

## OFFICIAL NOTICE OF SALE

**\$90,000,000\***

### **COBB COUNTY SCHOOL DISTRICT (GEORGIA) SHORT-TERM CONSTRUCTION NOTES, SERIES 2019**

Electronic bids for the purchase of all, and not less than all, of the above described notes (the "Notes") will be received on behalf of the Cobb County School District, Georgia (the "School District") by the School District's Financial Advisor, PFM Financial Advisors LLC ("PFM") via PARITY until **10:00 a.m. (Eastern Time) on Thursday, January 17, 2019** (the "Sale Date").

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#### **THE NOTES**

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**NOTE DETAILS:** The Notes will be issued in book-entry form without coupons in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof. The Notes will be dated as of January 30, 2019, the expected date of delivery ("Closing"), and will be due on December 18, 2019. Interest, computed on the basis of a 360-day year of twelve 30-day months, will be payable at maturity on December 18, 2019 (318 days) by The Bank of New York Mellon Trust Company, N.A., as paying agent and registrar.

**RATING:** The Notes have been assigned a rating of "MIG 1" by Moody's Investors Service.

**PRINCIPAL AND INTEREST PAYMENTS:** Principal and interest is due on December 18, 2019.

**REDEMPTION PROVISIONS:** The Notes are not subject to optional redemption prior to maturity.

**PURPOSE:** The proceeds from the sale of the Notes will be used to finance the cost of acquiring, constructing, equipping and upgrading various school facilities and improvements and paying expenses incident thereto.

**SECURITY:** The principal of and interest on the Notes are payable from the proceeds of a one percent (1%) sales and use tax for educational purposes, and, if such proceeds are insufficient to pay the entire principal of and interest on the Notes, from ad valorem taxes, within the 20 mill limitation prescribed by law, which may be levied upon all taxable property within Cobb County (except the area within the corporate limits of the City of Marietta, Georgia which constitutes the territory within the independent school district of the City of Marietta) subject to taxation for maintenance and operation purposes.

**AUTHORIZATION:** The Notes are being issued pursuant to Article IX, Section V, Paragraph V of the Constitution of the State of Georgia, a resolution of the Board of Education authorizing the sale and award of the Notes adopted on December 13, 2018, and a resolution of the Board of Education ratifying the award and authorizing the issuance of the Notes to be adopted on January 17, 2019.

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#### **BID REQUIREMENTS & BASIS OF AWARD**

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**BID SUBMISSION:** Electronic bids via PARITY must be submitted in accordance with PARITY's rules of participation and the provisions of this Official Notice of Sale, which shall control in the case of any conflicting provisions. The School District and PFM are not responsible for any failure, misdirection, delay or error in the transmission of any bid.

**GOOD FAITH DEPOSIT:** No good faith deposit will be required.

**INTEREST RATES:** Bidders must specify the single fixed rate of interest the Notes will bear to maturity. The stated interest rate must not exceed three percent (3%) per annum.

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\*Preliminary, subject to change.

**PURCHASE PRICE:** Any aggregate bid price of less than 100% of the aggregate principal amount of the Notes will be rejected.

**BASIS OF AWARD:** The Notes will be awarded to the responsive bidder whose bid results in the lowest **NET INTEREST COST (“NIC”)** to the School District. The NIC will be calculated as the total interest from the dated date of the Notes (expected to be January 30, 2019) to December 18, 2019 (318 days) minus any premium. If two or more bids provide for the same lowest NIC, the School District will determine, by lot, the bid to be accepted, and such determination will be final and conclusive.

The Notes will be awarded (informal) or all bids will be rejected by no later than 2:00 P.M. (Eastern Time) on the day bids are opened, January 17, 2019. Formal award will be made by the Board of Education on the Sale Date at their evening meeting.

**ADJUSTMENT OF PAR AMOUNT:** If, after final computation of the bids, the School District determines in its sole discretion that adjustments to the par amount are necessary, it reserves the right either to increase or decrease the principal amount of the Notes (all calculations to be rounded to the nearest \$5,000), provided that any such increase or decrease shall not exceed 10% of the par amount shown herein. Such adjustment(s), if any, shall be made within two (2) hours after the verbal award and prior to the formal award of the Notes.

**RIGHT TO REJECT BIDS AND WAIVE IRREGULARITIES:** The School District reserves the right to reject any and all bids and, to the extent permitted by law, to waive any irregularity or informality in any bid.

**CUSIP NUMBER AND DTC ELIGIBILITY:** It is anticipated that CUSIP numbers will be printed on the Notes, but the School District will assume no obligation for the assignment or printing of such numbers on the Notes or for the correctness of such numbers, and neither the failure to print such numbers on any Note nor any error with respect thereto shall constitute cause for a failure or refusal by the purchasers thereof to accept delivery of and make payment for the Notes. The School District’s Financial Advisor, PFM Financial Advisors LLC, will request the assignment of CUSIP numbers prior to the sale of the Notes; however, the CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and will be paid for by the successful bidder.

**COMPLIANCE WITH SEC AND MSRB RULES:** The winning bidder shall take any and all actions necessary to comply with applicable SEC and MSRB rules governing the offering, sale and delivery of the Notes, including, without limitation, the payment of any fees or charges required to be paid to the MSRB or the Securities Industry Financial Market Association in connection with the purchase or sale of the Notes.

**WINNING BIDDER’S REOFFERING YIELD AND ESTABLISHING ISSUE PRICE:** In order to calculate the yield on the Notes for federal tax law purposes and as a condition precedent to the award of the Notes, the successful bidder will be required to disclose to the School District and Financial Advisor the price (or yield to maturity) at which the Notes will be reoffered to the public.

The winning bidder shall assist the School District in establishing the issue price of the Notes for federal income tax purposes by executing and delivering to the School District and its Bond Counsel at Closing a certificate setting forth the reasonably expected initial offering price to the public of the Notes (the “Issue Price Certificate”), together with the supporting pricing wires or equivalent communications, which Issue Price Certificate shall substantially conform to one of the two forms attached hereto as **Exhibit A- 1** and **Exhibit A-2**, respectively, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, that are satisfactory to the School District and Bond Counsel. All actions to be taken by the School District under this Official Notice of Sale to establish the issue price of the Notes may be taken on behalf of the School District by the School District’s Financial Advisor. At the written request of the School District, Bond Counsel or the Financial Advisor (including via electronic mail), any notice or report to be provided to the School District under this Official Notice of Sale shall be provided to, as applicable pursuant to such written request, the School District, Bond Counsel and/or the Financial Advisor.

The School District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) relating to competitive sales will apply to the offering of the Notes (the "Competitive Sale Requirements") in accordance with the following:

- (1) The School District is disseminating this Official Notice of Sale in a manner that is reasonably designed to reach potential underwriters of municipal notes;
- (2) All bidders shall have an equal opportunity to bid;
- (3) The School District receives bids from at least three underwriters of municipal notes who have established industry reputations for underwriting new issuances of municipal notes and have so represented; and
- (4) Only the bidder that submits a firm offer to purchase the Notes at the lowest Net Interest Cost, as set forth in this Official Notice of Sale, may be awarded the purchase of the Notes pursuant to this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Notes on the terms set forth in the bid and in this Official Notice of Sale and shall not be subject to any conditions or qualifications except as permitted by this Official Notice of Sale.

In the event that the Competitive Sale Requirements are not satisfied, the School District shall so advise the winning bidder. In such event, the School District shall treat the first price at which 10% of the Notes (the "10% Test") is sold to the public as the issue price of the Notes. The winning bidder shall advise the School District within one hour following the time of the award of the Notes on the Sale Date if the Notes satisfy the 10% Test as of such date and time. In the event that the 10% Test has not been satisfied by that time and the Competitive Sale Requirements above have not been satisfied, the winning bidder will be required to provide updates until the 10% Test percent is met. The School District will not require bidders to comply with the "hold-the-offering-price rule" and therefore does not intend to use the initial offering price to the public as of the Sale Date as the issue price of the Notes. Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied. **Bidders should prepare their bids on the assumption that the Notes will be subject to the 10% Test in order to establish the issue price of the Notes.**

If the Competitive Sale Requirements are not satisfied, then, until the 10% Test has been satisfied for the Notes, the winning bidder agrees to promptly report to the School District the prices at which the theretofore unsold Notes have been sold to the public. This reporting obligation shall continue, whether or not the Closing has occurred, until the 10% Test has been satisfied for the Notes or until all Notes have been sold to the public.

By submitting a bid, each bidder affirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Notes allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Notes or all Notes have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the public contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Notes allotted to it until it is notified by the winning bidder or such underwriter that either the 10% Test has been satisfied for the Notes or all Notes have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” or “underwriters” means (A) each and any person that agrees pursuant to a written contract with the School District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) each and any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the public),
- (iii) A purchaser of any of the Notes is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “Sale Date” means the date that the Notes are awarded by the School District to the winning bidder.

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#### OTHER INFORMATION

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**OFFICIAL STATEMENT:** The Preliminary Official Statement, dated January 10, 2018, has been deemed final by the School District for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) but is subject to revision, amendment and completion in a final Official Statement as provided in the Rule. Within seven (7) business days of the bid opening date, the School District will deliver to the successful bidder a final Official Statement in sufficient quantity to comply with the Rule.

By submitting a bid for the Notes, each bidder acknowledges that it has received and reviewed the Preliminary Official Statement and is not relying on the Official Notice of Sale for a description of any matters more fully described in the Preliminary Official Statement.

**LEGAL OPINION AND CLOSING CERTIFICATES:** The School District will furnish upon delivery of the Notes, a Receipt for the Notes, an Execution, Signature and No-Litigation Certificate, a Rule 15c2-12 Certificate, a Non-Arbitrage Certificate, and the approving opinion of Murray Barnes Finister LLP, Atlanta, Georgia, as Bond Counsel, all without cost to the purchasers.

**CONTINUING DISCLOSURE:** In order to assist bidders in complying with the Rule, the School District will undertake, pursuant to the Note Resolution authorizing the issuance of the Notes and a Continuing Disclosure Certificate, to provide notices of the occurrence of certain enumerated events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. The School District currently has no continuing disclosure obligations.

**RIGHT TO MODIFY, CHANGE OR CANCEL:** The School District reserves the right to modify this Official Notice of Sale or to change or cancel the date and time for the receipt of bids in its sole discretion, for any reason and at any time prior to the receipt of bids. Any such modifications, change or cancellation will be provided to PARITY for communication to potential bidders.

**ADDITIONAL INFORMATION:** Copies of the Preliminary Official Statement and this Official Notice of Sale are available at <http://www.idealprospectus.com>. Additional copies of such information are available upon request from the School District's Financial Advisor, Elise Lomel, PFM Financial Advisors LLC, Atlanta, Georgia (404-410-2227 or [lomele@pfm.com](mailto:lomele@pfm.com)).

January 10, 2019

EXHIBIT A-1

APPLICABLE FOR SALE WHERE THE SCHOOL DISTRICT RECEIVES AT LEAST THREE BIDS

\$90,000,000  
COBB COUNTY SCHOOL DISTRICT (GEORGIA)  
SHORT-TERM CONSTRUCTION NOTES, SERIES 2019  
Maturing December 18, 2019  
ISSUE PRICE CERTIFICATE

The undersigned, on behalf of **[Name of Purchaser]** as the original purchaser (the "**Original Purchaser**") of the Short-Term Construction Notes, due December , 2019 in the aggregate principal amount of \$90,000,000 (the "**Notes**") issued by the Cobb County School District (the "**School District**"), hereby certifies as set forth below with respect to the Notes:

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering price of the Notes to the Public by the Original Purchaser is \_\_\_\_\_% of the aggregate principal amount of the Notes (or \$\_\_\_\_\_ ) (the "**Expected Offering Price**"). The Expected Offering Price is the price for the Notes used by the Original Purchaser in formulating its bid to purchase the Notes. Attached as Schedule A is a true and correct copy of the bid provided by the Original Purchaser to purchase the Notes.

(b) The Original Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Original Purchaser constituted a firm offer to purchase the Notes.

2. ***Defined Terms.***

(a) "**Public**" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(b) "**Sale Date**" means the first day on which there is a binding contract in writing for the sale of the Notes. The Sale Date of the Notes is [January 17, 2019].

(c) "**Underwriter**" means (i) any person that agrees pursuant to a written contract with the School District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Original Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the School District with respect to certain of the representations set forth in the Certificate as to Arbitrage Matters of the School District and with respect to compliance with the federal income tax rules affecting the Notes, and by Murray Barnes Finister LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the School District from time to time relating to the Notes.

[Dated: January 30, 2019]

**[NAME OF PURCHASER]**

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE A**  
**COPY OF ORIGINAL PURCHASER'S BID**

EXHIBIT A-2

APPLICABLE FOR SALE WHERE THE SCHOOL DISTRICT RECEIVES FEWER THAN THREE BIDS

**\$90,000,000**  
**COBB COUNTY SCHOOL DISTRICT (GEORGIA)**  
**SHORT-TERM CONSTRUCTION NOTES, SERIES 2019**  
**Maturing December 18, 2019**  
**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of **[Name of Purchaser]** as the original purchaser (the "**Original Purchaser**") of the Short-Term Construction Notes, due December 18, 2019 in the aggregate principal amount of \$90,000,000 (the "**Notes**") issued by the Cobb County School District (the "**School District**"), hereby certifies as set forth below with respect to the Notes:

1. **Sale of the Notes.** As of the date of this certificate, the first price at which at least 10% of the Notes was sold to the Public is \_\_\_\_\_% of the aggregate principal amount of the Notes (or \$\_\_\_\_\_).

2. **Defined Terms.**

(a) "**Public**" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(b) "**Underwriter**" means (i) any person that agrees pursuant to a written contract with the School District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Original Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the School District with respect to certain of the representations set forth in the Certificate as to Arbitrage Matters of the School District and with respect to compliance with the federal income tax rules affecting the Notes, and by Murray Barnes Finister LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the School District from time to time relating to the Notes.

[Dated: January 30, 2019]

**[NAME OF PURCHASER]**

By: \_\_\_\_\_

Name:

Title: