

NOTICE INVITING PROPOSALS FOR PURCHASE OF BONDS

\$33,650,000*

**ORANGE UNIFIED SCHOOL DISTRICT
(ORANGE COUNTY, CALIFORNIA)**

TAXABLE RETIREMENT HEALTH BENEFITS REFUNDING BONDS, SERIES 2019A

NOTICE IS HEREBY GIVEN that sealed unconditioned proposals will be received to and including the hour of 9:00 a.m., Pacific Standard Time, on December 4, 2019, at the offices of Fieldman, Rolapp & Associates, Inc., 19900 MacArthur Boulevard, Suite 1100, Irvine, California 92612 (the “Municipal Advisor”), in the manner described below, for the purchase of all, but not less than all, of \$33,650,000* principal amount of Orange Unified School District Taxable Retirement Health Benefits Refunding Bonds, Series 2019A (the “Bonds”). Proposals must be submitted electronically via i-Deal LLC’s (“i-Deal”) Parity Electronic Bid Submission System (“PARITY”), a division of Thomson Information Services, Inc., in the manner described below, for the purchase of all, but not less than all, of \$33,650,000* principal amount of the Bonds. In the event that the sale has not been awarded by the designated time, bids will be received at a subsequent time and date to be determined by the Orange Unified School District (the “District”) and publicized via the Bond Buyer or the Bond Buyer Wire or Thomson Municipal Market Monitor (www.tm3.com).

I. Issue:

The Bonds will be dated the date of delivery, will be in the denomination of \$5,000 each, or integral multiples thereof, and will bear interest from the date of delivery of the Bonds to the maturity of each of the Bonds at the rate or rates such that the true interest cost (the “TIC”) shall not exceed 3.5%. The Bonds will be issued as current interest bonds, such interest thereon will be payable semiannually on May 1 and November 1 of each year during the term of each of the Bonds, commencing May 1, 2020. The Bonds will mature on May 1 in each of the years set forth in the following schedule:

<u>MATURITY DATE*</u>	<u>PRINCIPAL AMOUNT*</u>
5/1/2020	\$2,160,000
5/1/2021	1,985,000
5/1/2022	2,135,000
5/1/2023	2,190,000
5/1/2024	2,245,000
5/1/2025	2,310,000
5/1/2026	2,370,000
5/1/2027	2,445,000
5/1/2028	2,520,000
5/1/2029	2,605,000
5/1/2030	2,690,000
5/1/2031	2,785,000
5/1/2032	2,885,000
5/1/2033	2,325,000

* Preliminary, subject to change.

II. Option to Elect Term Bonds:

The purchaser may elect to combine any number of consecutive maturities of Bonds for which an identical interest rate has been specified to comprise term bonds by indicating such an election in their bid. The election to create term bonds in such manner will require the creation of a mandatory sinking fund so that the sinking fund redemption payments shall equal the corresponding serial bond maturity amounts.

III. Adjustment of Principal Amounts:

The estimated principal amount of each maturity of Bonds set forth above reflect certain assumptions of the District and the Debt Advisor with respect to the likely interest rates of the winning bid or bids. Following the determination of the successful bidder or bidders, the Assistant Superintendent, Business Services/CBO or the Debt Advisor, on behalf of the District, reserves the right to increase or decrease the principal amount of each maturity of the Bonds, in \$5,000 increments of principal amounts, or to eliminate maturities in their entirety. Such adjustment shall be made within 26 hours of the bid opening and in the sole discretion of the District, upon recommendation of the Debt Advisor. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted and the successful bid or bids may not be withdrawn, and the successful bidder will not be permitted to change the interest rate(s) in its bid for the Bonds. The percentage compensation to be paid to the successful bidder will not change if the maturity schedule is adjusted.

IV. Interest Rates:

All bids for the purchase of the Bonds must state the rate or rates of interest to be paid for each maturity of Bonds offered and bid price for such Bonds. All Bonds of the same maturity must bear the same rate of interest and no Bond may bear more than one rate. The maximum interest rate bid for each maturity may not exceed three and one-half percent (3.5%), and the TIC may not exceed four and one-half percent (3.5%). Bidders may specify any number of different rates to be borne on the Bonds. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.

V. Redemption:

The Bonds maturing on or after May 1, 2030 may be redeemed at the option of the District from any source of funds on any date on or after May 1, 2029 in whole or in part from such maturities as are selected by the District at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest to the date of redemption, without premium.

VI. Notice of Redemption:

Notice of redemption of any Bond will be mailed to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the registration records maintained by Zions Bancorporation, National Association, as the trustee (the "Trustee") designated for this issue of Bonds; such mailing to be not more than 45 nor less than 20 days prior to the date set for redemption. Neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of Bonds.

VII. Costs of Issuance:

The winning bidder will not be required to pay any costs of issuance associated with the Bonds, except as described in Sections XVII and XXIII. Costs of issuance of the Bonds, including the winning bidder's compensation, will be paid by the District solely from the aggregate proceeds of the Bonds. The District reserves the right to instruct the winning bidder of the Bonds to retain from the premium generated from the sale of the Bonds an amount equal to the winning bidder's compensation.

By the submission of its bid pursuant to the provisions hereof, each bidder will be deemed to have represented that its underwriting discount shall not exceed 0.75% of the principal amount of the Bonds.

VIII. Premium/Discount Bonds:

The District has elected to deposit the premium generated from the sale of the Bonds into the debt service fund established therefor, to be used to pay interest on the Bonds. Bidders may not bid a purchase price (calculated as principal plus premium) of less than 99.25% of the aggregate principal amount of the Bonds.

No bid submitted at a purchase price less than the aggregate principal amount of the Bonds will be considered.

IX. Registration of Bonds as to Principal and Interest and Place of Payment:

The Bonds, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases will be made in book-entry form only, in the denominations of \$5,000 and integral multiples thereof. Purchasers will not receive physical certificates representing their interest in the Bonds purchased. Principal and interest are payable in lawful money of the United States of America and will be paid to DTC which in turn will remit such amounts to the beneficial owners of the Bonds through DTC's Participants, as described in the Preliminary Official Statement.

X. Authority:

The Bonds will be issued pursuant to the Constitution and laws of the State of California and pursuant to Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code.

XI. Security:

Both the principal of and interest on the Bonds are payable from any lawful source of revenues of the District and certain moneys held under the Trust Agreement.

XII. Form of Bid:

All bids must be submitted electronically via PARITY, pursuant to the procedures described below, and all such bids shall be deemed to constitute a Bid for Purchase of the Bonds and shall be deemed to incorporate by reference all of the terms and conditions of this Notice Inviting Proposals for Purchase of Bonds. The submission of a bid electronically via PARITY shall constitute and be deemed the bidder's signature on the Bid for Purchase of the Bonds.

XIII. Procedures Regarding Electronic Bidding:

Bids must be submitted electronically via PARITY in accordance with this Notice Inviting Proposals for Purchase of Bonds, until 9:00 a.m., California Time, on December 4, 2019, 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 Inviting Proposals for Purchase of Bonds, the terms of this Notice Inviting Proposals for Purchase of Bonds shall control. For further information about PARITY, potential bidders may contact the District's Municipal Advisor, Adam Bauer of Fieldman, Rolapp & Associates, Inc. at abauer@fieldman.com and (949) 660-7303 or PARITY at i-Deal at (212) 849-5021. In the event that a bid for the Bonds is submitted via PARITY, the bidder further agrees that:

1. Once the bids are communicated electronically via PARITY to the District as described herein, each bid will constitute a Bid for Purchase of the Bonds and shall be deemed to be an irrevocable offer to purchase the Bonds on the terms provided in this Notice Inviting Proposals for Purchase of Bonds. If a bid submitted electronically via PARITY is accepted by the District, the terms of the Bid for Purchase of the Bonds and the Notice Inviting Proposals for Purchase of Bonds and the information that is electronically transmitted through PARITY (including information about the purchase price of the Bonds, the coupon interest rate or rates to be borne by the various maturities of the Bonds, the initial public offering price of each maturity and any other information included in such transmission) shall form a contract and the successful bidder shall be bound by the terms of such contract.

2. PARITY is not an agent of the District, and the District shall have no liability whatsoever based on any bidder's use of PARITY, including but not limited to any failure by PARITY to correctly or timely transmit information provided by the District or information provided by the bidder.

3. The District may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via PARITY's internet site (www.tm3.com) no later than 1:00 P.M. (California Time) on the last business day prior to the date of sale. In such case, a substitute bidding arrangement will be described in an amended Notice Inviting Proposals for Purchase of Bonds.

4. For purposes of submitting all Bids for Purchase of the Bonds, the time as maintained on PARITY shall constitute the official time. No bid received after the deadline shall be considered. In any case, each bid must be in accordance with the terms and conditions set forth in this official Notice Inviting Proposals for Purchase of Bonds.

5. Each bidder shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with this Notice Inviting Proposals for Purchase of Bonds. Neither the District nor i-Deal shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the District nor i-Deal shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY. The District is using PARITY as a communication mechanism, and not as the District's agent, to conduct the electronic bidding for the Bonds. By using PARITY, each bidder agrees to hold the District harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

XIV. Estimate of True Interest Cost:

Bidders are requested (but not required) to supply an estimate of the total true interest cost to the District on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or the Board of Education of the District.

XV. No Good Faith Deposit:

In connection with submitting their bids to purchase the Bonds, bidders will not be required to provide a good faith deposit.

XVI. Qualification for Sale; Blue Sky:

The purchaser will assume responsibility for taking any action necessary to qualify the Bonds for offer and sale in jurisdictions other than California, and for complying with the laws of all jurisdictions on resale of the Bonds, and shall indemnify, defend and hold harmless the District and their respective officers and officials from any loss or damage resulting from any failure to comply with any such law. Compliance with Blue Sky Laws shall be the sole responsibility of the purchaser, and the purchaser shall pay all fees and disbursements related to the qualification of the bonds for sale under the securities or Blue Sky laws of various jurisdictions. The District will furnish such information and take such action not inconsistent with law as the purchaser may request and the District shall deem necessary or appropriate to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the purchaser, provided, however, that the District shall not execute a general or special consent to service of process or qualify to do business in connection with such qualification or determination in any jurisdiction. **The purchaser will not offer to sell, or solicit any offer to buy, the Bonds in any jurisdiction where it is unlawful for such purchaser to make such offer, solicitation or sale, and the purchaser shall comply with the Blue Sky and other securities laws and regulations of the states and jurisdictions.**

XVII. CUSIP Numbers and Other Fees:

CUSIP numbers will be applied for and will be printed on the Bonds and the cost of printing thereof and service bureau assignment will be the purchaser's responsibility. Any delay, error or omission with respect thereto will not constitute cause for the purchaser to refuse to accept delivery of and pay for the Bonds. The successful bidder shall also be required to pay all fees required by The Depository Trust Company, Bond Market Association, Municipal Securities Rulemaking Board, and any other similar entity imposing a fee in connection with the issuance of the Bonds (see, "— California Debt and Investment Advisory Commission" below).

XVIII. Legal Opinion:

The Bonds are sold with the understanding that the purchaser will be furnished with the approving opinion of Bond Counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation. A copy of the opinion will be attached to the Bonds. Said attorneys have been retained by the District as Bond Counsel and in such capacity are to render their opinion only upon the legality of the Bonds under California law and on the exemption of the interest income on such Bonds from State of California income taxes. Fees of Bond Counsel will be paid by the District from the costs of issuance.

XIX. Tax-Exempt Status:

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is included in gross income for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. Should changes in the law cause Bond Counsel's opinion to change prior to delivery of the Bonds to the purchaser, the purchaser will be relieved of its responsibility to pick up and pay for the Bonds.

XX. Award:

The Bonds will be awarded to the responsible bidder submitting the best responsive bid, considering the coupon interest rate or rates and the purchase price specified in the bid. The best bid will be the bid that conforms with the provisions of this Notice Inviting Proposals for Purchase of Bonds and represents the lowest TIC to the District for the Bonds, taking into consideration the interest rate specified, and premium thereon, if any. The TIC is the discount rate that, when compounded semiannually and used to discount all debt service payments on the Bonds back to the date of delivery of such Bonds, results in an amount equal to the purchase price bid for said Bonds. In the event that two or more bidders offer bids for the Bonds at the same lowest TIC, the District will determine by lottery which bidder will be awarded the Bonds. For the purpose of calculating the TIC, the mandatory sinking fund payments, if any, shall be treated as serial maturities in such years. The determination of the bid representing the lowest TIC will be made without regard to any adjustments made or contemplated to be made after the award by the Assistant Superintendent, Business Services/CBO or the Debt Advisor, on behalf of the District, as described herein under "Adjustment of Principal Amounts," even if such adjustments have the effect of raising the TIC of the successful bid to a level higher than the bid containing the next lowest TIC prior to adjustment.

XXI. Prompt Award:

The Assistant Superintendent, Business Services/CBO of the District, or his designee, will take action awarding the Bonds or rejecting all bids not later than twenty-six (26) hours after the expiration of the time herein prescribed for the receipt of bid proposals, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

XXII. Delivery:

Delivery of the Bonds will be made to the purchaser through DTC upon payment of the purchase price in federal funds payable to or for the account of the District at the Zions Bancorporation, National Association, in accordance with such wire instructions as shall be provided to the purchaser by the District or by the District's Debt Advisor. The Closing will take place at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation, 44 Montgomery Street, Suite 4200, San Francisco, California 94104, or at the purchaser's request and expense, at any other place mutually agreeable to both the District and the purchaser, on or about December 19, 2019.

XXIII. California Debt and Investment Advisory Commission:

The successful bidder will be required, pursuant to State of California law, to pay any fees to the California Debt and Investment Advisory Commission ("CDIAC"). CDIAC will invoice the successful bidder after the closing of the Bonds.

XXIV. No Litigation and Non-Arbitrage:

The District will deliver a certificate stating that no litigation is pending affecting the issuance and sale of the Bonds. The District will also deliver an arbitrage certificate covering its reasonable expectations concerning the Bonds and the use of proceeds thereof.

XXV. Official Statement:

The District will make available a Preliminary Official Statement relating to the Bonds, a copy of which, along with related documents, will be furnished upon request made by mail to Fieldman, Rolapp & Associates, Inc., 19900 MacArthur Boulevard, Suite 1100, Irvine, California 92612, Attn: Adam Bauer, phone (949) 660-7303, abauer@fieldman.com, the District's Municipal Advisor, or telephoned to said Municipal Advisor at (949) 660-7303. Such Preliminary Official Statement, together with any supplements thereto, shall be in a form "deemed final" by the District for the purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final version thereof (the "Official Statement").

Each bidder must read the entire Preliminary Official Statement prior to bidding on the Bonds, to obtain information essential to the making of an informed decision to bid. This Notice Inviting Proposals for Purchase of Bonds contains certain information for general reference only, and is not a complete summary of the issue. The Internet posting of the Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the securities described in the Preliminary Official Statement, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Copies of the Official Statement will be made available to the purchaser without charge, up to an amount of 10 copies, within seven business days of the date of sale and additional copies will be made available upon request at the purchaser's expense.

The District will deliver, at the closing, a certificate executed by an authorized officer of the District, acting in their official capacity, to the effect that the Official Statement does not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

The District undertakes that for a certain period of up to twenty-five (25) days following the end of the "underwriting period" as defined in Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934 (the "Rule"), it will (i) apprise the winning bidder if any event shall occur, or information comes to the attention of the District that, in the reasonable judgment of the District, is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (ii) if requested by the winning bidder, prepare a supplement to the final Official Statement with respect to such event or information. The District will presume, unless notified in writing by the winning bidder, that the end of the underwriting period will occur on the date of the delivery of the Bonds. By making a bid on the Bonds, the winning bidder agrees (i) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any supplements prepared by the District, and to file a copy of the final Official Statement, including any supplements prepared by the District, with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system (as provided by the Rule) within one business day after receipt thereof from the District or its

designee, but in any event, no later than the date of closing and (ii) to take any and all other actions necessary to comply with the applicable rules of the Securities and Exchange Commission and the MSRB governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

XXVI. Continuing Disclosure:

In order to assist bidders in complying with the Rule, the District will undertake in a Continuing Disclosure Certificate to provide certain annual financial information and notices of the occurrence of listed events enumerated therein. A description of this undertaking and a form of the Continuing Disclosure Certificate are included in the Preliminary Official Statement.

XXVII. Ratings:

S&P Global Ratings, a business unit of a Standard & Poor's Financial Services LLC and Moody's Investors Service have assigned to the Bonds the ratings shown on the cover page of the Preliminary Official Statement or, if not so indicated, will be available upon request from the Debt Advisor. Such ratings reflect only the views of such organizations and explanation of the significance of such ratings may be obtained therefrom. There is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either of the rating agencies, if, in the judgment of such agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

XXVIII. Right to Cancel, Postpone, or Reschedule Sale:

The District reserves the right to cancel, postpone or reschedule the sale of the Bonds upon notice given through the Bloomberg News Service, Thomson Municipal Market Monitor (www.tm3.com) or *The Bond Buyer* not later than 1:00 p.m. (California time) on the day prior to the date bids are to be received. If the sale is postponed, bids will be received at the place set forth above, at the date and time as the District shall determine. Notice of the new sale date and time, if any, will be given through Bloomberg News Service, Thomson Municipal Market Monitor (www.tm3.com) or *The Bond Buyer* no later than twenty-three (23) hours prior to the new time bids are to be received. As an accommodation to bidders, telephone or fax notice of the postponement of the sale date and of the new sale date will be given to any bidder requesting such notice from the Debt Advisor. Failure of any bidders to receive such notice shall not affect the legality of the sale.

XXIX. Municipal Bond Insurance; Bidder's Option:

The District has applied to certain bond insurance companies for a commitment to issue a municipal bond insurance policy insuring the scheduled payment of principal of and interest on the Bonds when due. Information concerning the availability of municipal bond insurance may be obtained by contacting the Municipal Advisor, Fieldman, Rolapp & Associates, Inc., as described below. In the event the District obtains a commitment for municipal bond insurance, each bidder has the option to elect whether such insurance policy will be issued and whether such insurance policy will be issued with respect to all a portion of the Bonds. If the winning bidder elects to obtain a policy of municipal bond insurance, the premium for such insurance and the costs of any related ratings will be paid by the bidder, and the District will have no responsibility for payment of such premium and costs.

