“ESS”) is a licensed child development program serving children grades TK through fifth grade within

Livermore. ESS provides enriching curriculum which is developed by staff and children using the Project Approach model. This method of planning gathers children's interests based on what they want to learn and what they already know. PAL Middle School Program supports students as they move through middle school. This program is partially funded through a grant from the After School Education and Safety (“**ASES**”) program which focuses on providing homework time along with daily enrichment activities like outdoor sports and group challenges, field trips, and time to socialize with their peers. The District’s ESS, preschool, and middle school programs operate in 21 locations, including all Livermore Joint Unified School District locations.

For additional details on certain of these programs, see “DISTRICT FINANCIAL INFORMATION – Earned Income/Charges for Services.”

Population Served by District

The population served by the District is largely located within the limits of the City. For additional statistical and demographic information about the City and the County, see APPENDIX E.

DISTRICT FINANCIAL INFORMATION

District Accounting Policies and Financial Reporting

Annual Budget. The District operates on a fiscal year basis beginning on July 1 and ending on the following June 30. In accordance with applicable provisions of the Public Resources Code, the District is required to adopt a preliminary budget by July 1 and a final budget not later than August 30 of each year. The budget consists of both an annual operating budget and a multi-year capital improvement program (CIP) budget. 30th.

With respect to the preliminary budget, the General Manager prepares an annual budget proposal. The Board’s Finance Committee meets with the General Manager to review the annual budget proposal, which is then reviewed (as amended, if applicable) by the full Board no later than the first Board meeting in June. In accordance with applicable law, the preliminary budget is adopted by the Board by July 1. The General Manager then meets with the Finance Committee to review any revisions to the preliminary budget. The proposed final budget (as amended, if applicable) is presented to the full Board for review and adoption no later than August 30. While applicable law allows for the completion of the District’s annual Operating Budget by August 30 each year, the District chooses to complete its Final Budget prior to the onset of the Fiscal Year (by June 30). Exceptions to the June 30th completion date require approval by the General Manager and the Board of Directors.

The General Manager may make adjustments within the final operating budget that do not exceed the total appropriations approved by the Board; provided, that Board approval must be obtained for line-item-specific adjustments that exceed \$250,000 in total initial year commitments (combined capital and annual operating expenses). In addition, supplemental appropriations may be approved by resolution of the Board throughout the fiscal year when total appropriations budgeted would be exceeded.

As part of its annual budget process, the District creates a CIP budget. CIP budgets are project specific; adjustments to individual project spending plans that exceed the total, final project budget (including contingencies) must receive Board approval prior to the onset of such spending. Shifting of project spending from one fiscal year to another that does not reflect a change in a

project's total budget must receive Board approval as well, if the total amount of spending would shift from one year to the next \$250,000 or 25% of the originally approved project spending total, whichever is lower.

Annual Financial Statements. The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The District maintains one fund for accounting purposes – the "General Fund" – which is the general operating fund of the District and used to account for all transactions except those require or permitted by law to be accounted for in another fund. Additional accounting policies applicable to the District's financial statements are included in APPENDIX A.

The District's current auditor (the "**Auditor**") is the firm of James Marta & Company LLP. The audited financial statements of the District for Fiscal Year 2019-20 are contained in APPENDIX A. *The District's financial statements are public documents and are included within this Official Statement without the prior approval of the Auditor. Accordingly, the Auditor has not performed any post-audit of the financial condition of the District.*

Security for the Bonds. The Bonds are payable from all legally available funds of the District. Not all of the revenues and amounts accounted for in the audited financial statements of the District as part of the District's General Fund are available to payment of debt service on the Bonds. See "SECURITY FOR THE BONDS" and "RISK FACTORS."

Recent General Fund Budgets/COVID-19

As a recreation and park district, the District has been impacted by the ongoing COVID-19 pandemic. For example, various programs and activities once undertaken by the District within its facilities and parks were not able to be held, therefore resulting in lost revenue. This lost revenue was, to some extent, offset by reduced costs associated with fewer staff members needed to administer the programs. In addition, , in October 2020 the Board approved a re-organization plan that resulted in reductions in staff count across all District functions. In addition, property tax revenues and revenues from Special Tax 97-1 have not, to date, been adversely impacted by COVID-19.

General Fund Financial Summary

Current and Prior Year Operating Budget. Set forth below are excerpts from the District's current operating budget for Fiscal Year 2020-21 and its proposed operating budget for FY2021-22, compared with the audited actual results for Fiscal year 2019-20. The table shows funds legally available for payment of the Bonds, which is way AB1600 development impact fees and capital grants/contributions are excluded as such revenue sources are only available for capital costs.

Table 1
LIVERMORE AREA RECREATION AND PARK DISTRICT
Operating Revenues, Expenses and Fund Balances
(Excludes AB 1600 and Capital Grants and Contributions) ⁽¹⁾
Audited Actuals for 2019-20, Budgeted for 2020-21, and Proposed Budget for 2020-21

	Audited 2019-20	Budgeted 2020-21	Proposed 2021-22
Revenues for Operations			
Property taxes	\$11,181,216	\$11,710,767	\$11,894,000
Special tax 97-1	1,585,718	1,653,969	1,624,092
Other tax-related	45,085	23,433	22,800
Proceeds from PG&E financing	1,576,310	0	0
Earned income(2)	<u>7,360,573</u>	<u>4,167,159</u>	<u>6,901,113</u>
Total Revenues for Operations	21,748,902	17,555,328	20,442,006
Operating Expenses			
Salaries	10,349,170	7,706,672	9,087,987
Retirement benefits	1,683,357	1,564,621	1,790,201
Employee insurance	1,898,747	1,601,776	1,582,995
Workers' comp.	399,917	256,040	322,313
Payroll taxes	503,781	345,342	466,747
Unemployment Expense	112,249	447,651	72,000
Services & supplies	6,317,130	4,843,556	5,687,462
Capital outlay	<u>39,128</u>	<u>8,795</u>	<u>0</u>
Total Operating Expenses	21,303,479	16,774,453	19,009,705
NET OPERATING RESULTS	\$445,423	\$780,875	\$1,432,301
General Fund Use - CIP	273,316	\$341,325	\$367,675
NET CHANGE IN FUND BALANCE	\$172,107	\$439,550	\$1,064,626
Fund Balance – Beginning	\$8,107,346	\$8,279,453	\$8,719,003
Fund Balance – Ending	\$8,279,453	\$8,719,003	\$9,783,630

(1) Excludes AB1600 development impact fees and capital grants/contributions, which are only available for payment of capital costs of the District.

(2) Earned income is generated by the District's programs, including the Extended Student Services (ESS) program. See "- Earned Income/Charges for Services." Budgeted 2020-21 for "Earned Income" substantially reduced due to impact of COVID-19 pandemic; similar reductions also reflected in operating expense categories. See "RISK FACTORS – COVID-19 Pandemic."
Source: *Livermore Area Recreation and Park District*.

Historical Audited Financials. Set forth below are excerpts from the District's general fund financial statements for fiscal years 2015-16 through 2019-20, compared to budgeted amounts for Fiscal Year 2020-21. The table shows funds legally available for payment of the Bonds, which is way AB1600 development impact fees and capital grants/contributions are excluded.

Table 2
LIVERMORE AREA RECREATION AND PARK DISTRICT
Operating Revenues, Expenses and Fund Balances
(Excludes AB 1600 and Capital Grants and Contributions) ⁽¹⁾
For Fiscal Years 2015-16 through 2019-20 (Audited)
and Fiscal Year 2020-21 (Budget)

	Audited 2015-16	Audited 2016-17	Audited 2017-18	Audited 2018-19	Audited 2019-20	Budgeted 2020-21
Revenues for Operations						
Property taxes	\$8,380,883	\$9,559,886	\$9,775,270	\$10,447,364	\$11,181,216	\$11,710,767
Special tax 97-1	1,428,561	1,536,838	1,517,820	1,548,789	1,585,718	1,653,969
Other tax-related	5,640	8,448	24,092	25,707	45,085	23,433
Earned income ⁽²⁾	9,120,795	9,780,473	10,309,369	10,547,175	7,360,573	4,167,159
Croce fire reimbursement	401,363	100,882	0	0	0	0
Proceeds from PG&E financing ⁽³⁾	0	0	0	0	1,576,310	0
Total Revenues for Operations	19,337,242	20,986,527	21,626,551	22,569,035	21,748,902	17,555,328
Operating Expenses						
Salaries	9,128,089	9,711,632	10,270,749	10,678,557	10,349,170	7,706,672
Retirement benefits	1,222,538	1,133,948	1,004,618	1,265,065	1,683,357	1,564,621
Employee insurance	1,219,351	1,335,574	1,380,442	1,706,047	1,898,747	1,601,776
Workers' comp.	405,441	568,122	625,890	560,344	399,917	256,040
Payroll taxes	413,544	454,289	514,580	523,855	503,781	345,342
Services & supplies	5,135,602	6,660,686	6,090,996	6,210,813	6,429,379	5,291,207
Capital outlay	424,819	602,291	473,874	318,780	39,128	8,795
Total Operating Expenses	17,949,384	20,466,542	20,361,149	21,263,461	21,303,479	16,774,453
CIP Capital Outlays from General Fund	699,920	42,850	(21,456)	2,334,930	273,316	341,325
NET CHANGE IN FUND BALANCES	687,938	477,135	1,286,858	(1,029,356)	172,107	780,875
Fund Balance – Beginning	\$6,684,771	\$7,372,709	\$7,849,844	\$9,136,702	\$8,107,346	\$8,279,453
Fund Balance – Ending	7,372,709	7,849,844	9,136,702	8,107,346	8,279,453	8,719,003

(1) Excludes AB1600 development impact fees and capital grants/contributions, which are only available for payment of capital costs of the District.

(2) Earned income is generated by the District's programs, including the Extended Student Services (ESS) program. See "– Earned Income/Charges for Services."

(3) Proceeds from PG&E financing represents payment from PG&E to the District related to an energy efficiency project undertaken by the District. This is a one-time payment and could be used by the District without restriction.

Source: Audited Financial Statements of the District for Fiscal Years 2015-16 – 2019-20; District budget for Fiscal Year 2020-21.

Operating Revenues by Source

The General Fund receives the following taxes and other revenues that are available for operations. In the following sections, the largest of these sources of revenue is described in greater detail.

**Table 3
LIVERMORE AREA RECREATION AND PARK DISTRICT
Operating Revenues by Source
Fiscal Years 2017-18 – 2019-20**

Category	2017-18		2018-19		2019-20	
	Revenues	% of Total	Revenues	% of Total	Revenues	% of Total
Taxes:						
Property taxes	\$9,775,270	45.2%	\$10,447,364	46.3%	\$11,181,216	51.4%
Special tax 97-1	1,517,820	7.0	1,548,789	6.9	1,585,718	7.3
Other tax-related	24,092	0.1	25,707	0.1	25,417	0.1
Earned income/charges for services:						
Extended student services (ESS)	5,049,467	23.4	5,141,359	22.8	4,015,336	18.5
Other charges for service	5,259,902	24.3	5,405,816	24.0	3,345,237	15.4
Mandated Program Reimbursement	--	--	--	--	19,668	0.1
Proceeds from PG&E financing	--	--	--	--	1,576,310	7.3
Total	\$21,626,551	100.0%	\$22,569,035	100.0%	\$21,748,902	100.0%

Source: Livermore Area Recreation and Park District.

Property Taxes

Ad Valorem property taxes generally represent the largest source of operating revenue for the District. In addition, the District collects a special tax known as "Special Tax 97-1," which is described in more detail in the following section. This section describes the property tax levy and collection procedures and certain information regarding historical assessed values and major property taxpayers in the District.

General. In California, property which is subject to ad valorem taxes is classified as "secured" or "unsecured." Secured and unsecured property are entered on separate parts of the assessment roll maintained by the county assessor. The secured classification includes property on which any property tax levied by the County becomes a lien on that property sufficient, in the opinion of the County assessor, to secure payment of the taxes. Every tax which becomes a lien on secured property has priority over other liens (except certain federal claims) on the secured property, regardless of the time of the creation of other liens. A tax levied on unsecured property does not become a lien against the taxes on unsecured property, but may become a lien on certain other property owned by the taxpayer.

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. If such taxes remain unpaid as of June 30 of the fiscal year in which the taxes are levied, the property securing the taxes may only be redeemed by a payment of the delinquent taxes and the delinquency penalty, plus costs and a redemption penalty of 1-1/2% per month from the original June 30th date to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted properties are thereafter subject to sale by the county tax collector as provided by law.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent if unpaid by August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1-1/2% per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing of 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) secure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

Property Tax Levies and Collections; Teeter Plan. The County has implemented the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds as provided for in the State Revenue and Taxation Code (the "**Teeter Plan**") with respect to the County-wide 1% ad valorem property tax levy, which requires the County to pay 100% of secured property taxes due to local agencies in the fiscal year such taxes are due, including the District. Under these provisions, the County has established a delinquency reserve and assumes responsibility for all secured delinquencies.

Under the Teeter Plan, the District is assured of 100% collection of its secured tax levies so long as the conditions established by the Teeter Plan are met. However, the District is not entitled to share in any penalties due on delinquent payments or in the interest which accrues on delinquent payments. The Teeter Plan is to remain in effect unless the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors has received a petition for its

discontinuance joined in by resolutions adopted by two thirds of the participating revenue districts in the County, in which event the Board of Supervisors is required to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year.

The Board of Supervisors may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. In the event that the Teeter Plan was terminated, 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. The District is not aware of any plans by the County to discontinue the Teeter Plan.

Proposition 8 Reductions in Assessed Valuation. The Alameda County Assessor (the “County Assessor”) assesses property as of its assessed valuation on January 1 of each year. If the market value as of January 1 is less than its base year value, annually adjusted by the inflation factor (generally 2 percent) pursuant to Article XIII A of the State Constitution, then Proposition 8, adopted in November, 1978, allows for a temporary reduction in assessed value. In these cases, the County Assessor may lower the assessed valuation of any such real property. See “RISK FACTORS – Appeals of Assessed Values” for additional information.

Assessed Valuation History. The following table shows historical assessed valuations of taxable property in the District since Fiscal Year 2011-12.

Table 4
LIVERMORE AREA RECREATION AND PARK DISTRICT
Assessed Value of Taxable Property
Fiscal Years 2011-12 through 2020-21

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2011-12	\$13,499,454,405	\$16,676,789	\$684,551,059	\$14,200,682,253	--
2012-13	13,893,937,967	16,661,882	776,862,206	14,687,462,055	3.4%
2013-14	14,364,507,913	16,557,869	729,160,766	15,110,226,548	2.9
2014-15	15,502,066,662	15,963,204	675,839,216	16,193,869,082	7.2
2015-16	16,549,789,012	16,168,635	701,586,373	17,267,544,020	6.6
2016-17	17,585,129,862	16,079,445	721,654,675	18,322,863,982	6.1
2017-18	18,736,461,318	13,149,678	707,455,316	19,457,066,312	6.2
2018-19	19,932,849,142	13,261,314	782,788,882	20,728,899,338	6.5
2019-20	21,052,425,280	12,659,804	933,558,200	21,998,643,284	6.1
2020-21	22,007,419,584	12,463,593	959,361,917	22,979,245,094	4.5

Source: California Municipal Statistics, Inc.

Assessed Valuations by Land Use. The following table shows assessed valuations and parcels by land use for Fiscal Year 2020-21.

**Table 5
LIVERMORE AREA RECREATION AND PARK DISTRICT
Assessed Valuation and Parcels by Land Use
Fiscal Year 2020-21**

	2020-21 <u>Assessed Valuation</u> ⁽¹⁾	% of <u>Total</u>	<u>No. of Parcels</u>	% of <u>Total</u>
Non-Residential:				
Agricultural	\$ 331,159,499	1.50%	913	2.73%
Commercial	1,848,034,240	8.40	566	1.69
Vacant Commercial	171,302,957	0.78	100	0.30
Industrial	2,338,399,432	10.63	608	1.81
Vacant Industrial	179,692,436	0.82	259	0.77
Recreational/Golf	68,916,853	0.31	29	0.09
Gov./Social/Institutional	<u>67,049,002</u>	<u>0.30</u>	<u>1,267</u>	<u>3.78</u>
Subtotal Non-Residential	\$5,004,554,419	22.74%	3,742	11.17%
Residential:				
Single Family Residence	\$14,105,512,351	64.09%	23,733	70.84%
Rural Residential	449,140,115	2.04	507	1.51
Condominium/Townhouse	1,573,595,947	7.15	3,581	10.69
Mobile Home	9,134,009	0.04	247	0.74
Mobile Home Park	24,985,065	0.11	11	0.03
2-4 Residential Units	267,557,354	1.22	525	1.57
5+ Residential Units/Apts	474,925,879	2.16	93	0.28
Vacant Residential	<u>98,014,445</u>	<u>0.45</u>	<u>1,063</u>	<u>3.17</u>
Subtotal Residential	\$17,002,865,165	77.26%	29,760	88.83%
Total	\$22,007,419,584	100.00%	33,502	100.00%

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

Assessed Valuations of Single-Family Homes. The following table shows the Fiscal Year 2020-21 per parcel assessed valuation of single-family homes in the District, as well as the averaged assessed valuation and median assessed valuation of such homes.

**Table 6
LIVERMORE AREA RECREATION AND PARK DISTRICT
Per Parcel 2020-21 Assessed Valuation of Single-Family Homes**

	No. of Parcels	2020-21 Assessed Valuation		Average Assessed Valuation	Median Assessed Valuation	
Single Family Residential	23,733	\$14,105,512,351		\$594,342	\$562,797	
2020-21 Assessed Valuation	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$49,999	126	0.531%	0.531%	\$ 4,549,636	0.032%	0.032%
\$50,000 - \$99,999	1,459	6.148	6.678	108,991,744	0.773	0.805
\$100,000 - \$149,999	890	3.750	10.429	109,536,120	0.777	1.581
\$150,000 - \$199,999	747	3.148	13.576	131,203,967	0.930	2.512
\$200,000 - \$249,999	938	3.952	17.528	212,256,293	1.505	4.016
\$250,000 - \$299,999	1,187	5.001	22.530	327,229,879	2.320	6.336
\$300,000 - \$349,999	1,287	5.423	27.953	417,652,665	2.961	9.297
\$350,000 - \$399,999	1,203	5.069	33.022	451,731,162	3.203	12.500
\$400,000 - \$449,999	1,225	5.162	38.183	520,442,211	3.690	16.189
\$450,000 - \$499,999	1,244	5.242	43.425	590,775,363	4.188	20.378
\$500,000 - \$549,999	1,269	5.347	48.772	664,985,951	4.714	25.092
\$550,000 - \$599,999	1,197	5.044	53.815	688,537,825	4.881	29.973
\$600,000 - \$649,999	1,202	5.065	58.880	751,651,365	5.329	35.302
\$650,000 - \$699,999	1,284	5.410	64.290	867,649,150	6.151	41.453
\$700,000 - \$749,999	1,533	6.459	70.750	1,110,408,752	7.872	49.325
\$750,000 - \$799,999	1,292	5.444	76.193	999,397,257	7.085	56.411
\$800,000 - \$849,999	1,042	4.391	80.584	858,890,770	6.089	62.500
\$850,000 - \$899,999	760	3.202	83.786	663,450,923	4.703	67.203
\$900,000 - \$949,999	581	2.448	86.234	537,161,438	3.808	71.011
\$950,000 - \$999,999	530	2.233	88.468	516,252,956	3.660	74.671
\$1,000,000-and greater	<u>2,737</u>	<u>11.532</u>	100.000	<u>3,572,756,924</u>	<u>25.329</u>	100.000
	23,733	100.000%		\$14,105,512,351	100.000%	

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

Largest Taxpayers. The 20 largest secured property taxpayers for Fiscal Year 2020-21, which comprise approximately 6% of the total secured assessed valuation, are as follows:

**Table 7
LIVERMORE AREA RECREATION AND PARK DISTRICT
Top Twenty Local Secured Taxpayers
Fiscal Year 2020-21**

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2020-21 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1.	Livermore Premium Outlets LLC ⁽²⁾	Outlet Stores	\$222,465,663	1.03%
2.	Livermore Oaks Joint Venture LLC	Industrial	152,239,091	0.70
3.	Arkay Properties LLC	Industrial	100,373,402	0.46
4.	Kaiser Foundation Hospitals	Industrial	76,794,531	0.35
5.	Longfellow Logistics Center LLC	Industrial	68,666,400	0.32
6.	Marathon Drive Buildings LLC	Industrial	66,888,484	0.31
7.	3055 Livermore Owner LLC	Office Building	63,862,780	0.29
8.	Raintree Ironwood LLC	Apartments	61,124,200	0.28
9.	Jack London Blvd. & Isabel Ave. LLC	Commercial Land	55,523,795	0.26
10.	Sequoia Equities Mill Springs	Apartments	52,418,151	0.24
11.	BTMU Capital Leasing & Finance Inc.	Industrial	48,071,102	0.22
12.	Sutter Health	Commercial Land	46,550,674	0.21
13.	Eleanor Sade Trust	Industrial	44,879,557	0.21
14.	174 Lawrence Drive Investors LLC	Industrial	44,163,657	0.20
15.	Valley Care Senior Housing Inc.	Apartments	42,481,116	0.20
16.	Livermore Investments LLC	Shopping Center	39,372,562	0.18
17.	Dorothy J. Anderson Trust	Shopping Center	38,505,022	0.18
18.	Arroyo-Livermore Business Park LP	Industrial	38,105,204	0.18
19.	Vineyard Management Company	Industrial	37,871,843	0.17
20.	PK I Plaza 580 SC LP	Shopping Center	<u>37,090,000</u>	<u>0.17</u>
			<u>\$1,337,447,234</u>	<u>6.17%</u>

(1) 2020-21 Local Secured Assessed Valuation: \$22,007,419,584.

(2) This entity operates an outlet mall under the name "San Francisco Premium Outlets."

Source: *California Municipal Statistics, Inc.*

Special Tax 97-1

Special Tax 97-1 was approved by the voters of the District on June 3, 1997 to provide a source of funds for the installation, servicing, maintenance, repair and operation of park, recreation and appurtenant facilities which are operated, serviced and maintained by the District. The funds must be used for the furnishing of services and materials for the ordinary and usual operation, maintenance, and servicing of District facilities, including but not limited to personnel for maintenance and operations, utilities, building maintenance and custodial items, and contract maintenance services.

The revenues generated by Special Tax 97-1 were intended to help the District recover some of the revenues lost when the State shifted nearly half of the District's property taxes to the Educational Revenue Augmentation Fund (ERAF) in 1992, and remains ongoing. Special Tax 97-1 replaced an assessment district levy that had been in place for three years prior to the approval of the special tax, and is generally levied on all taxable property within the District, with certain minor exceptions.

Each fiscal year, the Board of the District establishes the rate at which Special Tax 97-1 shall be levied, and is permitted to increase the amount per Equivalent Dwelling Unit (“**EDU**”) by up to 2% per year. For Fiscal Year 2020-21, the special tax rate is \$36.44 per EDU, generating approximately \$1.6 million (based on then-existing EDUs and assuming no growth). Parcels developed for single-family residential uses, including condominiums are taxed for 1.00 EDU, while multi-family residential units and other land use types are taxed based on different EDU designations. Revenues received by the District from Special Tax 97-1 are to be used for the maintenance and operation of park facilities. For Fiscal Year 2020-21, 97-1 revenues cover about 39% of the District’s annual operating expenses for park operations, with the remainder coming from property taxes.

Earned Income/Charges for Services

Earned income typically represents the second-largest source of operating revenue for the District, behind ad valorem property taxes. Within the category of earned income, the Extended School Services (“**ESS**”) program is the largest contributor of revenues.

Extended Student Services. In addition to traditional recreation programs, the district offers youth development programs serving ages 3-12 in preschool, school-based childcare, and summer programs. These programs serve approximately 1,400 children in normal (non-pandemic) years. Preschool provides part-time, play-based, child-centered, educational preschool programs. Our play-based program reflects the integration of physical, cognitive, social, emotional, language and self-help areas for the total development of the child. ESS is a licensed child development program serving children grades TK through fifth grade within Livermore. ESS provides enriching curriculum which is developed by staff and children using the Project Approach model. This method of planning gathers children's interests based on what they want to learn and what they already know. PAL Middle School Program supports students as they move through middle school. This program is partially funded through a grant from the After School Education and Safety (ASES) program which focuses on providing homework time along with daily enrichment activities like outdoor sports and group challenges, field trips, and time to socialize with their peers.

Other Earned Income. In addition to the ESS program, the District operates a variety of programs for which it charges a fee and earns income. For example, the classes, camps and events group at the District is in charge of a wide range of enrichment classes, for various age groups from preschool to adults, which are offered at multiple locations. The adult sports & fitness group includes leagues as well as drop-in gym programs for adult sports such as softball, soccer, pickle ball, ultimate frisbee and basketball. The senior services program offers a variety of recreational, educational and social activities to promote independence, mental and physical fitness, social engagement and community involvement. Staff conducts activities and special events, plans and conducts trips, provides support services and offers information and referrals.

ESS revenues and other earned income received by the District is available to pay debt service on the Bonds.

General Fund Long-Term Obligations

The District's long-term obligations consist of its Net Pension Liability and Net OPEB Liability, which are discussed below under "–Pension Plan" and "–Other Post-Employment Benefits (OPEB)," as well as compensated absences. The District has no other long-term bonded debt.

Direct and Overlapping Bonded Debt

The ability of land-owners within the District to pay property tax installments as they come due could be affected by the existence of other taxes and assessments imposed upon the land.

The statement of direct and overlapping debt (the "Debt Report") set forth below was prepared by California Municipal Statistics, Inc. as of May 1, 2021. The Debt Report includes only such information as has been reported to California Municipal Statistics, Inc. by the issuers of the debt described therein and by others. The Debt Report is included for general information purposes only. Neither the District nor the Underwriter takes responsibility for its completeness or accuracy.

Table 8
LIVERMORE AREA RECREATION AND PARK DISTRICT
Direct and Overlapping Bonded Debt
As of May 1, 2021

2020-21 Assessed Valuation: \$22,979,245,094

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt</u>
Alameda County	6.933%	\$ 13,262,829
Bay Area Rapid Transit District	2.683	50,222,809
Chabot-Las Positas Community College District	16.354	97,026,647
Livermore Valley Joint Unified School District	99.629	198,366,320
Pleasanton Unified School District	1.579	2,132,676
East Bay Regional Park District	0.238	316,945
City of Livermore Community Facilities District No. 99-1	100.000	11,280,000
City of Livermore Community Facilities District No. 2009-1, I.A. 1	100.000	17,747,353
City of Livermore Community Facilities District No. 2009-1, I.A. 2	100.000	4,419,977
City of Livermore Community Facilities District No. 2009-1, I.A. 3	100.000	2,794,623
City of Livermore Community Facilities District No. 2016-2	100.000	8,815,000
City of Livermore 1915 Act Bonds	100.000	919,537
California Statewide Communities Development Authority 1915 Act Bonds	100.000	9,774,586
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$417,079,302
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Alameda County General Fund Obligations	6.933%	\$ 55,209,732
City of Livermore Certificates of Participation	100.000	49,500,000
Livermore Recreation and Park District	100.000	0⁽¹⁾
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$104,709,732
Less: City of Livermore obligations supported by enterprise revenue and impact fees		<u>7,465,000</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$ 97,244,732
 <u>OVERLAPPING TAX INCREMENT DEBT (Livermore Successor Agency):</u>		
GROSS COMBINED TOTAL DEBT		\$18,535,000
NET COMBINED TOTAL DEBT		\$540,324,034⁽²⁾
		\$532,859,034

(1) Excludes Bonds to be sold.

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

Employee Relations

The District currently has 77 full-time employees, as well as a seasonally-driven complement of part-time staff. The District plans to have approximately 147 staff in place for Fiscal Year 2021-22 on average, ranging from 122 in non-peak months to 218 during peak programming months. None of the District's employees/staff are represented by a labor group. The District believes its relations with its employees are good, and has never experienced a labor-related work stoppage.

The significant increase in full-time employees projected for Fiscal Year 2021-22 from the prior fiscal year is a result of right-sizing the District's staffing after reductions due to COVID-19 pandemic.

Pension Plan

The following information concerning ACERA is excerpted from publicly available sources, which the District believes to be accurate. ACERA is not obligated in any manner for payment of debt service on the Bonds, and the assets of ACERA are not available for such payment.

General. The District contributes to ACERA, which is a cost-sharing multiple-employer, defined benefit, public employee retirement system. The system provides service retirement, disability, death, and survivor benefits to plan members and beneficiaries. The County administers the Plan under provisions of the County Employees Retirement Law of 1937. Alameda County Employees' Retirement Association issues a separate comprehensive annual financial report. Copies of the annual financial report may be obtained by visiting their website at www.acera.org.

The management of ACERA is vested with the ACERA Board of Retirement. The ACERA Board of Retirement consists of nine members and two alternates. The County Treasurer is a member of the Board of Retirement by law and is elected by the general public. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two active members are elected by the general members; one active member and one alternate are elected by the safety members; one retired member and one alternate are elected by the retired members. All members of the Board of Retirement serve terms of three years, except for the County Treasurer whose term runs concurrent with his term as County Treasurer.

Benefits Provided. Membership for employees is effective on the first day of employee's hire in an ACERA covered position. The first date of employment is the date of entry into ACERA membership. As of this date of entry, payroll deductions for retirement contributions begin and service credit for each hour of work is earned. Any new member who becomes a member on or after January 1, 2013 is placed into Tier 4 and is subject to the provisions of PEPRA (described below).

General members enrolled in Tiers 1 or 3 are eligible to retire once they attain the age of 70 regardless of service or at age 50 with five or more years of retirement service credit and a total of 10 years of qualifying membership. A non-Tier 4 General member with 30 years of service is eligible to retire regardless of age. General members enrolled in Tier 4 are eligible to retire once they have attained the age of 52 and have acquired five years of retirement service credit, or at age 70 regardless of service. The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier. Benefits provided for each tier are included in Note 5 to the District's audited financial statements set forth as APPENDIX A hereto.

Contributions. The District contributes to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from ACERA's actuary after the completion of the annual actuarial valuation. Members are required to make contributions to ACERA regardless of the retirement plan or tier in which they are included.

For the fiscal years ended June 30, 2020 and 2019, employer contributions by the District to ACERA were \$1,306,574 and \$1,100,236, respectively.

Pension Liabilities, Expenses and Related Information. As of June 30, 2020, the District reported net pension liabilities for its proportionate share of the net pension liability of \$13,701,573 compared with a net pension liability as of June 30, 2019 of \$15,804,862.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of December 31, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2019, as well as various actuarial assumptions and the discount rate related to the Plan, are shown in Note 5 to the District's audited financial statements set forth as APPENDIX A hereto.

PEPRA. On September 12, 2012, the California Governor signed AB 340, a bill that enacted the California Public Employees' Pension Reform Act of 2012 ("**PEPRA**") and that also amended various sections of the California Education and Government Codes, including the County Employees Retirement Law of 1937. Effective January 1, 2013, PEPRA: (i) requires public retirement systems and their participating employers to share equally with employees the normal cost rate for such retirement systems; (ii) prohibits employers from paying employer-paid member contributions to such retirement systems for employees hired after January 1, 2013; (iii) establishes a compulsory maximum non-safety benefit formula of 2.5% at age 67; (iv) defines final compensation as the highest average annual pensionable compensation earned during a 36-month period; and (v) caps pensionable income at \$110,100 (\$132,120 for employees not enrolled in Social Security) subject to Consumer Price Index increases. Other provisions reduce the risk of the District incurring additional unfunded liabilities, including prohibiting retroactive benefits increases, generally prohibiting contribution holidays, and prohibiting purchases of additional non-qualified service credit.

[Litigation involving ACERA. Labor organizations have challenged the implementation of PEPRA, alleging that the "anti-spiking" reform provisions interfere with vested rights of current members of ACERA, of which the District is a member agency. The primary case arising in the County was consolidated with several similar cases from other counties. The consolidated cases are now entitled *Alameda County Deputy Sheriff's Association v. Alameda County Employees Retirement Ass.* and the matter is now on remand from the California Supreme Court (Case No. S247095), following a decision rendered by the California Supreme Court in July 2020. As noted above, the enactment and implementation of PEPRA eliminated several mechanisms whereby retirees could significantly enhance pension benefits through adding the value of unused accumulated vacation and sick leave buy backs at or near the time of retirement. The Supreme

Court's ruling generally upholds implementation of the legislative pension reforms, accordingly the pension costs of the District are not anticipated to be materially impacted by the litigation.]

Unfunded Liability of Plan under ACERA Contract. The ACERA Contract represents the District's contractual and statutory obligation to make such payments to ACERA on behalf of Plan participants. Payments under the ACERA Contract are an absolute and unconditional obligation imposed upon the District and enforceable against the District and are not limited as to payment as to any special source of funds of the District. ACERA prepared an actuarial valuation report for the District (an "**Actuarial Valuation**"), setting forth the Unfunded Liability of the District with respect to each of the Plan as of June 30, 20__ and projected as of June 30, 20__. As shown in the Actuarial Valuation, the combined total Unfunded Liability of the District as of June 30, 20__ is \$_____.

The District is issuing the Bonds to pay down a portion of its Unfunded Liability due under the ACERA Contract. Following the payment to ACERA from a portion of the proceeds of the Bonds for this purpose, the District anticipates its funded ratio will increase from ___% to ___%. In addition, the Bonds have been structured to produce a more sustainable projected annual pension cost schedule, wrapping around the unrefunded Unfunded Liability to generate level payments through 20__, and annual debt service savings in certain years. See "PLAN OF FINANCING."

Other Post-Employment Benefits (OPEB)

The District provides certain other post-employment benefits (OPEB) to retired employees through ACERA.

For retirees not purchasing individual insurance through the Individual Medicare Insurance Exchange, a maximum monthly medical allowance of \$540.44 per month was provided, effective January 1, 2018 and through December 31, 2018. For the period January 1, 2019 through December 31, 2019, the maximum allowance is \$558.00 per month. For those purchasing individual insurance through the Medicare exchange, the Monthly Medical Allowance was \$414.00 per month for 2018 and is \$427.46 for 2019. These Allowances are subject to a subsidy schedule based on years of service. Non-duty disabled retirees receive the same monthly medical allowance as service retirees. Duty disabled retirees receive the same monthly medical allowance as those service retirees with 20 or more years of service. In addition, full Medicare Part B premiums are reimbursed to qualified retired members. Dental and vision benefits are also provided for retirees.

As of June 30, 2020, the District reported a liability of \$495,308 compared to a liability as of June 30, 2019 of \$950,150, in each case, for the District's proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2019, the District's proportion was 0.439%, which was an increase of 0.031% from its proportion measured as of December 31, 2018 (0.408%).

See APPENDIX A for additional details, including actuarial assumptions, related to the District's OPEB obligations.

Risk Management

For risk management and insurance purposes, the District is a member of the California Association for Park and Recreation Indemnity (“CAPRI”), a joint powers authority. CAPRI provides liability, property and workers’ compensation coverage for the District. CAPRI is governed by a Board consisting of representatives from member agencies. The Board controls their operations, including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the Board. Each member agency pays a contribution commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the joint powers authority.

For more information, see Note 9 to the District’s audited financial statements attached as APPENDIX A.

General Fund – Fund Balances

The following table shows the fund balances in the District’s General Fund for five years.

Table 10
LIVERMORE AREA RECREATION AND PARK DISTRICT
General Fund – Fund Balances
For Fiscal Years 2015-16 through 2019-20 (Audited)

Category	Audited 2015-16	Audited 2016-17	Audited 2017-18	Audited 2018-19	Audited 2019-20
Nonspendable	\$0	\$48,644	\$11,028	\$7,128	\$97,909
Restricted	493,878	133,820	323,832	329,234	1,911,397
Unassigned	6,878,831	7,667,380	8,801,842	7,770,984	6,270,147
Total Fund Balances	\$7,372,709	\$7,849,844	\$9,136,702	\$8,107,346	\$8,279,453

Source: Audited Financial Statements for Fiscal Years 2015-16 – 2019-20

Investment Policy and Portfolio

The District invests surplus cash in investments authorized by State law, with the primary goals of preserving principal and liquidity, pursuant to an investment policy adopted by the Board. Substantially all of the District’s cash is in the Alameda County Treasurer, which pools and invests the cash held on behalf of multiple local agencies. [As of May 31, 2021, the District’s pooled investment portfolio had a market value of approximately \$10.1 million, of which \$8.0million was held by the Alameda County Treasurer in a pooled investment fund.]

Non-Operating Revenues and Expenses

As noted earlier, as part of its annual budget process, the District adopts a CIP budget. The CIP budget is for capital expenditures that typically take more than one fiscal year to complete. The CIP budget is funded primarily through impact fees levied on developers of new projects within the District, also referred to as AB1600 development impact fees. These fees are dedicated to capital improvements and are not legally available for paying debt service on the Bonds; accordingly, they have been removed from the various tables in this Official Statement that show operating revenues only. The AB1600 development impact fees due to the District are held by the City, on behalf of the District, and utilized by the District for capital projects as and when needed.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

The ability of the District to raise fees, taxes and other revenues is limited. Following is a description of certain constitutional limitations on taxes and appropriations applicable to the District. For a description of other factors relating to the revenues of the District, see “THE DISTRICT” and “DISTRICT FINANCIAL INFORMATION” herein.

Article XIII A of the State Constitution

Section 1(a) of Article XIII A of the State Constitution limits the maximum ad valorem tax on real property to 1% of full cash value (as defined in Section 2 of Article XIII A), to be collected by counties and apportioned according to law. Section 1(b) of Article XIII A provides that the 1% limitation does not apply to ad valorem taxes to pay interest or redemption charges on (1) indebtedness approved by the voters prior to June 1, 1978 or (2) any bonded indebtedness for the acquisition or improvement of real property approved on or after June 1, 1978, by two thirds of the votes cast by the voters voting on the Proposition. Section 2 of Article XIII A defines “full cash value” to mean “the county assessor’s valuation of real property as shown on the 1975–76 tax bill under ‘full cash value’ or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” The full cash 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 under taxing jurisdiction or reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation enacted by the State Legislature to implement Article XIII A provides that notwithstanding any other law, local agencies may not levy any ad valorem property tax except to pay debt service on indebtedness approved by the voters as described above. For Fiscal Year 2021-22, the inflation rate is set at 1%.

The voters of the State subsequently approved various measures that further amended Article XIII A. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first \$1,000,000 of the full cash value of other real property between parents and children, does not constitute a “purchase” or “change of ownership” triggering reassessment under Article XIII A. This amendment could serve to reduce the property–tax revenues of the District. Other amendments permitted the State Legislature to allow persons over 55 or “severely disabled homeowners” who sell their residences and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence’s assessed value to the new residence.

In the November 1990 election, the voters approved the amendment of Article XIII A to permit the State Legislature to exclude from the definition of “newly constructed” the construction or installation of seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990.

Article XIII A has also 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, provided 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.

Article XIII B of the State Constitution

Article XIII B of the State Constitution limits the annual appropriations of the State and of any city, county, school district, special district, authority or other political subdivision of the State to the appropriations limit for the prior fiscal year, as adjusted for changes in the cost of living, population and services for which the fiscal responsibility is shifted to or from the governmental entity. The “base year” for establishing this appropriations limit is the 1978–79 fiscal year. The appropriations limit may also be adjusted in emergency circumstances, subject to limitations.

Appropriations of an entity of local government subject to Article XIII B generally include authorizations to expend during a fiscal year the “proceeds of taxes” levied by or for the entity, exclusive of certain State subventions, refunds of taxes, and benefit payments from retirement, unemployment insurance and disability insurance funds. “Proceeds of taxes” include but are not limited to, all tax revenues, certain State subventions received by the local governmental entity and the proceeds to the local governmental entity from (1) regulatory licenses, user charges, and user fees (to the extent that such proceeds exceed the cost of providing the service or regulation) and (2) the investment of tax revenues. Article XIII B provides that if a governmental entity’s revenues in any year exceed the amounts permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

Article XIII B does not limit the appropriation of moneys to pay debt service on indebtedness existing or authorized as of January 1, 1979, or for bonded indebtedness approved thereafter by a vote of the electors of the issuing entity at an election held for that purpose, or appropriations for certain other limited purposes. Furthermore, Article XIII B was amended in 1990 to exclude from the appropriations limit “all qualified capital outlay projects, as defined by the Legislature” from proceeds of taxes. The Legislature has defined “qualified capital outlay project” to mean a fixed asset (including land and construction) with a useful life of 10 or more years and a value which equals or exceeds \$100,000.

Articles XIII C and XIII D of the State Constitution

On November 5, 1996, the voters of the State approved Proposition 218, known as the “Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the California Constitution and contains a number of interrelated provisions affecting the ability of the District to levy and collect both existing and future taxes, assessments, fees and charges. The interpretation and application of Proposition 218 is still being determined by the courts with respect to a number of the matters discussed below, and it is not possible at this time to predict with certainty the outcome of such determinations.

Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the District require a majority vote and taxes for specific purposes, even if deposited in the District’s General Fund, require a two-thirds vote. Further, any general purpose tax the District imposed, extended or increased without voter approval after December 31, 1994 may continue to be imposed only if approved by a majority vote in an election that must be held before November 6, 1998. The voter–approval requirements of Article XIII C reduce the flexibility of the District to raise revenues for the General Fund, and no assurance can be given that the District will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Article XIII D also adds several provisions making it generally more difficult for local agencies to levy and maintain fees, charges, and assessments for municipal services and

programs. These provisions include, among other things, (i) a prohibition against assessments that exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that assessments confer a “special benefit,” as defined in Article XIID, over and above any general benefits conferred; (iii) a majority protest procedure for assessments which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected parties, and (iv) a prohibition against fees and charges used for general governmental services, including police, fire and library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIC of the State Constitution by expanding the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, for performing investigations, inspections, and audits, for enforcing agricultural marketing orders, and for the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) 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; (6) a charge imposed as a condition of property development; and (7) assessments and property–related fees imposed in accordance with the provisions of Article XIID. 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 bears a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

Article XIIC also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of the District will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the District’s General Fund. If such repeal or reduction occurs, the District’s operations could be adversely affected. See “DISTRICT FINANCIAL INFORMATION.”

Proposition 62

At the November 4, 1986, general election, the voters of the State approved Proposition 62, a statutory initiative (1) requiring that any tax imposed by local governmental entities for general governmental purposes be approved by resolution or ordinance adopted by two–thirds vote of the governmental agency’s legislative body and by a majority of the electorate of the governmental entity; (2) requiring that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two–thirds vote of the voters within that jurisdiction; (3) restricting the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed; (4) prohibiting the imposition of ad valorem taxes on real property by local governmental entities, except as permitted by Article XIII A; (5) prohibiting the imposition of transaction taxes and sales taxes on

the sale of real property by local governmental entities; and (6) requiring that any tax imposed by a local governmental entity on or after August 1, 1985, be ratified by a majority vote of the electorate within two years of the adoption of the initiative or be terminated by November 15, 1988.

Following its adoption by the voters, various provisions of Proposition 62 were declared unconstitutional at the appellate court level. On September 28, 1995, however, the California Supreme Court, in *Santa Clara District Local Transportation Authority v. Guardino*, upheld the constitutionality of the portion of Proposition 62 requiring a two-thirds vote in order for a local government or district to impose a special tax and, by implication, upheld a parallel provision requiring a majority vote in order for a local government or district to impose any general tax. The *Guardino* decision did not address whether it should be applied retroactively.

In response to *Guardino*, the California Legislature adopted Assembly Bill 1362, which provided that *Guardino* should apply only prospectively to any tax that was imposed or increased by an ordinance or resolution adopted after December 14, 1995. Assembly Bill 1362 was vetoed by the Governor; hence the application of the *Guardino* decision on a retroactive basis remains unclear. The *Guardino* decision also did not decide the question of the applicability of Proposition 62 to charter cities. Two cases decided by the California Courts of Appeals in 1993, *Fielder v. District of Los Angeles* (1993) 14 Cal.App.4th 137 (rev. den. May 27, 1993), and *Fisher v. County of Alameda* (1993) 20 Cal.App.4th 120 (rev. den. Feb. 24, 1994), held that the restriction imposed by Proposition 62 on property transfer taxes did not apply to charter cities because charter cities derive their power to enact such taxes under Article XI, Section 5, of the California Constitution relating to municipal affairs.

Proposition 62, as an initiative statute, does not have the same level of authority as a constitutional initiative. It is analogous to legislation adopted by the State Legislature, except that it may be amended only by a vote of the State's electorate. However, Proposition 218, as a constitutional amendment, is applicable to charter cities and supersedes many of the provisions of Proposition 62.

Proposition 1A

Senate Constitutional Amendment No. 4 was enacted by the Legislature and subsequently approved by the voters as Proposition 1A at the November 2004 election. Among other things, Proposition 1A amended the State Constitution to reduce the Legislature's authority over local government revenue sources by placing restrictions on the State's access to local governments' property, sales and vehicle-license fee revenues as of November 3, 2004, and by providing that the State may not reduce any local sales-tax rate, limit existing local government authority to levy a sales-tax rate or change the allocation of local sales-tax revenues, subject to certain exceptions. Proposition 1A provides, however, that beginning in fiscal year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years. This shift of local government property tax can be accomplished if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses and certain other conditions are met.

Proposition 22

Proposition 22, entitled "The Local Taxpayer, Public Safety and Transportation Protection Act," was approved by the voters of the State in November 2010. Proposition 22 eliminates or

reduces the State's authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for State-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

Unitary Property

AB 454 (Chapter 921, Statutes of 1986) provides that revenues derived from most utility property assessed by the State Board of Equalization ("**Unitary Property**"), commencing with the 1988–89 fiscal year, are allocated as follows: (i) each jurisdiction will receive up to 102% of its prior year State-assessed revenue; and (ii) if county-wide revenues generated from Unitary Property are less than the previous year's revenues or greater than 102% of the previous year's revenues, each jurisdiction will share the burden of the shortfall or benefit of the excess revenues by a specified formula. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 do not constitute an elimination of the assessment of any State-assessed properties nor a revision of the methods of assessing utilities by the State Board of Equalization. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

Future Initiatives

Article XIII A, Article XIII B and Propositions 62, 218, and Proposition 1A were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, further affecting the District's revenues or its ability to expend revenues.

RISK FACTORS

The following factors, along with other information in this Official Statement, should be considered by potential investors in evaluating the risks in the purchase of the Bonds. However, the following is not an exhaustive listing of risk factors and other considerations which may be relevant to an investment in the Bonds. There can be no assurance that other risk factors will not become evident at any future time.

Limitations on Remedies; Bankruptcy

The enforcement of any rights and remedies provided in the Indenture, including but not limited to the remedy of suit in law or equity, could be substantial and the process lengthy. The enforceability of the rights and remedies of the Owners and the obligations of the District may become subject to the following: the United States Bankruptcy Code (the "**Bankruptcy Code**") and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; equitable principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of servicing a significant and legitimate public purpose.

The opinions of counsel, including Bond Counsel, delivered in connection with the issuance of the Bonds will be so qualified. Bankruptcy proceedings, or the exercising of powers by the federal or state government, if initiated, could subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights.

Any suit requesting accelerated payment of the Bonds and/or money damages could be subject to limitations on legal remedies against municipalities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

Bankruptcy proceedings, or the exercising of powers by the federal or State government, if initiated, could subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights, including their right to full repayment as well as payment terms. Many issues under Chapter 9, have not yet been the subject of reported appellate decisions, and it has become difficult to anticipate judicial rulings in municipal bankruptcies due to inconsistencies in opinions at the Bankruptcy Court and District Court level. For example, there is now some uncertainty regarding whether bondholders would be entitled to receive remittances of special revenues net of permitted necessary operating expenses during the pendency of a Chapter 9 bankruptcy proceeding and prior to confirmation of a plan of adjustment. This is based upon a lack of relevant appellate decisions, as well as inconsistencies in District Court holdings in in Puerto Rico's ongoing proceedings pursuant to the Puerto Rico Oversight, Management, and Economic Stability Act ("**PROMESA**") (which contains similarities to and incorporates certain provisions of Chapter 9 of the Bankruptcy Code, but which was not enacted as a part thereof) and prior municipal bankruptcy case decisions.

No Limit on Additional Obligations

The District has other obligations payable from its operating revenues. The District has the ability to enter into other obligations that would constitute additional charges against its general operating revenues without limitation under the Indenture. To the extent that such additional obligations are incurred by the District, the funds available to make payments on the Bonds may decrease.

Future Pension Benefit Liability

Many factors influence the amount of the District's pension benefit liabilities, including, without limitation, inflationary factors, changes in statutory provisions of retirement system laws applicable to ACERA, changes in the levels of benefits provided or in the contribution rates of the District, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods, and differences between actual and anticipated investment experience of ACERA. Any of these factors could give rise to additional liability of the District to its pension plans as a result of which the District would be obligated to make additional payments to its pension plans, in addition to making payments to amortize the Bonds, in order to fully fund of the District's obligations to ACERA.

Assessed Value of Taxable Property

Natural and economic forces can affect the assessed value of taxable property within the District, thereby reducing property taxes available to the District to pay the Bonds.

The District is located in a seismically active region, and damage from an earthquake in or near the area could cause moderate to extensive damage to taxable property. Other natural or manmade disasters, such as flood, fire, drought, toxic dumping, or acts of terrorism, could cause a reduction in the assessed value of taxable property within the District. Economic and market forces, such as a downturn in the regional economy generally, can also affect assessed values, particularly as these forces might reverberate in the residential housing and commercial property markets. In addition, the total assessed value can be reduced through the reclassification of taxable property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes). Reductions in the market values of taxable property may cause property owners to appeal assessed values and may be associated with an increase in delinquency rates for taxes.

See also “– Geologic, Topographic and Climatic Conditions” below.

Appeals of Assessed Values

The District’s largest source of available funds to make payments on the Bonds consists of ad valorem property taxes. Ad valorem property taxes are dependent on the assessed valuations of taxable property. There are two types of appeals of assessed values that could adversely impact property tax revenues of the District in the future:

Proposition 8 Appeals. Most of the appeals that might be filed in the District would be based on Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property must be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIII A 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.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate 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. These market-driven appeals are known as Proposition 8 appeals.

Any reduction in the assessment ultimately granted as a Proposition 8 appeal applies to the year for which application is made and during which the written application was filed. These reductions are often temporary and are adjusted back to their original values 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 XIII A. However, current case law is uncertain as to whether or not property may be adjusted to its prior value at once or if adjustments may only be made subject to the 2% limitation. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIII A of the State Constitution.”

Base Year Appeals. A second type of assessment appeal is called a base year appeal, where the property owners challenge the original (basis) value of their

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.

No assurance can be given that property tax appeals in the future will not materially reduce the District's property tax revenues.

COVID-19 Pandemic

The spread of COVID-19 has impacted governments, businesses and people in a manner that is having negative effects on global and local economies. There can be no assurances that the spread of COVID-19 and/or responses intended to slow the spread of COVID-19 such as declining business and travel activity, will not materially adversely impact the state and national economies and, accordingly, materially adversely impact the financial condition of the District's and its operating revenues. In addition, the District may experience increased personnel costs and/or reduced revenues due to the COVID-19 situation and the related impact on economic and other activity in and around the City.

As a recreation and park district, the District has been impacted by the ongoing COVID-19 pandemic. For example, various programs and activities once undertaken by the District within its facilities and parks were not able to be held, therefore resulting in lost revenue. This lost revenue was, to some extent, offset by reduced costs associated with fewer staff members needed to administer the programs. See "DISTRICT FINANCIAL INFORMATION – Recent General Fund Budgets/COVID-19." In addition, property tax revenues and revenues from Special Tax 97-1 have not, to date, been adversely impacted by COVID-19. No assurance can be given that revenues of the District will not be materially adversely affected in the future from the ongoing pandemic.

Cybersecurity

The District, like many 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 is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, ransomware, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage.

The District has never had a major cyber breach that resulted in a financial loss, but no assurance can be given that the District's efforts to manage cyber threats and attacks will, in all cases, be successful or that any such attack will not materially impact the operations or finances of the District. The District is also reliant on other entities and service providers, such as the County for operation of the Teeter Plan or such as the Trustee in its role under the Indenture. No assurance can be given that the District may not be affected by cyber threats and attacks against other entities or service providers in a manner which may affect the Bondowners, e.g., systems related to the timeliness of payments to Bondowners or compliance with disclosure filings pursuant to the continuing disclosure certificate.

Proposition 218

See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Articles XIIC and XIID of the State Constitution,” for information about certain risks to the District’s general fund revenues under Articles XIIC and Article XIID of the California Constitution, which were initially implemented via an initiative measure known as “Proposition 218.”

Geologic, Topographic and Climatic Conditions

General. The financial stability of the District could be materially adversely affected by a variety of factors, particularly those which may affect infrastructure and other public improvements and private improvements and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions (such as earthquakes), topographic conditions (such as earth movements and floods), climatic conditions (such as droughts and fires).

Building codes require that some of these factors be considered, to a limited extent, in the design of improvements. Design criteria in any of these circumstances are established upon the basis of a variety of considerations and may change, leaving previously-designed improvements unaffected by more stringent subsequently established criteria. In general, design criteria reflect a balance at the time of protection and the future costs of lack of protection, based in part upon a present perception of the probability that the condition will occur and the seriousness of the condition should it occur. Conditions may occur and may result in damage to improvements of varying seriousness, such that the damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the actual value of public and private improvements within the District in general, may well depreciate or disappear, notwithstanding the establishment of design criteria for any such condition.

Seismic. The area encompassed by the District, like that in much of California, may be subject to unpredictable seismic activity. The District is located within a regional network of several active and potentially active known faults. Additionally, there may also be faults in the District that are not currently known. If there were to be an occurrence of severe seismic activity in the District, there could be an adverse impact on the District’s ability to pay debt service on the Bonds.

Wildfire. In recent years, devastating wildfires have swept across many areas of the State, resulting in significant property damage and loss of life. Even areas not directly impacted by the wildfires have been adversely impacted by wildfire smoke and related air quality issues. No assurance can be given future wildfires will not materially adversely impact the District and its impact and its ability to pay the Bonds.

Drought. According to the California Department of Water Resources, California has experienced many droughts throughout its history, including most recently in the years 1976-77, 1987-1992, 2007-09, and 2012-2016 (although drought conditions may vary significantly throughout different parts of the State). In the most recent drought period, the State experienced significant drought conditions that resulted in severe impacts to California’s water supplies and its ability to meet all the demands for water in the State. In May 2021, following the fourth driest winter on record, the Governor declared a new drought emergency in 41 of the State’s 58

counties, including Solano County. No assurance can be given that drought conditions will not materially adversely impact the District's finances and its ability to pay the Bonds.

Hazardous Substances

Discovery of hazardous substances on parcels within the District beyond those utilized for everyday business-type activities (e.g., gas stations) could impact the District's ability to pay debt service with respect to the Bonds. In general, the owners and operators of a property may be required by federal or State law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. Should any substantial amount of property within the District be affected by a hazardous substance, a reduction in the value of property in the District could reduce property tax revenues received by the District and deposited in the general fund, which could significantly and adversely affect the ability of the District to make payments on the Bonds.

Future Litigation

The District may be or become a party to litigation which has an impact on the District's general fund. While the District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents, the District cannot predict what types of liabilities may arise in the future.

State Law Limitations on Appropriations

Article XIII B of the California Constitution limits the amount that local governments can appropriate annually. The ability of the District to make debt service payments on the Bonds may be affected if the District should exceed its appropriations limit. The State may increase the appropriation limit of cities in the State by decreasing the State's own appropriation limit. The District does not anticipate exceeding its appropriations limit. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS - Article XIII B of the State Constitution" below.

Change in Law

No assurance can be given that the State or the District electorate will not at some future time adopt initiatives, or that the State Legislature will not enact legislation that will amend the laws of the State in a manner that could result in a reduction of the District's revenues and therefore a reduction of the funds legally available to the District to make debt service payments on the Bonds. See, for example, "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIIC and Article XIID of the State Constitution."

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Prices of bond issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

No assurance can be given that the market price for the Bonds will not be affected by the introduction or enactment of any future legislation, or changes in interpretation of existing law.

TAX MATTERS

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences caused by the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

The proposed form of opinion of Bond Counsel with respect to the Bonds to be delivered on the date of issuance of the Bonds is set forth in APPENDIX C.

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.

LEGAL MATTERS

Legal Opinions

Jones Hall, A Professional Law Corporation, San Francisco, California, ("**Bond Counsel**"), will render an opinion substantially in the form of APPENDIX C hereto with respect to the validity of the Bonds. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of the Official Statement. Jones Hall is also serving as Disclosure Counsel to the District. Certain legal matters will be passed on for the Underwriter by its counsel, and the District by the General Counsel to the District. Fees payable to Bond Counsel, Disclosure Counsel and Underwriter's counsel are contingent upon issuance of the Bonds.

No Validation Action Undertaken

No judicial validation action has been undertaken with respect to the Bonds. Article XVI, Section 18 of the California Constitution, sometimes referred to as the Constitutional Debt Limitation, does not apply to special districts such as the District and, accordingly, no validation action has been undertaken.

No Litigation

The District is not aware of any pending or threatened litigation concerning the validity of the Bonds or challenging any action taken by the District with respect to the Bonds. Furthermore, the District is not aware of any pending or threatened litigation to restrain, enjoin, question or otherwise affect the Indenture or in any way contesting or affecting the validity or enforceability of any of the foregoing or any proceedings of the District taken with respect to any of the foregoing.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the District by not later than March 31 following the end of the District's fiscal year (presently June 30) commencing with its report for Fiscal Year

2020-21, which will be due March 31, 2022 (each, an “**Annual Report**”), and to provide notices of the occurrence of certain enumerated events. These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5), as amended (the “**Rule**”). The specific nature of the information to be contained in the Annual Report or the notices of listed events by the District is contained in “APPENDIX D – Form of Continuing Disclosure Certificate.”

The District has never previously been subject to continuing disclosure undertaking under the Rule. [The District has engaged Willdan Financial Services as its dissemination agent, to assist with the District’s future compliance with its continuing disclosure undertaking.]

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (“**S&P**”) has assigned its municipal bond rating of “___” to the Bonds. This rating reflects only the views of S&P, and an explanation of the significance of the rating, and any outlook assigned to or associated with the rating, should be obtained from the S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The District has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement). There is no assurance that this rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by S&P, if in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of any rating on the Bonds may have an adverse effect on the market price or marketability of the Bonds.

UNDERWRITING

Oppenheimer & Co. Inc., as underwriter (the “**Underwriter**”) has agreed, subject to certain conditions, to purchase the Bonds from the District at a purchase price of \$_____ (being the principal amount of the Bonds, less an Underwriter’s discount in the amount of \$_____). The obligations of the Underwriter are subject to certain conditions precedent, and the Underwriter will be obligated to purchase all such Bonds if any Bonds are purchased. The Underwriter intends to offer the Bonds to the public initially at the prices and/or yields set forth on the cover page of this Official Statement, which prices or yields may subsequently change without any requirement of prior notice.

The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices, and such dealers may reallow any such discounts on sales to other dealers. In reoffering Bonds to the public, the Underwriter may over-allocate or effect transactions which stabilize or maintain the market prices for Bonds at levels above those which might otherwise prevail. Such stabilization, if commenced, may be discontinued at any time.

MUNICIPAL ADVISOR

PFM Financial Advisors, LLC, San Francisco, California (the “**Municipal Advisor**”), is acting as the District’s municipal advisor in connection with the Bonds. The Municipal Advisor is

a registered "municipal advisor" with the Securities Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The fees of the Municipal Advisor with respect to the Bonds are contingent upon their sale and delivery.

MISCELLANEOUS

All of the descriptions of applicable law, the Indenture, the District, and the agreements and other documents contained herein are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the District for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will realize.

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

LIVERMORE AREA RECREATION AND PARK DISTRICT

By: _____
General Manager

APPENDIX A

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR YEAR ENDED JUNE 30, 2020**

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX C

PROPOSED FORM OF FINAL OPINION

[Closing Date]

Board of Directors
Livermore Area Recreation and Park District
4444 East Avenue
Livermore, CA 94550

OPINION: \$_____ Livermore Area Recreation and Park District
 2021 Taxable Pension Obligation Bonds

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and delivery by the Livermore Area Recreation and Park District (the "District") of \$_____ aggregate principal amount of bonds of the District designated the "Livermore Area Recreation and Park District 2021 Taxable Pension Obligation Bonds" (the "Bonds"), issued under the provisions of Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), an Indenture of Trust dated as of June 1, 2021 (the "Indenture"), between the District and U.S. Bank National Association, as trustee. The Bonds have been issued to provide funds to prepay certain obligations of the District owed to Alameda County Employees' Retirement Association. We have examined the Bond Law, the Indenture and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Indenture and in the certified proceedings, opinions and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

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

1. The District is a recreation and park district duly organized and existing under the laws of the State of California, with power to enter into the Indenture and perform the agreements on its part contained therein, and to issue the Bonds.
2. The Bonds constitute legal, valid and binding obligations of the District enforceable in accordance with their terms and payable solely from the sources provided therefor in the Indenture.
3. The Indenture has been duly authorized, executed and delivered by the District and constitutes a legal, valid and binding obligation of the District enforceable against the District in accordance with its terms.
4. 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 Indenture 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. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____
LIVERMORE AREA RECREATION AND PARK DISTRICT
2021 TAXABLE PENSION OBLIGATION BONDS

This CONTINUING DISCLOSURE CERTIFICATE (this “Disclosure Certificate”) is executed and delivered by the LIVERMORE AREA RECREATION AND PARK DISTRICT (the “District”) in connection with the execution and delivery of the bonds captioned above (the “Bonds”). The Bonds are being executed and delivered pursuant to an Indenture of Trust, dated as of June 1, 2021 (the “Indenture”), by and between the District and U.S. Bank National Association, as trustee.

The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule..

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

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

“*Annual Report Date*” means the date that is nine months after the end of the District’s fiscal year (being March 31 based on the District’s current fiscal year end of June 30).

[“*Dissemination Agent*” means initially _____, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.]

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

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

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

“*Participating Underwriter*” means the original underwriter 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 it 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 March 31, 2022, with the report for Fiscal Year 2020-21, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). 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) a notice to the MSRB in a timely manner, in an electronic format as prescribed by the MSRB.

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

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the District for the most recently completed fiscal year, as follows:

- (1) The outstanding principal amount of the Bonds as of June 30.
- (2) General Fund Budget for the then-current fiscal year.
- (3) Operating Revenues, Expenses and Changes in Fund Balance for the most recently completed fiscal year, substantially in the form of Table __.
- (4) Assessed valuation of property in the District in substantially the form of Table 4.

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

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax 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 or other obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the District or an obligated person, or the sale of all or substantially all of the assets of the District or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material (for the definition of “financial obligation,” see clause (e) below).
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties (for the definition of “financial obligation,” see clause (e) below).

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, 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 Bond holders.

(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 5 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 5(a)(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 prepayment 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(b).

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. A Dissemination Agent may resign by providing 30 days’ written notice to the District.

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 Special 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 Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized Special 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 Report 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 this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report 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 any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

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 Trust Agreement, 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 shall have no duty or obligation to review any information provided to it by the District hereunder and shall not be deemed to be acting in any fiduciary capacity for the District, the Bond holders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and

shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

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

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2021

**LIVERMORE AREA RECREATION AND
PARK DISTRICT**

By: _____

Name: _____

Title: _____

**ACCEPTANCE OF DUTIES
AS DISSEMINATION AGENT:**

By _____
Authorized Officer

APPENDIX E

INFORMATION REGARDING THE CITY OF LIVERMORE AND THE COUNTY OF ALAMEDA

This appendix contains certain statistical and demographic information regarding the City of Livermore ("City"), County of Alameda ("County") and State of California ("State"). The Bonds are not an obligation of the City, County, State or any of its political subdivisions (other than the District), and are solely payable from legally available funds of the District, as described in this Official Statement.

General

The City. The City is a general law city with a council manager form of government, which was incorporated on April 1, 1876. It comprises approximately 24.72 square miles and is located in southeastern Alameda County, approximately 43 miles southeast of San Francisco and 30 miles southeast of Oakland. The City is part of the rapidly developing Tri-Valley area which contains the cities of Pleasanton, Livermore, Dublin and San Ramon and has a total estimated January 1, 2019 population of 320,065.

The primary industry in the City is research and development. There are approximately 4,500 acres zoned for research and development and light/heavy industry, including 49 industrial parks with over 19 million square feet of industrial space. The City is also home to two national laboratories: Lawrence Livermore National Laboratory and Sandia National Laboratories, and the Livermore Municipal Airport.

The City was originally a rural community and still has many agricultural activities occurring in its sphere of influence, including ranching uses and a significant wine industry. The Livermore Valley Wine Country in and around the City covers over 5,000 acres, and is one of California's oldest wine regions and home to over three dozen wineries, many with more than 50 tasting rooms and visitor centers. The region is also a developing golf destination with the PGA and LPGA choosing the Tri-Valley as one of their Nationwide Tournament hosts.

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

The northern part of the County has direct access to San Francisco Bay and the City of San Francisco. It is highly diversified with residential areas, as well as traditional heavy industry, the University of California at Berkeley, the Port of Oakland, and sophisticated manufacturing, computer services and biotechnology firms. The middle of the County is also highly developed including older established residential and industrial areas.

The southeastern corner of the County has seen strong growth in residential development and manufacturing. Many high-tech firms have moved from neighboring Silicon Valley in Santa Clara County to this area. The southwestern corner of the County has seen the most development in recent years due to land availability. Agriculture and the rural characteristics of this area are disappearing as the region maintains its position as the fastest growing residential, commercial and industrial part of the County.

Population

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

**CITY OF LIVERMORE, COUNTY OF ALAMEDA
AND STATE OF CALIFORNIA
Population Estimates
Calendar Years 2017 through 2021 as of January 1**

Year	City of Livermore	Alameda County	State of California
2017	89,877	1,644,303	39,500,973
2018	90,392	1,651,760	39,740,508
2019	90,769	1,659,608	39,927,315
2020	91,082	1,663,114	39,648,938
2021	91,216	1,656,591	39,466,855

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

[Remainder of page intentionally left blank]

Employment and Industry

The District is included in the Oakland-Hayward-Berkeley Metropolitan Division (“MD”). The unemployment rate in the Oakland-Hayward-Berkeley MD was 6.6 percent in March 2021, down from a revised 6.9 percent in February 2021, and above the year-ago estimate of 3.6 percent. This compares with an unadjusted unemployment rate of 8.2 percent for California and 6.2 percent for the nation during the same period. The unemployment rate was 6.5 percent in Alameda County and 6.8 percent in Contra Costa County.

The table below list employment by industry group for Alameda and Contra Costa Counties for the years 2016 to 2020.

**OAKLAND-HAYWARD-BERKELEY MD
(Alameda and Contra Costa Counties)
Annual Averages Civilian Labor Force, Employment and Unemployment,
Employment by Industry
(March 2020 Benchmark)**

	2016	2017	2018	2019	2020
Civilian Labor Force ⁽¹⁾	1,385,000	1,396,900	1,401,800	1,400,800	1,355,100
Employment	1,324,400	1,344,300	1,357,900	1,358,000	1,235,600
Unemployment	60,600	52,600	43,900	42,800	119,400
Unemployment Rate	4.4%	3.8%	3.1%	3.1%	8.8%
<u>Wage and Salary Employment: ⁽²⁾</u>					
Agriculture	1,300	1,400	1,300	1,400	1,500
Mining and Logging	300	200	200	200	200
Construction	67,900	71,200	74,900	75,500	70,400
Manufacturing	91,300	95,700	100,600	101,000	98,200
Wholesale Trade	48,100	48,700	47,500	45,400	42,000
Retail Trade	113,400	114,400	114,400	111,700	100,500
Transportation, Warehousing, Utilities	39,700	41,300	42,300	43,700	45,100
Information	26,500	26,900	27,600	27,600	25,800
Finance and Insurance	38,900	38,900	37,500	37,200	36,000
Real Estate and Rental and Leasing	16,900	17,400	17,800	18,100	16,700
Professional and Business Services	181,100	184,500	189,500	193,200	184,600
Educational and Health Services	185,900	191,500	194,300	198,400	189,800
Leisure and Hospitality	111,700	114,900	117,700	121,000	84,100
Other Services	39,100	40,200	41,000	41,200	32,900
Federal Government	13,900	13,800	13,400	13,400	14,100
State Government	39,700	39,300	39,400	39,600	38,000
Local Government	119,800	121,500	121,800	121,800	113,800
Total, All Industries ⁽³⁾	1,135,400	1,161,800	1,181,300	1,190,400	1,093,700

(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.

Major Employers

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

ALAMEDA COUNTY Major Employers

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
Alameda County Law Enforcement	Oakland	Government Offices-County
Alameda County Sheriff's Dept	San Leandro	Government Offices-County
Alameda County Sheriff's Ofc	Oakland	Sheriff
Alta Bates Summit Med Ctr Alta	Berkeley	Hospitals
BART	Oakland	Transportation
California State Univ East Bay	Hayward	Schools-Universities & Colleges Academic
Dell EMC	Pleasanton	Computer Storage Devices (mfrs)
East Bay Mud	Oakland	Water & Sewage Companies-Utility
Ebmud	Oakland	Utilities
Grifols Diagnostic Solutions	Emeryville	Pharmaceutical Research Laboratories
Highland Hospital	Oakland	Hospitals
Kaiser Permanente Oakland Med	Oakland	Hospitals
Lawerence Berkeley Lab	Berkeley	Laboratories-Research & Development
Lawrence Livermore Natl Lab	Livermore	University-College Dept/Facility/Office
Lifescan Inc	Fremont	Physicians & Surgeons Equip & Supls-Mfrs
Oakland Police Patrol Div	Oakland	Police Departments
Sanfrancisco Bayarea Rapid	Oakland	Transit Lines
Transportation Dept-California	Oakland	Government Offices-State
UCSF Benioff Children's Hosp	Oakland	Hospitals
University of CA Berkeley	Berkeley	Schools-Universities & Colleges Academic
University of CA-BERKELEY	Berkeley	University-College Dept/Facility/Office
University-Ca-Berkeley Dept	Berkeley	University-College Dept/Facility/Office
Valley Care Health System	Livermore	Health Services
Washington Hospital Healthcare	Fremont	Hospitals
Western Digital Corp	Fremont	Computer Storage Devices (mfrs)

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2021 1st Edition.

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Construction Activity

Provided below are the building permits and valuations for the County for calendar years 2013 through 2019. Data for calendar year 2020 are not yet available.

ALAMEDA COUNTY Total Building Permit Valuations (Valuations in Thousands)

	2013	2014	2015	2018	2019
<u>Permit Valuation</u>					
New Single-family	\$451,279.5	\$400,498.1	\$576,948.5	\$689,530.0	\$675,129.8
New Multi-family	300,514.9	392,331.4	456,361.3	1,431,985.0	782,536.4
Res. Alterations/Additions	<u>227,675.7</u>	<u>325,493.9</u>	<u>344,975.9</u>	<u>469,158.5</u>	<u>512,409.9</u>
Total Residential	979,470.2	1,118,323.4	1,378,285.7	2,590,673.5	1,188,322.6
New Commercial	122,360.6	175,958.9	187,303.4	551,547.4	718,569.0
New Industrial	140,059.5	102,926.6	92,470.2	302,121.2	5,638.5
New Other	49,801.8	147,944.7	193,029.9	89,686.1	78,049.8
Com. Alterations/Additions	<u>364,237.6</u>	<u>599,941.3</u>	<u>673,633.6</u>	<u>819,040.7</u>	<u>992,668.1</u>
Total Nonresidential	\$676,459.5	\$1,026,771.5	\$1,146,437.1	\$1,762,395.4	\$1,794,925.4
New Dwelling Units					
Single Family	1,339	1,076	1,671	1,867	1,871.0
Multiple Family	<u>2,023</u>	<u>2,048</u>	<u>3,370</u>	<u>6,540</u>	<u>59.0</u>
TOTAL	3,362	3,124	5,041	8,407	1,930.0

Source: Construction Industry Research Board, Building Permit Summary.

Effective Buying Income

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

The following table summarizes the median household effective buying income for the County, the State and the United States for the period 2017 through 2021.

ALAMEDA COUNTY
Effective Buying Income
Median Household
As of January 1, 2017 Through 2021

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2017	Alameda County	61,987,949	73,633
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2018	Alameda County	61,987,949	73,633
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	Alameda County	67,609,653	79,446
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	Alameda County	72,243,436	84,435
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	Alameda County	77,794,202	88,389
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790

Source: The Nielsen Company (US), Inc.

Taxable Transactions

Summaries of historic taxable sales within the County during the past five years in which data is available are shown in the following tables. Annual figures are not yet available for 2020.

Total taxable transactions during the first, three quarters of calendar year 2020 in the County were reported to be \$22,996,731,979, a 21.19% decrease in total taxable transactions of \$25,565,366,706 reported during the first, three quarters of calendar year 2019.

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

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2015	17,260	18,702,806	45,197	29,770,157
2016	27,273	19,386,688	44,799	30,958,480
2017	27,431	20,561,252	45,232	32,476,174
2018	27,816	22,857,349	47,402	35,073,302
2019	28,375	21,882,886	49,197	35,040,749

Source: State Board of Equalization. Taxable Sales in California (Sales & Use Tax) for years 2015-2016. State Department of Tax and Fee Administration for year 2017 through 2019.

APPENDIX F

BOOK ENTRY PROVISIONS

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, as the issuer of the Bonds (the “Issuer”), nor the Trustee appointed for the Bonds (the “Agent”) take any responsibility for the information contained in this Appendix.

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

1. The Depository Trust Company (“DTC”) will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

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

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

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or 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, Agent, or Issuer, 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 Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

\$ _____
**LIVERMORE AREA RECREATION AND PARK DISTRICT
2021 TAXABLE PENSION OBLIGATION BONDS**

BOND PURCHASE AGREEMENT

_____, 2021

Livermore Area Recreation and Park District
4444 East Avenue
Livermore, California 94550

Ladies and Gentlemen:

The undersigned Oppenheimer & Co. Inc. (the “**Underwriter**”) offers to enter into this Bond Purchase Agreement (this “**Purchase Agreement**”) with the Livermore Area Recreation and Park District (the “**District**”), which, upon the acceptance by the District, will be binding upon the District and the Underwriter. This offer is made subject to acceptance by the District by the execution of this Purchase Agreement and delivery of the same to the Underwriter prior to 11:59 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the District at any time prior to the acceptance hereof by the District. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture (defined herein).

Section 1. Purchase and Sale. Upon the terms and conditions and on the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District, and the District hereby agrees to issue, sell and deliver to the Underwriter all (but not less than all) of the Livermore Area Recreation and Park District 2021 Taxable Pension Obligation Bonds (the “**Bonds**”) in the aggregate principal amount of \$_____. The Bonds shall be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on June 1 and December 1 in each year, commencing December 1, 2021 (each an “**Interest Payment Date**”) and will bear interest at the rates and on the dates as set forth in Exhibit A hereto. The purchase price for the Bonds shall be \$_____ (which represents the principal amount of the Bonds in the amount of \$_____, less an Underwriter’s discount of \$_____).

The Underwriter agrees to make a bona fide public offering of the Bonds at the initial offering yields set forth in the Official Statement (defined herein); however, the Underwriter reserves the right to make concessions to dealers and to change such initial offering yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds. The Underwriter agrees that, in connection with the public offering and initial delivery of the Bonds to the purchasers thereof from the Underwriter, the Underwriter will deliver or cause to be delivered to each purchaser a copy of the final Official Statement prepared in connection with the Bonds, for the time period required under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“**Rule 15c2-12**”). Terms defined in the Preliminary Official Statement, and to be set forth in the final Official Statement are used herein as so defined.

The District acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the District and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as a municipal advisor (as defined in section 15B of the Securities Exchange Act of 1934, as amended), financial advisor or fiduciary; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District on other matters); (iv) the only obligations the Underwriter has to the District with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (v) the District has consulted its own financial and/or municipal, legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

Section 2. The Bonds. The Bonds are being issued pursuant to Articles 10 and 11 (commencing with section 53570) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "**Refunding Law**") and the Indenture of Trust, dated as of _____ 1, 2021 (the "**Indenture**"), between the District and _____, as trustee (together with any successor as trustee under the Indenture, the "**Trustee**"). The Bonds shall be obligations of the District payable from any lawfully available funds, shall not be limited as to payment to any special source of funds of the District and the payment thereof shall not be subject to appropriation. The Bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. The Bonds otherwise shall be as described in the Preliminary Official Statement and the Official Statement, the Refunding Law and the Legal Documents (as defined herein). The Underwriter's agreement to purchase the Bonds from the District is made in reliance upon the District's representations, covenants and warranties and on the terms and conditions set forth in this Purchase Agreement.

The District is obligated by the Public Employees' Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the "**Retirement Law**"), and the contract between the Alameda County Employees' Retirement Association ("**ACERA**") and the Board of Directors of the District (as amended, the "**ACERA Contract**"), to make contributions to ACERA to (a) fund pension benefits for its employees who are members of ACERA, (b) amortize the unfunded actuarial liability with respect to such pension benefits, and (c) appropriate funds for the purposes described in (a) and (b).

The proceeds of the Bonds will be used to: (i) refund certain of the District's obligations to ACERA evidenced by the ACERA Contract and representing the current unfunded accrued liability (the "**Unfunded Liability**") with respect to certain pension benefits under the Retirement Law, and (ii) pay certain costs associated with the issuance and delivery of the Bonds.

Section 3. Public Offering. The Underwriter agrees to make an initial public offering of all the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

Section 4. The Official Statement. By its acceptance of this Purchase Agreement, the District ratifies, confirms and approves of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement relating to the Bonds, dated _____, 2021 (including the cover page, all appendices and all information incorporated therein and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the “**Preliminary Official Statement**”) that the District has deemed “final” as of its date, for purposes of Rule 15c2-12 except for certain omissions permitted to be omitted therefrom by Rule 15c2-12. The District hereby agrees to deliver or cause to be delivered to the Underwriter, within seven (7) business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Bonds (including all information previously permitted to have been omitted by Rule 15c2-12, the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the District and the Underwriter (the “**Official Statement**”)) in such quantity as the Underwriter shall reasonably request to comply with Rule 15c2-12(b)(4) and the rules of the Municipal Securities Rulemaking Board (the “**MSRB**”). To the extent required by applicable MSRB Rules, the District hereby confirms that it does not object to distribution of the Official Statement in electronic form.

Section 5. Closing. At 8:00 a.m., California time, on _____, 2021, or at such other time or date as the District and the Underwriter mutually agree upon, the District shall deliver or cause to be delivered to the Trustee, and the Trustee shall deliver or cause to be delivered through the facilities of The Depository Trust Company, New York, New York (“**DTC**”), the Bonds in definitive form, duly executed and authenticated. Concurrently with the delivery of the Bonds, the District shall deliver the documents hereinafter mentioned at the offices of Jones Hall, A Professional Law Corporation, San Francisco, California (“**Bond Counsel**”) or another place to be mutually agreed upon by the District and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents referenced herein, is called the “**Closing**.”

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of \$5,000 and any integral multiple thereof as provided in the Indenture, and shall be made available to the Underwriter at least one (1) business day before the Closing for purposes of inspection and packaging. The District acknowledges that the services of DTC will be used initially by the Underwriter to permit the issuance of the Bonds in book-entry form, and agrees to cooperate fully with the Underwriter in employing such services.

Section 6. Representations, Warranties and Covenants of the District. The District represents, warrants and covenants to the Underwriter as follows.

(a) The District is a recreation and park district and municipal corporation of the State of California (the “**State**”), duly organized and validly existing pursuant to the Constitution and laws of the State.

(b) The District had full legal right, power and authority to adopt the Resolution authorizing the issuance of the Bonds (the “**Resolution**”), and the District has, and at the Closing Date will have, full legal right, power and authority (i) to execute and deliver the Indenture, the Continuing Disclosure Certificate relating to the Bonds (the “**Continuing Disclosure Certificate**”) and this Purchase Agreement (collectively, the “**Legal Documents**”), to perform its obligations under the Legal Documents, and has by official action duly authorized and approved the execution

and delivery of, and the performance by the District of the obligations on its part contained in the Legal Documents, (ii) to issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out, give effect to and consummate the transactions contemplated by the Legal Documents and the Resolution.

(c) The Board of Directors has duly and validly adopted the Resolution at a meeting of the Board of Directors duly noticed and at which a quorum was present, and the Resolution has not been modified or amended and are in full force and effect, and has duly approved the execution and delivery of the Bonds and the other Legal Documents, and the performance by the District of its obligations contained therein, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by each of said documents.

(d) The Bonds and the other Legal Documents have been, on or before the Closing Date will be, duly executed and delivered by the District, and, on the Closing Date, the Bonds, when authenticated and delivered to the Underwriter in accordance with the Indenture, and the other Legal Documents will constitute legally valid and binding obligations, enforceable against the District in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or limiting creditors' rights generally.

(e) The District is, and at the Closing Date will be, in compliance, in all respects, with the Legal Documents.

(f) To the best of its knowledge, the District is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, in each case which breach or default has or may have a material adverse effect on the ability of the District to perform its obligations under the Legal Documents.

(g) After due inquiry, except as may be required under blue sky or other securities laws of any state, there is no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the District, other than the Board of Directors, that has not been obtained is or will be required for the issuance and delivery of the Bonds or the consummation by the District of the other transactions contemplated by the Indenture.

(h) The adoption of the Resolution, and the execution and delivery by the District of the Legal Documents and the approval by the District of the Official Statement and compliance with the provisions on the District's part contained in the Legal Documents, will not conflict with, or result in a violation or breach of, or constitute a default under, any law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject to, which conflict, breach or default has or may have a material adverse effect on the ability of the District to carry out its obligations under the Legal Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of District under the terms of any such

law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument, except as provided by the Legal Documents.

(i) Prior to the date hereof, the District has provided to the Underwriter for its review the Preliminary Official Statement, that the District has deemed final for purposes of Rule 15c2-12, has approved the distribution of the Preliminary Official Statement and the Official Statement, and has duly authorized the execution and delivery of the Official Statement (including in electronic form). The Preliminary Official Statement, at the date thereof, and as of the date hereof, did not and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading. As of the date hereof and on the Closing, the Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading.

(j) By official action of the District prior to or concurrently with the acceptance hereof, the District has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement (including in electronic form), and has duly authorized and approved the execution and delivery of, and the performance by the District of the obligations on its part contained, in the Legal Documents.

(k) The District will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The District will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(l) The financial statements relating to the receipts, expenditures and cash balances of the District as of June 30, 2020 as set forth in the Preliminary Official Statement and in the Official Statement fairly represent the financial position and results of operations of the District as of the dates and for the periods therein set forth in accordance with generally accepted accounting principles. Except as disclosed in the Preliminary Official Statement, the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial position and results of operations of the District or in its operations since June 30, 2020 and, except as disclosed in the Preliminary Official Statement, the Official Statement or otherwise disclosed in writing to the Underwriter, there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(m) As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the knowledge of the District, threatened (i) in any way questioning the corporate existence of the District or the titles of the officers of the District to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the Legal Documents or the consummation of the transactions contemplated thereby or contesting the power of the District to enter into the Legal Documents; (iii) which may result in any material

adverse change to the financial condition of the District or to its ability to make payment of principal or redemption price of and interest on the Bonds when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clause (i) through (iv) of this sentence.

(n) To the extent required by law, the District will undertake, pursuant to the Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Except as otherwise disclosed in the Preliminary Official Statement, the District has not failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12 to provide annual reports or notices of enumerated events in the past five years and, the District has been in material compliance during the past five years with its continuing disclosure obligations in accordance with Rule 15c2-12.

(o) Any certificate signed by any officer of the District authorized to execute such certificate in connection with the issuance, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the District to the Underwriter as to the statements made therein but not of the person signing such certificate.

(p) The District will promptly apply the proceeds of the Bonds to refund the Unfunded Liability as of the date of issuance of the Bonds and to pay costs associated with the issuance and delivery of the Bonds.

(q) During the period from the date hereof until the Closing Date, the District agrees to furnish the Underwriter with copies of any documents it files with any regulatory authority which are reasonably requested by the Underwriter.

(r) The District is not in material default, nor has the District been in material default at any time, as to the payment of principal or interest with respect to a material obligation issued by the District or with respect to a material obligation guaranteed by the District as guarantor.

(s) As of the date hereof, the District does not have any revenue bonds, capital lease obligations, installment payment obligations or other material financial obligation, nor other material obligations secured by payments from the general fund of the District, except as disclosed in the Preliminary Official Statement and the Official Statement.

(t) The District had, prior to the adoption of the Resolution, and has, in full force and effect, a Debt Management Policy that complies with Government Code section 8855(i).

Section 7. Conditions to the Obligations of the Underwriter. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the date of the Closing shall be subject, at the option of the Underwriter, to the accuracy in all respects of the statements of the officers and other officials of the District, as well as authorized representatives of the general counsel to the District, Bond Counsel, Disclosure Counsel and the

Trustee made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the District of its obligations to be performed hereunder at or prior to the date of the Closing, and to the following additional conditions:

(a) The representations, warranties and covenants of the District contained herein shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing;

(b) At the time of Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the Legal Documents and the Preliminary Official Statement and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and all such reasonable actions as, in the opinion of Bond Counsel, shall reasonably deem necessary in connection with the transactions contemplated hereby;

(c) At the time of the Closing, no default shall have occurred or be existing under the Legal Documents, or any other agreement or document pursuant to which any of the District's financial obligations were executed and delivered, and the District shall not be in default in the payment of principal or interest with respect to any of its financial obligations, which default would result in any material adverse change to the financial condition of the District or adversely impact its ability to make payment of principal or redemption price of and interest on the Bonds when due;

(d) In recognition of the desire of the District and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the absolute discretion of the Underwriter by notification, in writing, to the District prior to delivery of and payment for the Bonds, if at any time prior to such time, regardless of whether any of the following statements of fact were in existence or known of on the date of this Purchase Agreement:

(i) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of America of a national emergency or war or other calamity or crisis (including a pandemic) the effect of which on financial markets is materially adverse such as to make it, in the sole judgment of the Underwriter, impractical to proceed with the purchase or delivery of the Bonds as contemplated by the Official Statement (exclusive of any amendment or supplement thereto); or

(ii) a general banking moratorium shall have been declared by federal, State or New York authorities, or the general suspension of trading on any national securities exchange; or

(iii) any event shall occur which makes untrue any statement or results in an omission to state a material fact necessary to make the statements in the Preliminary Official Statement and the Official Statement, in the light of the circumstances under which they were made, not misleading, which event, in the reasonable opinion of the Underwriter would materially or adversely affect the ability of the Underwriter to market the Bonds; or

(iv) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds; or

(v) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States of America or by any legislation in or by the Congress of the United States of America or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States of America, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States of America, the Treasury Department of the United States of America, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States of America, or the favorable reporting for passage of legislation to either House of the Congress of the United States of America by a Committee of such House to which such legislation has been referred for consideration; or

(vi) an order, decree or injunction shall have been issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that: (i) obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement and the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(vii) legislation shall be introduced, by amendment or otherwise, or be enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, or a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Preliminary Official Statement and the Official Statement, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the issuance, offering or sale of the Bonds or obligations of the general character of the Bonds, as contemplated hereby or by the Preliminary Official Statement and the Official Statement; or

(viii) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(ix) the New York Stock Exchange, or other national securities exchange or association or any governmental authority, shall impose as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in

force, with respect to the extension of credit by or the charge to the net capital requirements of broker dealers; or

(x) trading in securities on the New York Stock Exchange or the American Stock Exchange shall have been suspended or limited or minimum prices have been established on either such exchange which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(xi) any rating of the Bonds or the rating of any general fund obligations of the District shall have been downgraded or withdrawn by a national rating service, which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(xii) any action shall have been taken by any government in respect of its monetary affairs which, in the reasonable opinion of the Underwriter, has a material adverse effect on the United States securities market, rendering the marketing and sale of the Bonds, or enforcement of sale contracts with respect thereto impracticable; or

(xiii) the commencement of any action, suit or proceeding described in Section 6(m); or

(xiv) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred, which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds.

(e) at or prior to the Closing, the Underwriter shall receive or have received the following documents, in each case to the reasonable satisfaction, in form and substance, of the Underwriter and Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California ("**Underwriter's Counsel**"):

(i) all resolutions relating to the Bonds adopted by the District and certified by an authorized official of the District, authorizing the execution and delivery of the Legal Documents and the delivery of the Bonds and the Official Statement;

(ii) the Legal Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter; and

(iii) the approving opinion of Bond Counsel, dated the date of Closing and addressed to the District, in substantially the form attached as Appendix C to the Preliminary the Official Statement and the Official Statement, together with a reliance letter thereon addressed to the Underwriter;

(iv) a supplemental opinion of Bond Counsel dated the date of Closing and addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions "INTRODUCTION," "THE BONDS," "SECURITY FOR THE BONDS" and "TAX MATTERS," and in APPENDIX B — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE," APPENDIX C — "PROPOSED FORM OF FINAL OPINION" and APPENDIX D — "FORM OF CONTINUING DISCLOSURE CERTIFICATE," and

excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the Bonds, the Legal Documents, and Bond Counsel's final opinion relating to the Bonds, present a fair and accurate summary of the provisions thereof;

(B) this Purchase Agreement has been duly authorized, executed and delivered by the District and is the valid, legal and binding agreement of the District enforceable in accordance with its terms, except that the rights and obligations under the Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State, and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein; and

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(v) the Official Statement, executed on behalf of the District;

(vi) evidence that the rating on the Bonds is as described in the Official Statement;

(vii) a certificate, dated the date of Closing, signed by a duly authorized officer of the District satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the District contained in this Purchase Agreement are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of the Closing by the District, and the District has complied with all of the terms and conditions of the Purchase Agreement required to be complied with by the District at or prior to the date of Closing; (ii) to the best of such officer's knowledge, no event affecting the District has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the information and statements contained in the Official Statement (other than information relating to DTC and its book entry system) did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; (iv) the District is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which would have a material adverse impact on the District's ability to perform its obligations under the Legal Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or an event of default under any such instrument; and (v) no further consent is required for inclusion of its audited financial statements in the Preliminary Official Statement and the Official Statement;

(viii) an opinion dated the date of Closing and addressed to the Underwriter, the Trustee and the Bond Counsel, of the General Counsel to the District, substantially in the form attached as Exhibit B hereto;

(ix) a letter of Jones Hall, A Professional Law Corporation, San Francisco, California, Disclosure Counsel to the District dated the date of Closing and addressed to the Underwriter substantially to the effect that, on the basis of the information made available to them in the course of their participation in the preparation of the Official Statement as disclosure counsel, but without having undertaken to determine or verify independently, or assuming any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement, no facts have come to the attention of the personnel in such firm directly involved in rendering legal advice and assistance to the District in connection with the preparation of the Official Statement which caused them to believe that (A) the Preliminary Official Statement as of its date or as of April 29, 2021 (excluding therefrom financial, demographic and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; statements relating to DTC, Cede & Co. and the operation of the book-entry system; statements relating to the treatment of the Bonds or the interest, discount or premium, if any, thereon or therefrom for tax purposes under the law of any jurisdiction; and the statements contained in the Preliminary Official Statement under the caption "TAX MATTERS," and in Appendices A through C and Appendices E through G to the Preliminary Official Statement; as to all of which they express no view) contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, except for such information as is permitted to be excluded from the Preliminary Official Statement pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, including but not limited to information as to pricing, yields, interest rates, maturities, amortization, redemption provisions, debt service requirements, Underwriter's discount and CUSIP numbers or (B) the Official Statement as of its date or as of the Closing Date (excluding therefrom financial, demographic and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; statements relating to DTC, Cede & Co. and the operation of the book-entry system, statements relating to the treatment of the Bonds or the interest, discount or premium, if any, thereon or therefrom for tax purposes under the law of any jurisdiction; and the statements contained in the Official Statement under the caption "TAX MATTERS," and in Appendices A through C and Appendices E through G to the Official Statement; as to all of which they express no view) contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(x) an opinion of counsel to the Trustee, addressed to the Underwriter and the District, dated the date of the Closing, to the effect that:

(A) the Trustee is a national banking association duly organized and validly existing under the laws of the United States of America, having full corporate power to undertake the trust created under the Indenture;

(B) the Indenture has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, the Indenture constitutes the valid, legal and binding obligations of the Trustee enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(C) the Trustee has duly authenticated the Bonds upon the order of District;

(D) the Trustee's actions in executing and delivering the Indenture are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound;

(E) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Indenture; and

(F) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel's knowledge, threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Indenture.

(xi) a certificate, dated the date of Closing, signed by a duly authorized officer of the Trustee satisfactory in form and substance to the Underwriter, to the effect that:

(A) the Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Indenture;

(B) the Trustee is duly authorized to enter into the Indenture and has duly executed and delivered the Indenture, and assuming due authorization and execution by the other parties thereto, the Indenture is legal, valid and binding upon the Trustee and enforceable against such party in accordance with its terms;

(C) the Trustee has duly authenticated the Bonds under the Indenture and delivered the Bonds to or upon the order of the Underwriter;

(D) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Indenture; and

(E) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel's knowledge, threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Indenture.

(xii) the preliminary and final forms required to be delivered to the California Debt and Investment Advisory Commission pursuant to section 53583 of the Government Code of the State of California and section 8855(i) and (j) of the Government Code;

(xiii) a copy of the executed Blanket Issuer Letter of Representations by and between the District and DTC relating to the book-entry system;

(xiv) an opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Underwriter's Counsel, in form and substance acceptable to the Underwriter;

(xv) a Rule 15c2-12 certificate, dated the date of the Preliminary Official Statement and executed by the District;

(xvi) a certificate of the ACERS actuary setting forth the amount of the discounted prepayment of the annual contribution of the District to ACERS for Fiscal Year 2021-22 together with acknowledgment of payment of the Unfunded Liability;

(xvii) such additional legal opinions, Bonds, proceedings, instruments or other documents as the Underwriter or Underwriter's Counsel may reasonably request.

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, this Purchase Agreement shall terminate, and except as set forth in Section 9 hereof, neither the Underwriter nor the District shall be under further obligation hereunder.

Section 8. Changes in Official Statement. Within 90 days after the Closing or within 25 days following the "end of the underwriting period" (as defined in Rule 15c2-12), whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, or the District shall occur as a result of which it is necessary, in the reasonable opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the District will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The District shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB. The Underwriter acknowledges that the "end of the underwriting period" will be the date of Closing unless the Underwriter otherwise notifies the District in writing that it still owns some or all of the Bonds.

Section 9. Expenses.

(a) Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein, it shall be under no obligation to pay, and the District shall pay out of the proceeds of the Bonds or any other legally available funds of the District, all expenses incidental to the performance of the District's obligations hereunder, including but not limited to the cost of printing and delivering the Legal Documents to the Underwriter, the costs of printing and shipping and electronic distribution of the Preliminary Official Statement and the Official Statement in reasonable quantities, the fees and disbursements of the District, the Trustee and its counsel, Bond Counsel, Disclosure Counsel, General Counsel to the District, the District's actuary, accountants, engineers, appraisers, economic consultants and any other experts or consultants retained by the District in connection with the issuance and sale of the Bonds, rating agency fees, advertising expenses, and any other expenses not specifically enumerated in paragraph (b) of this section incurred in connection with the issuance and sale of the Bonds. The District shall pay out of the proceeds of the Bonds, for any expenses incurred by the Underwriter on behalf of the District's employees and representatives

which are incidental to implementing this Purchase Agreement, including meals, transportation, and lodging of those employees and representatives.

(b) Whether or not the Bonds are delivered to the Underwriter as set forth herein, the District shall be under no obligation to pay, and the Underwriter shall be responsible for and pay (which may be included as an expense component of the Underwriter's discount), MSRB, CUSIP Bureau and CDIAC fees and expenses to qualify the Bonds for sale under any "blue sky" laws, and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds not specifically enumerated in paragraph (a) of this section, including the cost of preparing this Purchase Agreement and other Underwriter documents, travel expenses and the fees and disbursements of Underwriter's Counsel.

Section 10. Notices. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Oppenheimer & Co. Inc., 580 California Street, Suite 2300, San Francisco, CA 94104, Attention: Municipal Capital Markets Group. Any notice or communication to be given to the District under this Purchase Agreement may be given by delivering the same in writing to the District, at the address first set forth above, Attention: General Manager. All notices or communications hereunder by any party shall be given and served upon each other party.

Section 11. Parties in Interest. This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the District in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

Section 12. Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 13. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

OPPENHEIMER & CO. INC.

By: _____
Authorized Officer

Accepted:

**LIVERMORE AREA RECREATION
AND PARK DISTRICT**

By: _____
General Manager

Time of Execution: ____:____

EXHIBIT A
MATURITY SCHEDULE

<i>Maturity Date (June 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>
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\$ _____ % Term Bond due June 1, _____; Yield _____%; Price 100.000%

EXHIBIT B

FORM OF GENERAL COUNSEL OPINION

_____, 2021

Livermore Area Recreation and Park District
4444 East Avenue
Livermore, California 94550

RE: Livermore Area Recreation and Park District 2021 Taxable Pension Obligation Bonds

Ladies and Gentlemen:

I am the duly appointed General Counsel for the Livermore Area Recreation and Park District (the “District”) and I, have represented the District in connection with the issuance and sale by the District of \$_____ aggregate principal amount of its Livermore Area Recreation and Park District 2021 Taxable Pension Obligation Bonds (the “Bonds”). I have examined and relied upon originals (or copies certified or otherwise identified to our satisfaction) of such documents, records and other instruments as I deem necessary or appropriate for the purposes of this opinion, including, without limitation: (i) those documents relating to the existence, organization and operation of the District; (ii) a Resolution adopted by a majority of the Board of Directors of the District (the “Board of Directors”) on _____, 2021 approving the issuance of the Bonds (the “Resolution”); (iii) all necessary documentation of the District relating to the authorization, execution and delivery of the Indenture of Trust, dated as of _____ 1, 2021 (the “Indenture”), between the District and _____, as trustee; (iv) the Bond Purchase Agreement, dated _____, 2021 (the “Purchase Agreement”), executed by Oppenheimer & Co. Inc. (the “Underwriter”), and accepted by the District; (v) the Preliminary Official Statement, dated _____, 2021 (the “Preliminary Official Statement”), relating to the Bonds; (vi) the Official Statement, dated _____, 2021 (the “Official Statement”), relating to the Bonds; (vii) the Continuing Disclosure Certificate, dated _____, 2021 (the “Continuing Disclosure Certificate”), of the District appointing _____, as dissemination agent; and (viii) such other records, documents, certificates, opinions, and other matters as are in our judgment necessary or appropriate to enable us to render the opinions expressed herein. All capitalized terms used herein and not otherwise defined shall have the meaning given to such terms as set forth in the Indenture.

Based on the foregoing, and with regard to State of California (the “State”) law and United States federal law, I am of the opinion that:

(a) The District is a recreation and park district and municipal corporation of the State, duly organized and validly existing pursuant to the Constitution and laws of the State.

(b) The Resolution, authorizing the execution and delivery of the Indenture, the Purchase Agreement, and the Continuing Disclosure Certificate (collectively, the “Legal Documents”) and approving and authorizing the issuance of the Bonds and the delivery of the Official Statement and other actions of the District was duly adopted at a meeting of the Board of Directors was were called

and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the resolution is now in full force and effect and has not been amended or superseded in any way.

(c) Except as disclosed in the Preliminary Official Statement and in the Official Statement, there is no action, suit or proceeding pending and served on the District, or to the best of my knowledge, threatened against the District to (i) restrain or enjoin the execution or delivery of the Legal Documents (ii) in any way contesting or affecting the validity of the Legal Documents, the Resolution or the authority of the District to enter into the Legal Documents, or (iii) in any way contesting or affecting the powers of the District in connection with any action contemplated by the Official Statement, the Resolution or the Legal Documents.

(d) The execution and delivery of the Legal Documents and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the District a breach of or default under any agreement or other instrument to which the District is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the District is subject, which breach or default has or may have a material adverse effect on the ability of the District to perform its obligations under the Legal Documents.

(e) No authorization, approval, consent, or other order of the State or any other governmental body within the State is required for the valid authorization, execution and delivery of the Legal Documents or the consummation by the District of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Bonds by the Underwriter, as to which I express no opinion.

Very truly yours,