

# **OFFICIAL NOTICE OF SALE**

**\$9,590,000\***

## **ROCKLIN PUBLIC FINANCING AUTHORITY (PLACER COUNTY, CALIFORNIA)**

### **2016 LEASE REVENUE BONDS**

**Date of Sale:**

**October 4, 2016  
10:00 a.m., Pacific Time**

**BIDS TO BE RECEIVED VIA PARITY®**

**For further information, please contact the Authority's Municipal Advisor:**

**Tom Johnsen, Principal**  
**(949) 660-7311**  
[tjohnsen@fieldman.com](mailto:tjohnsen@fieldman.com)

**Paul Pender, Vice President**  
**(949) 660-7319**  
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**Fieldman, Rolapp & Associates**  
19900 MacArthur Boulevard, Suite 1100  
Irvine, California 92612

**A copy of the Preliminary Official Statement  
may be obtained at:**  
[www.munios.com](http://www.munios.com)

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\* Preliminary, subject to change.

OFFICIAL NOTICE OF SALE  
\$9,590,000\*  
ROCKLIN PUBLIC FINANCING AUTHORITY  
2016 LEASE REVENUE BONDS

Notice is hereby given that all-or-none bids will be received by the Rocklin Public Financing Authority (the "Authority"), for the purchase of \$9,590,000\* par value lease revenue bonds designated as the "2016 Lease Revenue Bonds" (the "2016 Bonds"). The Authority is a joint powers authority formed pursuant to a Joint Exercise of Powers Agreement dated as of December 13, 1994, by and between the City of Rocklin (the "City") and the Redevelopment Agency of the City. For additional information on the Authority, the City and the purpose and security for the 2016 Bonds, prospective bidders are directed to the Preliminary Official Statement related to the 2016 Bonds described herein.

All electronic bids must be submitted via *Parity*®, the electronic bidding system, up to the time and date specified as follows:

**TIME:** 10:00 a.m., Pacific Time

**DATE:** October 4, 2016

provided, however, that without further advertising, and so long as an electronic bid has not been accepted by the Authority, electronic bids via *Parity*® will be accepted at such time and place on October 5, 2016 and each succeeding Business Day thereafter until the earlier of October 11, 2016 or receipt by the Authority of an acceptable electronic bid for the 2016 Bonds.

**This Official Notice of Sale (this "Notice") contains certain information for quick reference only, is not a summary of the issue and governs only the terms of the sale of, bidding for and closing procedures with respect to the 2016 Bonds. Bidders must read the entire Preliminary Official Statement relating to the 2016 Bonds to obtain information essential to making an informed investment decision.**

## **DESCRIPTION OF THE 2016 BONDS AND FINANCING FRAMEWORK**

### **Terms of the 2016 Bonds**

**The Authority has made available a Preliminary Official Statement relating to the 2016 Bonds, a copy of which has been posted to [www.munios.com](http://www.munios.com).** The Preliminary Official Statement, including the cover page and all appendices thereto, provides certain information concerning the sale and delivery of the 2016 Bonds. Each bidder must have obtained and reviewed the Preliminary Official Statement prior to bidding for the 2016 Bonds.

### **Issue**

The 2016 Bonds will be dated the date of delivery, expected to be **October 20, 2016**, will be in the denomination of \$5,000 each, or integral multiples thereof, and will bear interest from the date of the 2016 Bonds to the maturity of each of the 2016 Bonds at the rate or rates such that the interest rate shall not exceed 5.25% per annum, with interest payable starting on May 1, 2017 and semiannually on May 1

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\* Preliminary, subject to change.

and November 1 of each year during the term of each of the 2016 Bonds. The 2016 Bonds mature as shown in the table below:

<u>MATURITY</u> <u>(November 1)</u>	<u>PRINCIPAL</u> <u>AMOUNT*</u>	<u>MATURITY</u> <u>(November 1)</u>	<u>PRINCIPAL</u> <u>AMOUNT*</u>
2017	525,000	2035	450,000
2018	535,000	2036	465,000
2019	275,000	2037	475,000
2020	280,000	2038	490,000
2021	290,000	2039	505,000
2022	300,000	2040	520,000
2023	310,000		
2024	320,000		
2025	335,000		
2026	345,000		
2027	355,000		
2028	370,000		
2029	380,000		
2030	390,000		
2031	400,000		
2032	415,000		
2033	425,000		
2034	435,000		

### **Adjustment of Principal Amounts**

The principal amounts of each maturity of 2016 Bonds set forth above reflect certain assumptions of the Authority and Fieldman, Rolapp & Associates, Inc., the Authority's Independent Registered Municipal Advisor (the "Municipal Advisor") with respect to the likely interest rates of the winning bid or bids. Following the determination of the successful bidder, the Authority reserves the right to increase or decrease the principal amount of each maturity of the 2016 Bonds, in \$5,000 increments of principal amounts. Such adjustment shall be made within 4 hours of the bid opening and in the sole discretion of the Authority. 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 its bid price or the interest rate(s) in its bid for the 2016 Bonds. The Authority shall not be responsible for the effect of any such adjustment on the compensation to the successful bidder and will use its reasonable best efforts to maintain a proportionate level of compensation to the successful bidder. Bidders are advised to consider such a possible change in principal amounts when determining their bid on the 2016 Bonds.

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\* Preliminary, subject to change.

## Interest Rates

Interest will be calculated on the basis of a 360-day year composed of twelve 30-day months. The 2016 Bonds shall represent interest from their date at a rate or rates to be determined at the sale thereof, but no maturity of such 2016 Bonds shall exceed 5.25% per annum and the true interest cost of the 2016 Bonds shall not exceed **5.0%**. Interest on the 2016 Bonds is payable semiannually on May 1 and November 1 in each year (the "Interest Payment Dates"); commencing May 1, 2017.

Bidders may specify any number of separate interest rates, and any rate may be repeated as often as desired; provided, however, that (i) each interest rate specified must be in a multiple of 1/20 of 1% or 1/8 of 1%; (ii) a zero rate of interest cannot be specified; (iii) each Bond shall bear interest from its dated date to its stated maturity date at the interest rate specified in the bid; (iv) all 2016 Bonds of the same maturity date shall bear the same rate of interest (with the exception of split coupons for 2016 Bonds of the same maturity, which is allowed; (v) no bid will be accepted which provides for the cancellation and surrender of any interest payment or for the waiver of interest or other concession by the bidder as a substitute for payment in full of the purchase price of the 2016 Bonds. *Bids that do not conform to the terms of this paragraph will be rejected.*

## Option Redemption / Term Bonds Permitted

The 2016 Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturity, as follows:

- (a) Optional Redemption. The 2016 Bonds with stated maturities on or after November 1, 2027 shall be subject to redemption prior to their respective stated maturities, as a whole or in part on any date as directed by the Authority in a written request provided to the Trustee and by lot within each maturity in integral multiples of \$5,000, on or after **November 1, 2026**, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium. The 2016 Bonds with stated maturities prior to November 1, 2027 shall be not be subject to optional redemption prior to their maturities.
- (b) Mandatory Sinking Fund Redemption. Any bidder may, at its option, specify that one or more maturities of the 2016 Bonds will consist of **term bonds** which are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof, as designated in the proposal of such bidder. In the event that the proposal of the successful bidder specifies that any maturity of 2016 Bonds will be term bonds, such term bonds will be subject to mandatory sinking fund redemption on November 1 in each year so designated in the proposal, in the respective amounts for such years, at redemption price equal to the principal amount thereof to be paid together with accrued interest thereon to the redemption date, without premium.

## TERMS OF SALE

### Basis of Award – Lowest True Interest Cost

The 2016 Bonds will be awarded to the responsible bidder whose bid produces the **lowest true interest cost** on the 2016 Bonds. The true interest cost specified in any bid will be that rate which, when used in computing the present value of principal and interest to be paid on all 2016 Bonds from the expected date of delivery, to their respective maturity dates, or mandatory sinking fund redemption dates in the case of term bonds, produces an amount equal to the purchase price (including any premium)

specified in such bid. For purposes of computing the true interest cost represented by any bid, the purchase price specified in such bid shall be equal to the par amount of the 2016 Bonds plus any premium specified in such bid, and the true interest rate shall be calculated by the use of a semiannual interval of compounding interest based on the Interest Payment Dates for the 2016 Bonds. In the event of a tied bid, the procedure for determining the winning bid will be the toss of a coin to be conducted by the Authority among such bidders whose bids have produced the tie.

Bidders are requested to supply a calculation of the true interest cost of the 2016 Bonds to the Authority on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or the Authority.

### **All or None Bid**

Any prospective purchaser may submit a bid for the 2016 Bonds, provided that if any of the 2016 Bonds are bid for, then all of the 2016 Bonds must be bid for.

### **Form of Bid / Electronic Bids Only**

All bids for the 2016 Bonds must be unconditional and for not less than all of the 2016 Bonds offered for sale. Each bid must be in accordance with the terms and conditions set forth herein. Only electronic bids via PARITY® (the "Electronic Bidding System") will be accepted in accordance with this Notice until 10:00 a.m. Pacific Time, on the bid date. To the extent any instructions or directions set forth in PARITY® conflict with this Notice, the terms of this Notice shall control.

### **Bid Award Deposit**

The winning bidder will be required to submit a **Bid Award Deposit equal to \$95,000** not later than 12:00 p.m. Pacific Time on the first business day following the bid date for the 2016 Bonds. The deposit shall be made by wire to an account of the Authority; wire instructions will be provided directly to the winning bidder. In the event a bidder's Bid Award Deposit is not received by the designated time, the underlying bid may be disqualified at the option of the Authority.

No interest will be paid by the Authority on the amount of the Bid Award Deposit. The proceeds of the Bid Award Deposit of the winning bidder will be applied to the purchase price of the 2016 Bonds, or in the event of the failure of a winning bidder to pay for the 2016 Bonds in compliance with the terms of the bid, at the option of the Authority, its Bid Award Deposit may be retained as liquidated damages, as partial payment of actual damages or as security for any other remedy available to the Authority.

### **Delivery and Payment**

Delivery of the 2016 Bonds will be made to the Purchaser on the closing date for the 2016 Bonds, expected to be **October 20, 2016**. Payment of the purchase price (less the amount of the good faith deposit mentioned below) must be made in funds immediately available to the Authority.

### **Right to Modify or Amend**

The Authority reserves the right to modify or amend this Notice including, but not limited to the right to adjust and change the aggregate principal amount of the 2016 Bonds being offered. Such notifications or amendments shall be made not later than 2:00 p.m. Pacific Standard Time on the business day immediately preceding the day of the bid opening and communicated through Thomson Municipal News and by facsimile transmission to any qualified bidder timely requesting such notice.

### **Right to Reject Bids or Waive Irregularities**

The Authority reserves the right, in its discretion, to reject any and all bids and, to the extent permitted by law, to waive any irregularity or informality in any bid.

### **Right to Cancel, Postpone, or Reschedule Sale**

The Authority reserves the right to cancel, postpone or reschedule the sale of the 2016 Bonds upon notice given through the Bloomberg News Service, Thompson Municipal Market Monitor ([www.tm3.com](http://www.tm3.com)) or *The Bond Buyer* not less than eighteen (18) hours prior to the time 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 Authority shall determine. Notice of the new sale date and time, if any, will be given through Bloomberg News Service, Thompson Municipal Market Monitor ([www.tm3.com](http://www.tm3.com)) or *The Bond Buyer* no later than eighteen (18) 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 Municipal Advisor. Failure of any bidders to receive such notice shall not affect the legality of the sale.

### **Registration of 2016 Bonds as to Principal and Interest and Place of Payment**

The 2016 Bonds, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the 2016 Bonds, as described in the Preliminary Official Statement.

### **Purchaser's Closing Certificate**

The Purchaser must deliver a Bidder's Certificate to the Authority as may be required by Bond Counsel dated the date of issuance of the 2016 Bonds, substantially in the form as provided in Attachment 1 to this Notice. The Purchaser shall further advise the Authority no later than one hour after award of the bid of such information regarding the reoffering price or prices at which the 2016 Bonds are reoffered to the general public.

### **CUSIP Numbers and Other Fees**

Application for and cost of CUSIP numbers will be 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 2016 Bonds. The successful bidder shall also be required to pay all fees required by The Depository Trust Company, Municipal Securities Rulemaking Board, and any other similar entity imposing a fee in connection with the issuance of the 2016 Bonds (see, "California Debt Advisory and Investment Commission" below).

### **California Debt Advisory and Investment Commission Fee**

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 2016 Bonds.

## **Legal Opinion**

The 2016 Bonds are sold with the understanding that the purchaser will be furnished with the approving opinion of Bond Counsel, Jones Hall, A Professional Law Corporation, substantially in the form attached as an appendix to the Preliminary Official Statement related to the 2016 Bonds.

## **Tax-Exempt Status**

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth therein, under existing law, the interest on the 2016 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, provided, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings. The foregoing opinion is subject to the condition that the Authority comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the 2016 Bonds. The Authority has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the 2016 Bonds. In the further opinion of Bond Counsel, interest on the 2016 Bonds is exempt from California personal income taxes.

Should changes in the law cause Bond Counsel's opinion to change prior to delivery of the 2016 Bonds to the purchaser, the purchaser will be relieved of its responsibility to take delivery of and pay for the 2016 Bonds, and in that event its Bid Award Deposit will be returned.

## **No Litigation and Non-Arbitrage**

The Authority will deliver a certificate stating that no litigation is pending affecting the issuance and sale of the 2016 Bonds. The Authority will also deliver an arbitrage certificate covering its reasonable expectations concerning the 2016 Bonds and the use of proceeds thereof.

## **Right of Cancellation**

The successful bidder will have the right, at its option, to cancel its purchase of the 2016 Bonds if the Authority fails to execute the 2016 Bonds and tender the same for delivery within 60 days from the date of the award thereof. In such event, the successful bidder will be entitled to the return of the deposit accompany the bid.

## **Qualification for Sale; Blue Sky**

Compliance with blue sky laws shall be the sole responsibility of the successful bidder. The successful bidder will not offer to sell or solicit any offer to buy the 2016 Bonds in any jurisdiction where it is unlawful for such bidder to make such offer, solicitation or sale, and the bidder shall comply with the blue sky and other securities laws and regulations of the states and jurisdictions in which the bidder sells the 2016 Bonds.

## **Preliminary Official Statement and Final Official Statement**

The Authority has made available a Preliminary Official Statement relating to the 2016 Bonds, a copy of which has been posted to [www.munios.com](http://www.munios.com). Such Preliminary Official Statement has been

“deemed final” by the Authority for the purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion, including with respect to final pricing and related information which will be set forth in a final official statement (the “Official Statement”). The Authority shall deliver, at closing, a certificate, executed by appropriate officers of the Authority acting in their official capacities, to the effect that the facts contained in the Official Statement are true and correct in all material respects, and that the Official Statement does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statement therein, in light of the circumstances under which they were made, not misleading.

By making a bid for the 2016 Bonds, the successful bidder agrees (1) to disseminate to all members of the underwriting syndicate copies of the Official Statement, including any supplements prepared by the Authority, (2) to promptly file a copy of the Official Statement, including any supplements prepared by the Authority, with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System, and (3) to take any and all other actions necessary to comply with applicable SEC rules and MSRB rules governing the offering, sale and delivery of its 2016 Bonds to ultimate purchasers. The Official Statement will only be made available electronically; no hard copies will be provided to the winning bidder.

### **Continuing Disclosure**

In order to assist the Purchaser in complying with Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, the Authority will undertake in a Continuing Disclosure Certificate to provide certain annual financial information and notice of the occurrence of certain enumerated events. A description of this undertaking and a form of the Continuing Disclosure Certificate is included in the Preliminary Official Statement.

A summary regarding the Authority’s and its related entities, including the City’s, past compliance with its continuing disclosure obligations is contained in the Preliminary Official Statement under the section “CONTINUING DISCLOSURE.”

### **Ratings**

Ratings from Standard & Poor’s Ratings Services and Fitch Ratings have been assigned to the 2016 Bonds. The ratings are shown in the Preliminary Official Statement under the section “RATINGS.”

Dated: September 16, 2016

ROCKLIN PUBLIC FINANCING AUTHORITY

/s/ \_\_\_\_\_  
Kimberly Sarkovich  
Chief Financial Officer  
Rocklin Public Financing Authority



**ATTACHMENT 1**

**BIDDER'S CERTIFICATE**

**[\$[TBD – after award]  
Rocklin Public Financing Authority, 2016 Lease Revenue Bonds**

The undersigned, on behalf of [insert winning bidder], as underwriter (the “Underwriter”) of the above-captioned bonds (the “Bonds”), hereby confirms that, based on records and other information available to us which we have no reason to believe is not correct:

(i) Based upon reasonable expectations and actual facts which existed on **October 4, 2016**, being the date upon which the Rocklin Public Financing Authority (the “Authority”) sold the Bonds to the Underwriter (the “Sale Date”), the Underwriter reasonably expected to first sell a substantial amount of each maturity of the Bonds (being at least ten percent (10%) of each maturity) to the general public (for purposes of this Certificate, “general public” excludes bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) in a bona fide public offering at the prices (the “Initial Offering Prices”), or in the case of Bonds sold on a yield basis, at the respective yields set forth in Schedule 1 attached hereto and by this reference incorporated herein (these prices are also shown on the cover of the Official Statement).

(ii) The aggregate of the Initial Offering Prices is \$\_\_\_\_\_.

(iii) As of the Sale Date, 100% of the Bonds of each maturity were actually offered to the general public in a bona fide public offering for the Initial Offering Prices.

(iv) As of the Sale Date, the Underwriter, taking into account then prevailing market conditions, had no reason to believe any of the Bonds would be initially sold to the general public at prices greater than or, in the case of Bonds sold on a yield basis, yields lower than, the Initial Offering Prices.

(v) As of the Sale Date, the Underwriter was unable to sell at least ten percent (10%) of each maturity of the Bonds to the general public for the respective Initial Offering Prices.

(vi) In our opinion, based on then prevailing market conditions, the Initial Offering Prices do not exceed the fair market value of said maturities of the Bonds to the general public as of the Sale Date.

Dated:

\_\_\_\_\_  
As Underwriter

By \_\_\_\_\_  
[Name]  
[Title]

## SCHEDULE 1

<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Reoffering</u> <u>Price (%)</u> *
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			

\*Stated as percentage of par