FULL TEXT OF BOND MEASURE O

BOND AUTHORIZATION

By approval of this measure by at least 55% of the registered voters voting on the measure, the Newark Unified School District (the "District") will be authorized to issue and sell bonds of up to $205,000,000 in aggregate principal amount, at interest rates not to exceed legal limits and to provide financing for the specific types of school facilities projects listed in the Bond Project List included below, subject to all the accountability requirements specified below.

The District's current schools are: Birch Grove Primary School, Birch Grove Intermediate School, Bridgepoint High School, Coyote Hills Elementary School, Crossroads Independent School, Kennedy Elementary School, Lincoln Elementary School, Newark Adult Education, Newark Memorial High School, Newark Middle School, and Schilling Elementary School.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this measure in order that the voters and taxpayers in the District may be assured that their money will be spent wisely. Expenditures to address specific facilities needs of the District will be in compliance with the requirements of Article XIIIA, Section 1(b)(3), of the State Constitution and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following.)

The Bonds may be issued under the provisions of the California Education Code (starting at Section 15100), under the provisions of the California Government Code (starting at Section 53506), or under any other provision of law authorizing the issuance of general obligation bonds by school districts. The Bonds may be issued in series by the District, from time to time, and each series of Bonds shall mature within the legal limitations set forth in the applicable law under which the Bonds are issued.

Evaluation of Needs. The Board of Education of the District (the "Board") has identified detailed facilities needs of the District, and has determined which projects to finance from a local bond. The Board hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project List described below.

Independent Citizens' Oversight Committee. Following approval of this measure, the Board will establish an independent citizens' oversight committee, under Education Code Sections 15278 and following, to ensure bond proceeds are expended only on the types of school facilities projects listed below. The committee will be established within 60 days of the date when the results of the election appear in the minutes of the Board.

Performance Audits. The Board will conduct annual, independent performance audits to ensure that the bond proceeds have been expended only on the school facilities projects listed below.

Financial Audits. The Board will conduct annual, independent financial audits of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed below.

Government Code Accountability Requirements. As required by Section 53410 of the Government Code, (1) the specific purpose of the bonds is set forth in this Full Text of the Measure, (2) the proceeds from the sale of the bonds will be used only for the purposes specified in this measure, and not for any other purpose, (3) the proceeds of the bonds, when and if issued, will be deposited into a building fund to be held by the Alameda County Treasurer, as required by the Education Code, and (4) the Superintendent of the District shall cause an annual report to be filed with the Board of the District not later than January 1 of each year, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in this measure, as required by Sections 53410 and 53411 of the Government Code.

NO TEACHER OR ADMINISTRATOR SALARIES

Proceeds from the sale of bonds authorized by this measure shall be used only for the purposes specified in Article XIII A, Section 1(b)(3), specifically the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

STATE MATCHING FUNDS

The following statement is included in this measure pursuant to Education Code Section 15122.5: Approval of this measure does not guarantee that the proposed projects that are the subject of bonds under this measure will be funded beyond the local revenues generated by this measure. The District's proposal for the projects described below may assume the receipt of matching state funds, which, if available, could be subject to appropriation by the Legislature or approval of a statewide bond measure.

INFORMATION ABOUT ESTIMATES AND PROJECTIONS INCLUDED IN BALLOT

Voters are informed that any estimates or projections in the bond measure or ballot materials, including relating to estimated tax rates, the duration of issued bonds and related tax levies and collections are provided as informational only. Such amounts are estimates and are not maximum amounts or limitations on the terms of the bonds, the tax rate or duration of the tax supporting repayment of issued bonds. Such estimates depend on numerous variables which are subject to variation and change over the term of the District's overall facilities and bond financing plan, including but not limited to the amount of bonds issued and outstanding at any one time, the interest rates applicable to issued bonds, market conditions at the time of sale of the bonds, when bonds mature, timing of project needs and changes in assessed valuations in the District.

In addition, the District currently expects that the estimated tax rate relating to the bonds will result in an extension for additional years, but not an increase in, the

2023-24 cumulative tax rate levied for outstanding general obligation bonds of the District. This expectation is based on several factors examined by the Board at the time of placing this measure on the ballot, including the District's already outstanding bonded debt, the required annual debt service payments on its outstanding bonds, the District's current and projected total taxable assessed value of properties in its boundaries taking into account reasonable assessed valuation growth estimates, and the expected timing and structure of additional general obligation bonds. This projection will be examined by the Board at the time a series of bonds is to be issued pursuant to this bond measure. This current expectation does not, however, impose a maximum tax rate on the levy necessary to support the general obligation bonds to be issued pursuant to this measure during the entire term they are outstanding, because in accordance with State law general obligation bonds are secured by *ad valorem* property taxes unlimited as to rate or amount. The actual tax rates necessary to support issued bonds over the full term of years a bond issue is outstanding can be impacted by many future factors including changes in assessed valuations.

Further, the abbreviated and condensed statement of the bond measure presented to voters on the ballot label which is subject to a 75-word count limitation imposed by State law does not limit the scope and broader, more complete meaning of the measure provided in this Full Text of Bond Measure, Bond Resolution and related ballot materials.

BOND PROJECT LIST

Scope of Projects. Bond proceeds will be expended on the modernization, renovation, expansion, acquisition, construction/reconstruction, rehabilitation, and/or replacement of school facilities of the District, including the furnishing and equipping of school facilities, at all current and future sites and properties.

School Facility Project List. The items presented on the following list provide the types of school facilities projects authorized to be financed with voter-approved bond proceeds. Specific examples included on this list are not intended to limit the types of projects described and authorized by this measure. The projects identified in the District's Facilities Master Plan, as may be updated and amended from time to time, incorporated herein by reference, and the following types of projects, are authorized at all existing sites of the District and all sites that may be acquired by the District in the future:

- Construct, modernize, renovate or replace classrooms and restrooms, including providing furnishing and other equipment
- Remove hazardous materials, including asbestos and lead pipes from aging schools
- Construct and update science, technology, engineering, arts and math (STEAM) facilities and career training educational facilities, including providing furnishing and equipment
- Improve school safety and security by installing/improving access control, security systems including cameras, fire alarm and suppression systems, communication systems, lighting, door locks, storage, fencing and gates and by making repairs to ensure safe buildings and grounds
- Repair or replace roofing, flooring, plumbing, gas, electrical, water, sewer, stormwater and HVAC systems
- Construct, modernize, renovate or replace District support facilities, including multi-purpose rooms, libraries, kitchen, cafeterias and food service areas, lecture spaces, specialty program classrooms, and student support services and administrative offices, including providing furnishing and equipment
- Construct and relocate new schools, sites and facilities
- Construct or renovate facilities to house early childhood learning
- Repair or replace aging portables
- Improve paved areas, including parking and drop off areas to improve campus traffic and safety
- Repair, replace and/or upgrade paved surfaces, tracks, turf, grounds and outdoor areas, including lighting, to eliminate safety hazards and to facilitate outdoor instruction and gathering spaces
- Improve, and upgrade technology infrastructure, electrical systems and wiring for computers and Internet access
- Install, replace or improve physical education facilities, fields, tracks, playgrounds and outdoor areas, including shade structures, lighting, bleachers and other seating, press boxes, and pool facilities

Incidental Expenses. Each of the bond projects described in this Bond Project List include the costs of furnishing and equipping such facilities, and all costs which are incidental but directly related to the types of projects described above. Examples of incidental costs include, but are not limited to: costs of design, engineering, architect and other professional services, facilities assessments, inspections, site preparation, utilities, landscaping, painting, bond project construction management, administration and other planning and permitting, legal, accounting and similar costs; independent annual financial and performance audits; a customary construction contingency; abatement, demolition and disposal of existing structures; the costs of interim housing and storage during construction including relocation and construction costs incurred relating to interim facilities; the preparation or restoration of construction, renovation or remodeling; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction; costs of relocating facilities and equipment as needed in connection with the projects; interim classrooms and facilities for students, administrators, and school functions, including modular facilities; federal and state-mandated safety upgrades; addressing unforeseen conditions revealed by construction/modernization and other necessary improvements required to comply with existing building codes, including the Field Act; access requirements of

the Americans with Disabilities Act; and costs of the election; bond issuance costs; and project administration during the duration of such projects, as permitted by law.

Furnishing and Equipping. Each project is assumed to include its share of furniture, fixtures, equipment, architectural, engineering, and similar planning costs, program/project management, staff training expenses and a customary contingency for unforeseen design and construction costs. In addition to the listed projects stated above, the list also includes the acquisition of a variety of instructional, maintenance and operational equipment, including the reduction or retirement of outstanding lease obligations and interim funding incurred to advance fund projects from the list; installation of signage and fencing; payment of the costs of preparation of all facility planning, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary housing of dislocated District activities caused by construction projects. The upgrading of technology infrastructure includes, but is not limited to, computers, projectors, portable interface devices, servers, switches, routers, modules, sound projection systems, printers, digital white boards, document projectors, telephone system, call manager and network security/firewall, wireless technology systems and other miscellaneous equipment.

Alterations to Scope; Acquisition of Real Property Interests. The scope and nature of any of the specific projects described above may be altered by the District as required by conditions that may arise during the course of design and construction. In the event that a modernization or renovation project is more economical for or otherwise determined by the Board to be in the best interests of the District to be undertaken as new construction, this bond measure authorizes said new construction including relocation and construction at an alternative site, and/or demolition and reconstruction and/or repurposing on the original site, including all costs relating thereto. For any project involving rehabilitation or renovation of a building or the major portion of a building, the District shall be authorized to proceed with new construction instead, if the Board determines that replacement and new construction is more economically practical than rehabilitation and renovation, considering the building's age, condition, expected remaining life, and other relevant factors.

In addition, this measure authorizes the acquisition of necessary rights of ways or other real property interests required to expand District facilities or to provide access to school or other District facilities. This measure does not authorize the acquisition of new real property, other than as set forth in this paragraph.

Interim Financing Included; Joint Use Projects Authorized. Authorized projects include paying and/or prepaying interim or previously obtained financing for the types of projects included on the Bond Project List, such as bond anticipation notes. Projects may also be undertaken on a joint use basis with other public entities.

Bond Project List Not in Order of Priority; Board Determines Prioritization. Approval of this bond measure does not guarantee that the proposed projects will be funded beyond the local revenues generated by the measure. The District's capital needs currently exceed the amount of bonds the voters are being asked to authorize. The order in which particular projects are listed is not intended to suggest priority for funding or completion, and itemization of projects in the list above does not guarantee that all such projects will be undertaken. Project priorities will be determined by the Board. The ability of the District to undertake and complete the listed projects is subject to numerous variables including the adequacy and availability of sufficient funding sources. The District is unable to anticipate all unforeseen circumstances which may prevent some of the projects listed above from being undertaken or completed.

Interpretation. The terms of this bond measure and the words used in the Bond Project List shall be interpreted broadly to effect the purpose of providing broad and clear authority for the officers and employees of the District to provide for the school facilities projects the District proposes to finance with the proceeds of the sale of bonds authorized by this proposition within the authority provided by law, including Article XIIIA, Section 1(b)(3) of the California Constitution, Education Code Section 15000 *et seq.* and the Strict Accountability in Local School Construction Bonds Act of 2000. Words used in the Bond Project List such as repair, improve, upgrade, expand, modernize, renovate, and reconfigure are used to describe school facilities projects in plain English but are not intended to expand the nature of such projects beyond what is authorized by law. As such, in accordance with legal requirements, the Bond Project List does not authorize, and shall not be interpreted to authorize, expending proceeds of the sale of bonds authorized by this proposition for current maintenance, operation or repairs.

Severability. The Board hereby declares, and the voters by approving this Bond Measure concur, that every section and part of this bond proposition has independent value, and the Board and the voters would have adopted each provision hereof regardless of every other provision hereof. Upon approval of this measure by the voters, should any part be found by a court of competent jurisdiction to be invalid for any reason, all remaining parts hereof shall remain in full force and effect to the fullest extent allowed by law, and to this end the provisions of this bond measure are severable.