



**REGIONAL SCHOOL UNIT NO. 26
(Orono, Maine)
\$12,145,000
2019 GENERAL OBLIGATION BONDS**

SEALED PROPOSALS will be received by Regional School Unit No. 26 (the “RSU”) at the office of Moors & Cabot, Inc. (the “Municipal Advisor”), One Federal Street, 19th Floor, Boston, Massachusetts until:

11:00 O’CLOCK A.M. (E.D.S.T.) WEDNESDAY, OCTOBER 16, 2019

at which time and place all such proposals will be publicly opened and announced for the sale of \$12,145,000 2019 General Obligation Bonds (the “Bonds”) of the RSU. The Bonds will be payable annually of each year as follows:

<u>Amount</u>	<u>September 1,</u>	<u>CUSIP</u>	<u>Amount</u>	<u>September 1,</u>	<u>CUSIP</u>
\$510,000	2021	75915LAA7	\$505,000	2033	75915LAN9
510,000	2022	75915LAB5	505,000	2034	75915LAP4
510,000	2023	75915LAC3	505,000	2035	75915LAQ2
510,000	2024	75915LAD1	505,000	2036	75915LAR0
510,000	2025	75915LAE9	505,000	2037	75915LAS8
505,000	2026	75915LAF6	505,000	2038	75915LAT6
505,000	2027	75915LAG4	505,000	2039	75915LAU3
505,000	2028	75915LAH2	505,000	2040	75915LAV1
505,000	2029	75915LAJ8	505,000	2041	75915LAW9
505,000	2030	75915LAK5	505,000	2042	75915LAX7
505,000	2031	75915LAL3	505,000	2043	75915LAY5
505,000	2032	75915LAM1	505,000	2044	75915LAZ2

This Notice of Sale sets forth only a brief summary of certain provisions of the Bonds. For additional information pertaining to the Bonds, a prospective bidder should refer to the RSU’s Preliminary Official Statement dated October 4, 2019 with respect to the Bonds (the “Preliminary Official Statement”). In the event of any conflict between the Preliminary Official Statement and this Notice of Sale, the Preliminary Official Statement shall control.

The Bonds will be dated October 30, 2019 and will be issued only as fully-registered bonds without coupons, one certificate per maturity, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York City, New York (“DTC” or the “Securities Depository”). DTC will act as the securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof, and will bear interest (accrued on the basis of a 360-day year with twelve 30-day months), payable on March 1, 2020 and semi-annually thereafter on September 1 and March 1 of each year until maturity, or redemption prior to maturity. It is expected that the Bonds will be available for delivery at DTC on or about October 30, 2019.

Bonds maturing on or before September 1, 2029 are not subject to redemption prior to their stated dates of maturity. Bonds maturing on and after September 1, 2030 are subject to redemption prior to their stated dates of maturity, at the option of RSU 26, on or after September 1, 2029, as a whole or in part at any time, in such order of maturity as RSU 26, in its discretion, may determine, at a price of par (100% of the principal amount to be redeemed), together with interest accrued and unpaid to the redemption date, if any (“Optional Redemption”).

The Bonds will be issued by means of The Depository Trust Company's Book-Entry-Only System with no physical distribution of Bond certificates made to the public. One Bond certificate for each maturity will be issued to DTC and immobilized in their custody. The Book-Entry Only System will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 and will bear interest, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures established by DTC and its Participants. The winning bidder (the "purchaser"), as a condition to delivery of the Bonds, shall be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable in Clearing House Funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to Beneficial Owners will be the responsibility of such Participants and other nominees of Beneficial Owners. The RSU will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

The original Bond certificates to be immobilized at DTC will be reviewed by U.S. Bank National Association, Boston, Massachusetts, Paying Agent, and their legality approved by Drummond Woodsum & MacMahon, Portland, Maine, Bond Counsel to the RSU ("Bond Counsel"), whose opinion will be furnished to the purchaser without charge. The form of such opinion is set forth in the Preliminary Official Statement.

The Bonds are valid general obligations of Regional School Unit No. 26 (the "RSU" or "Issuer") and, unless paid from other sources, are payable as to both principal and interest from ad valorem taxes which may be levied without limit as to rate or amount upon all the property within the territorial limits of the RSU (which territory includes the Town of Orono, Maine) and taxable by it, except to the extent that any municipality within the territory of the RSU may enter into an agreement under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, to share its assessed valuation with another municipality; and except to the extent that any municipality within the territory of the RSU establishes or has established development districts either as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapter 206 and former (now repealed) Chapter 207 of the Maine Revised Statutes, the captured tax increment of which may not be available for payment of debt service on the Bonds. The opinion will indicate that the enforceability of the obligations of the RSU, including the Bonds, are subject to and may be limited by bankruptcy, insolvency, moratorium and other laws affecting the rights and remedies of creditors generally, and are subject to general principles of equity. The opinion will be dated and given on and will speak as of the date of original delivery of the Bonds to the original purchasers.

The Bonds *will not be* designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

There is no litigation, threatened or pending, affecting the validity of the Bonds, the corporate existence or the boundaries of the RSU, or the title of the present officers to their respective offices, and the purchaser or purchasers will be furnished with a certificate to this effect.

Bid Specifications

Bids must specify the amount bid for the Bonds, not less than all of the par value of the issue and:

- Must state in a multiple of one-eighth (1/8) or one twentieth (1/20) of one per centum (1%) the rate or rates of interest per annum which the several maturities of the Bonds are to bear;

- **No Original Issue Discount:** Pursuant to Title 20-A, §1490(2)(A) of the Maine Revised Statutes, no Bond may be initially sold at less than par (individual maturities of Bonds may not be priced at a discount);
- **Serial Bonds:** Bonds will be issued as Serial Bonds and no proposal to consolidate maturities into a Term Bond(s) will be considered;
- **Minimum Bid:** A minimum bid of 102.350762% (or Bid Premium of \$285,500) of the issue amount, to provide funds to pay for costs of issuance, is required;
- **Additional Bid Premium:** Additional bid premium (“Additional Bid Premium”), if any, may be used at the pleasure of the RSU to pay capitalized construction period interest, to reduce the annual amount(s) of bonds issued to finance the project, or to apply to the costs of the Project;
- Should the RSU apply Additional Bid Premium to reduce the amount of bonds issued the RSU will apply the same percentage amount of “underwriters spread per thousand” to the reduced issue amount;
- Whereas *PARITY*[®] is apparently unable to calculate bids which include split or supplemental interest rates for a single maturity the RSU expects that Bonds maturing in any one year will carry the same interest rate and each interest period shall be represented by one interest rate. However, there is no prohibition against split or supplemental interest rates for a single maturity;
- The original purchaser must also pay an amount equal to the interest on the Bonds accrued to the date of delivery, if any.
- A “Good Faith” deposit is not required.

As between proposals which comply with this Notice, the Bonds will be sold to the bidder whose proposal offers to purchase all of the Bonds at the lowest True Interest Cost (“TIC”), that is, the annual interest rate, compounded semiannually, which when used to discount **to the October 30, 2019 delivery date** all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds including accrued interest to the date of delivery but which will include any premium bid thereon. The TIC should be computed to four decimal places. Bids must be submitted:

- (a) In a sealed envelope marked “Proposal for Bonds” and addressed to Regional School Unit No. 26, c/o Moors & Cabot, Inc. – Banking & Advisory Group, One Federal Street, Boston, MA 02110;
- (b) Although telephone bids will not be accepted by the RSU, the Municipal Advisor will prepare sealed bids as agent for the bidder, per telephone instructions received at (617) 314-0258 *prior to sale time on Wednesday, October 16, 2019*. The Municipal Advisor shall not be responsible for any errors or omissions in connection with bids submitted as agent on behalf of any bidder.

The Municipal Advisor may be contacted as follows:

Joseph P. Cuetara, Senior Vice President
 Moors & Cabot, Inc. – Banking & Advisory Group
 One Federal Street
 Boston, MA 02110
jcuetara@moorscabot.com

- (c) Via FACSIMILE copy to the Municipal Advisor at (617) 314-0258 *received not later than sale time on Wednesday, October 16, 2019*; or
- (d) Electronically via i-DealSM *PARITY*[®] in accordance with this Notice of Sale, until 11:00 A.M. (E.D.S.T.), but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in *PARITY*[®] conflict with this Notice of Sale, the terms of this Notice of Sale shall control. Each bidder submitting an electronic bid understands and agrees by

doing so that it is solely responsible for all arrangements with *PARITY*[®], that the RSU neither endorses nor encourages the use of *PARITY*[®], and that *PARITY*[®] is not acting as an agent of the RSU. Instructions and forms for submitting electronic bids must be obtained directly from *PARITY*[®]. For further information about *PARITY*[®], potential bidders should contact Dalcomp at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021.

The RSU assumes no responsibility for ensuring or verifying bidder compliance with *PARITY*[®] procedures. The RSU shall be entitled to assume that any bid received via *PARITY*[®] has been made by a duly authorized agent of the bidder. The RSU, the Municipal Advisor and Bond Counsel assume no responsibility for any malfunction of the *PARITY*[®] system, any failure of a bid to be received at the official time, or any error contained in any bid submitted electronically. The official time for receipt of bids will be determined by the RSU at the place of bid opening, and the RSU shall not be required to accept the time kept by *PARITY*[®] as the official time. In the event of a malfunction of the *PARITY*[®] system, bidders should submit their bids as discussed in the above (a), (b) or (c) manner on the OFFICIAL BID LETTER attached hereto.

The right is reserved to reject any or all proposals and to accept or reject any proposal not complying with this Notice of Sale, and, so far as permitted by law, to waive any irregularity or informality with respect to any proposal. A final decision as to the award of the bid rests with and is subject to written confirmation by the Treasurer of the RSU. When the successful bidder has been ascertained, the RSU will notify such bidder.

The RSU has not contracted for the issuance of any policy of municipal bond insurance for the Bonds. If the Bonds qualify for issuance of any such policy or commitment therefore, any purchase of such insurance or commitment shall be at the sole option and expense of the bidder and any increased costs of issuance or delivery of the Bonds resulting by reason of such insurance shall be paid by such bidder. Proposals shall not be conditioned upon the issuance of any such policy or commitment and any failure of the Bonds to be insured or of any such policy or commitment to be issued shall not in any way relieve the purchaser of their contractual obligations arising from the acceptance of their proposal for the purchase of the Bonds.

The Municipal Advisor intends to provide the purchaser of the issue with CUSIP identification numbers as is discussed in the Preliminary Official Statement, in compliance with MSRB Rule G-34, (a)(i) (A)-(E). As is further discussed in Rule G-34 the purchaser, as the “dealer who acquires” the issue is responsible for the registration fee to the CUSIP Bureau for this service. It is anticipated that CUSIP identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the RSU, provided, however, that the RSU assumes no responsibility for any CUSIP Service Bureau charge or other charges that may be imposed for the assignment of such numbers.

Additional information concerning the RSU and the Bonds is contained in the Preliminary Official Statement dated October 4, 2019, which has been distributed and to which prospective bidders are directed. Such Preliminary Official Statement is provided for informational purposes only and is not a part of this Notice of Sale. A copy of the RSU’s Preliminary Official Statement dated October 4, 2019 may be obtained by contacting: Moors & Cabot, Inc. – Banking & Advisory Group, One Federal Street, Boston, MA 02110; or by telephone at (617) 314-0258.

The Preliminary Official Statement is in a form “deemed final” by the RSU for purposes of SEC Rule 15c2-12(b)(1) but is subject to revision, amendment and completion in a final Official Statement.

The RSU agrees to advise the purchaser, by written notice, of any developments that impact the accuracy and completeness of the key representations (within the meaning of SEC Rule 15c2-12) contained in the final Official Statement, which may occur during the period commencing on the date of the acceptance by the RSU of its proposal and ending on the 90th day next following such date of acceptance, unless such final Official Statement is available from the Municipal Securities Rulemaking Board, in which event such period shall end on the 25th day.

In order to assist bidders in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the RSU will undertake to provide annual reports and notices of certain material events on a timely basis. A description of this undertaking is set forth in APPENDIX C of the Preliminary Official Statement.

A pdf word-searchable electronic version of the final Official Statement will be prepared and distributed for this issue at the RSU's expense within seven (7) business days after the date of the award of the Bonds. If desired, the purchaser will be furnished up to 100 copies of the final Official Statement prepared for this issue at the RSU's expense within seven (7) business days after the date of the award of the Bonds. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

The RSU will rely upon the purchaser to file a completed DTC Eligibility Questionnaire and the MSRB Form G-36(OS) and to effect the electronic filing of the final Official Statement to <http://emma.msrb.org/submission> as the purchaser's responsibility. U.S. Bank National Association, as Paying Agent, will keep the original opinion and certificates and copies of the supporting documents which may be examined at its office in Boston, Massachusetts, upon reasonable notice.

As of the date of delivery of the Bonds and as a condition precedent to the delivery of the Bonds by the RSU, the successful bidder shall furnish to the RSU a certificate in a form provided by and acceptable to Bond Counsel (the "Issue Price Certificate"). The Issue Price Certificate shall state that it is made on the best knowledge, information and belief of the successful bidder after appropriate investigation. The Issue Price Certificate shall set forth:

- (i) The "issue price" of the Bonds as defined in Treasury Regulation §1.148-1(f);
- (ii) The weighted average maturity of the Bonds as defined in the Internal Revenue Service's "Instructions for Form 8038-G" for Line 21(d);
- (iii) The yield of the Bonds (sometimes referred to as the arbitrage yield) as defined in the Internal Revenue Service's "Instructions for Form 8038-G" for Line 21(e);
- (iv) That the issue price of the Bonds does not exceed the fair market value of the Bonds as of such date of sale; and
- (v) If a municipal bond insurance policy or similar credit enhancement is obtained with respect to the Bonds by the successful bidder, such bidder will also be required to certify as to the net present value savings on the Bonds resulting from payment of insurance premiums or other credit enhancement fees.

Further Discussion of Issue Price Certificate.

Competitive Sale Requirements Met. If the competitive sale requirements set forth in Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) are satisfied, the Issue Price Certificate will establish the issue price of the Bonds under Treasury Regulation Section 1.148-1(f)(2)(iii). To that end, the Municipal Advisor will certify to the successful bidder that the following conditions are true:

- (1) The RSU has disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) All bidders had an equal opportunity to bid;
- (3) The RSU received bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) The RSU awarded the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid and each bidder, by submitting its bid, agrees that it shall be deemed to confirm that it has an established industry reputation for underwriting new issuances of municipal bonds and that is an “underwriter” that intends to reoffer the Bonds to the public.

Competitive Sale Requirements Not Met. If the competitive sale requirements set forth in Treasury Regulation Section 1.148-1(f)(3)(i) are not satisfied, the RSU shall so advise the winning bidder. If such competitive sale requirements are not met, the Issue Price Certificate will establish the issue price of the Bonds under Treasury Regulation Section 1.148-1(f)(2)(i), as follows:

- (i) The RSU shall treat the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the RSU if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The RSU 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 of any maturity of the Bonds as the issue price of that maturity. 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 all of the maturities of the Bonds will be subject to the 10% test in order to establish the issue price of the Bonds.
- (ii) Until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the RSU and the Municipal Advisor the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to all Bonds. The successful bidder shall be obligated to report each sale of Bonds to the Municipal Advisor until notified in writing by the RSU or the Municipal Advisor that it no longer needs to do so.

Moors & Cabot, Inc. has acted as Municipal Advisor to the RSU with respect to the issuance of the Bonds pursuant to Municipal Securities Rulemaking Board Rule G-23. Moors & Cabot, Inc. does not intend to submit a bid on, or participate in an underwriting syndicate for the public distribution of, the Bonds.

It is expected that the Bonds, in definitive form, will be available for delivery on or about October 30, 2019, against payment of the purchase price in Federal Reserve funds payable to the order of “Regional School Unit No. 26”, and will be delivered to The Depository Trust Company, New York City, New York.

RSU No. 26

October 4, 2019

Meredith L. Higgins, Treasurer

**PROPOSED FORM OF BID LETTER
REGIONAL SCHOOL UNIT NO. 26
(Orono, Maine)
\$12,145,000 2019 GENERAL OBLIGATION BONDS**

Sale Date: October 16, 2019

Meredith L. Higgins, Treasurer
Regional School Unit No. 26
c/o Moors & Cabot, Inc.
Banking & Advisory Group
One Federal Street
Boston, MA 02110

Dear Treasurer:

In accordance with the provisions of the Notice of Sale dated October 4, 2019, which Notice is hereby made a part of this proposal, we offer to purchase \$12,145,000 2019 General Obligation Bonds of RSU No. 26 at par and accrued interest, if any, to date of delivery plus a premium of \$ _____^(*), which represents a TIC of _____%, and bearing interest at the following rate per annum and maturing in each of the following years and principal amounts:

<u>September 1,</u>	<u>Amount</u>	<u>Interest Rate^(#)</u>	<u>September 1,</u>	<u>Amount</u>	<u>Interest Rate^(#)</u>
2021	\$510,000	%	2033	\$505,000	%
2022	510,000	%	2034	505,000	%
2023	510,000	%	2035	505,000	%
2024	510,000	%	2036	505,000	%
2025	510,000	%	2037	505,000	%
2026	505,000	%	2038	505,000	%
2027	505,000	%	2039	505,000	%
2028	505,000	%	2040	505,000	%
2029	505,000	%	2041	505,000	%
2030	505,000	%	2042	505,000	%
2031	505,000	%	2043	505,000	%
2032	505,000	%	2044	505,000	%

NOTE: ^(*) Only bids of at least 102.350762% (Bid Premium of \geq \$285,500) will be accepted.

^(#) Pursuant to Title 20-A, §1490(2)(A) of the Maine Revised Statutes, no Bond may be priced less than par (individual maturities of Bonds may not be priced at a discount).

The undersigned hereby acknowledges receipt of the Preliminary Official Statement dated October 4, 2019, referred to in the Notice of Sale dated October 4, 2019, and the terms thereof are expressly made a part of this bid.

SUMMARY	
Summary made as requested in the Notice of Sale from delivery date of October 30, 2019:	
Total Interest Expense	\$ _____
(Less Premium)	(\$ _____)
Net Total Interest Expense	<u>\$ _____</u>
True Interest Rate (TIC)	_____ %

Respectfully submitted,

(Company) (DTC #)

(By)

(Address)

() _____
(Telephone)

Moors & Cabot, Inc. of Boston, Massachusetts will assist in the submitting of bids on this issue. Please mail your signed bid form in advance and telephone or send via facsimile final figures before the sale time. Telephone: (617) 314-0258; Facsimile: (617) 314-0258.