

OFFICIAL NOTICE OF SALE

\$20,000,000
TUSTIN UNIFIED SCHOOL DISTRICT -
GENERAL OBLIGATION BONDS OF SCHOOL FACILITIES
IMPROVEMENT DISTRICT NO. 2012-1 OF THE TUSTIN
UNIFIED SCHOOL DISTRICT, 2012 ELECTION, SERIES B
(Orange County, California)

NOTICE IS HEREBY GIVEN that unconditional proposals for the purchase of \$20,000,000 par value principal amount of **Tustin Unified School District - General Obligation Bonds of School Facilities Improvement District No. 2012-1 of the Tustin Unified School District** (“District”), **2012 Election, Series B** (“Bonds”), Orange County (“County”), California, will be received by the Financial Advisor for the District (Keygent LLC) (“Financial Advisor”) at the place and up to the time below by electronic submission via PARITY (as defined and set forth herein):

TIME: **Tuesday, January 23, 2018, at 9:00 a.m. (Pacific Time)**

PLACE: Keygent LLC
Attn: Chet Wang, Managing Director
999 North Sepulveda Blvd., Suite 570
El Segundo, CA 90245

**ELECTRONIC
BIDS:**

Bids shall be transmitted solely via the i-Deal BIDCOMP Competitive Bidding System (“PARITY”) (see discussion under the heading “Electronic Bids” as set forth herein). Such bids must be submitted and transmitted by 9:00 a.m. on the date set forth above, and the District, Bond Counsel and the Financial Advisor assume no responsibility for the failure of such bids to be received prior to that time. **No bids will be accepted by physical delivery, telephone, facsimile transmission or electronically** (other than by way of PARITY).

Additionally, the Preliminary Official Statement (“Preliminary Official Statement”) for the Bonds is available at no cost in an electronic version on the internet at **www.i-dealprospectus.com** or by contacting the District’s financial advisor, Mr. Chet Wang of Keygent, LLC, telephone: (310) 322-4222 or **chet.wang@keygentcorp.com**.

ISSUE; BOOK-ENTRY:

\$20,000,000 consisting of fully registered Bonds, without coupons. The Bonds will be issued in minimum denominations of \$5,000. The Bonds will be issued in a book-entry only system with no physical distribution of the Bonds made to the public. The Depository Trust Company (“DTC”), will act as depository for the Bonds which will be immobilized in its custody. The Bonds will be registered in the name of CEDE & CO., as nominee for DTC, on behalf of the participants in the DTC system and the subsequent beneficial owners of the Bonds.

MATURITIES:

The Bonds will mature on August 1 in each of the years and in the amounts as follows:

| <u>MATURITY (August 1)</u> | <u>PRINCIPAL AMOUNT (\$) *</u> | <u>MATURITY (August 1)</u> | <u>PRINCIPAL AMOUNT (\$) *</u> |
|--------------------------------|------------------------------------|--------------------------------|------------------------------------|
| 2019 | 2,410,000 | 2030 | 130,000 |
| 2020 | 2,430,000 | 2031 | 150,000 |
| 2021 | 2,660,000 | 2032 | 175,000 |
| 2022 | 2,910,000 | 2033 | 195,000 |
| 2023 | 125,000 | 2034 | 215,000 |
| 2024 | 30,000 | 2035 | 240,000 |
| 2025 | 45,000 | 2036 | 265,000 |
| 2026 | 60,000 | 2037 | 290,000 |
| 2027 | 75,000 | 2038 | 2,275,000 |
| 2028 | 95,000 | 2039 | 2,475,000 |
| 2029 | 110,000 | 2040 | 2,640,000 |

(The Bonds will be dated the date of delivery - expected to be February 15, 2018)

* Subject to change, see “**TERMS OF SALE – Adjustment of Principal Amounts**”.

Authority: The Bonds will be issued pursuant to the Constitution and laws of the State of California (“State”). The issuance of the Bonds was authorized by a greater than the required fifty-five percent (55%) affirmative vote of the qualified electors of the District voting at a special bond election held within the boundaries of School Facilities Improvement District No. 2012-1 of the Tustin Unified School District on November 6, 2012. Issuance and sale of the Bonds was authorized by a resolution adopted by the Board of Education of the District on December 11, 2017 (“Bond Resolution”).

Interest: The Bonds shall bear interest at a rate or rates to be fixed upon the sale thereof, but not to exceed 8% per annum, payable initially on August 1, 2018, for the first period, and semi-annually thereafter on February 1 and August 1.

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 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 principal amount 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.

Optional Redemption: The Bonds maturing on or before August 1, 2025, are not subject to redemption. The Bonds maturing on August 1, 2026, may be redeemed before maturity at the option of the District, from any source of available funds, in whole, or in part, at the direction of the District, on any date on or after August 1, 2025, at a redemption price equal to the principal amount of the Bonds called for redemption, without premium, plus accrued interest to the date of redemption.

Special Bidders Option; Term Bonds: Any bidder may elect to combine any number of consecutive maturities of Bonds, for which an identical yield to maturity has been specified, to comprise term bonds, by indicating such an election on the bid form. 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 principal amount of the corresponding serial bond maturities. Bonds designated as term bonds will be subject to mandatory sinking fund redemption on August 1 in each year so designated in the bid, at a redemption price equal to the designated amount thereof together with accrued interest thereon to the redemption date, without premium. The final official statement will incorporate the mandatory redemption provisions for the Bonds in the event the successful bidder elects to convert serial maturities into one or more term bonds.

Notice of Redemption: Notice of redemption of the Bonds, either by optional redemption, or sinking fund redemption (Term Bonds) shall be provided on the basis set forth in the Preliminary Official Statement.

Purpose: The proceeds of the Bonds will be applied to: (a) real property acquisition or improvements, including renovation and repair of existing District schools and school facilities, construction of new school facilities and upgrading, repairing, rehabilitating, acquiring and constructing classrooms and property throughout the District all as described in the bond authorization; and (b) to pay all necessary legal, financial, engineering and contingent costs in connection therewith and certain costs of issuance of the Bonds.

Security: Pursuant to State law, the Bonds represent the general obligation of the District secured by *ad valorem* property taxes, and the Board of Supervisors of Orange County has the power and is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon without limitation as to rate or amount upon all property within the District subject to taxation (except for certain classes of personal property) and as further discussed in the Preliminary Official Statement.

Right to Modify or Amend Official Notice of Sale: The District reserves the right to modify or amend this Official Notice of Sale including, but not limited to, the right to adjust and change the principal amounts and principal amortization schedule of the Bonds being offered; however, such modifications and amendments, if any, shall be made not later than 11:00 a.m. (California time) on the business day prior to the date specified for the receipt of bids for the Bonds and shall be communicated through TM3 News Service, The Bond Buyer Wire or the Bloomberg Business News Wire. All such notices provided through any of the foregoing means shall be considered as an amendment to this Official Notice of Sale.

Terms and Conditions of Offer and Sale: All bids submitted shall be subject to all of the terms and conditions set forth in this Official Notice of Sale, as such may be amended. Bond bidders are advised to review and consider all of the terms and conditions set forth in this Official Notice of Sale prior to submission of a bid.

TERMS OF SALE

Submission of Bids; Form; Award: The Bonds shall be sold for cash only as a single series on an “all or none” basis. All bids must be for not less than all of the Bonds hereby offered for sale. Each bid shall state that the bidder offers par, the premium and the rate or rates not to exceed those specified herein, at which the bidder offers to buy the Bonds. Each bid must be delivered in accordance with the requirements set forth herein, to be received not later than the date and time of sale set forth above.

Each bidder is requested to furnish the names of all firms participating in the bid.

All bids shall conform to the requirements under the heading “Electronic Bids” herein.

Form of Bid; Minimum Purchase Price: Each bid must be for not less than all of the Bonds hereby offered for sale. **The minimum purchase price to be paid for the Bonds may not be less than one hundred two percent (102.0%) of the par amount of the Bonds and the maximum purchase price shall be not more than one hundred eight percent (108.0%) of the par amount of the Bonds.** The minimum purchase price referred to herein is net of purchaser’s compensation. No bid will be entertained which fails to comport with the minimum and maximum purchase price specified in this paragraph.

Interest Rate: The maximum interest rate bid for each maturity may not exceed eight percent (8.00%), and the TIC may not exceed six percent (6.00%). Each rate bid must be a multiple of one-one-hundredth of one percent (1/100%) or one-eighth of one percent (1/8%) or any combination thereof. No Bond shall bear more than one interest rate, and all Bonds of the same maturity shall bear the same rate. Each Bond must bear interest at the rate specified in the bid from its date to its fixed maturity date. The interest rate will be computed on the basis of a 360-day year consisting of twelve 30-day months.

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 District.

Costs of Issuance: The winning bidder will not be required to pay any costs of issuance associated with the Bonds, except as described under the headings “CUSIP® Numbers” and “Payment of Fees”. Such costs of issuance, excluding the winning bidder’s compensation, will be paid by the District solely from the aggregate proceeds of the Bonds eligible to be deposited into the Building Fund (as such term is defined in the Preliminary Official Statement) held by Orange County on behalf of the District. The winning bidder’s compensation will be paid from the premium generated from the sale 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 in an amount equal to the winning bidder’s compensation. The District further reserves the right to instruct the winning bidder to wire a portion of the purchase price, in an amount not to exceed 2.0% of the principal amount of the Bonds, to U.S. Bank National Association in its capacity as costs of issuance custodian for the Bonds.

By submission of its bid pursuant to the provisions hereof, each bidder will be deemed to have represented that its underwriting discount shall not exceed 2.0% of the principal amount of the Bonds.

Premium/Discount Bonds; Funding of Interest. The District has elected to deposit the premium generated upon the sale of the Bonds, net of the winning bidder’s compensation, into the Debt Service Fund (as such term is defined in the Preliminary Official Statement) established therefor, to be used to pay interest on the Bonds. Premium deposited into the Debt Service Fund may not be used to pay principal of the Bonds.

Electronic Bids: All bids shall conform with the procedures established by PARITY. Electronic bids will be received exclusively through PARITY in accordance with this Official Notice of Sale until 9:00 a.m. California Time, on the specified bid date, but no bid will be received after the time specified herein for receiving bids. To the extent any instructions or directions set forth in PARITY conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about PARITY, potential bidders may contact the District’s Financial Advisor, Chet Wang of Keygent LLC, 999 North Sepulveda Boulevard, Suite 570, El Segundo, CA 90245, telephone: (310) 322-4222. Further information about PARITY, including any fee charged, may also be obtained from BIDCOMP/PARITY, 1359 Broadway Street, 2nd Floor, New York, New York 10018, attention: Customer Support (212) 849-5021.

Warning Regarding Electronic Bids: The District will accept bids in electronic form solely through PARITY on the electronic Official Bid form created for such purpose. Each bidder submitting an electronic bid understands and agrees by doing so that it is solely responsible for all arrangements with PARITY, that the District neither endorses nor explicitly encourages the use of PARITY, and that PARITY is not acting as an Agent of the District. Instructions and forms for submitting electronic bids must be obtained from PARITY, and the

District assumes no responsibility for ensuring or verifying bidder compliance with the procedures of PARITY. The District shall assume that any bid received through PARITY has been made by a duly authorized Agent of the bidder. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale.

The District will make its best efforts to accommodate electronic bids; however the District, the Financial Advisor and Bond Counsel assume no responsibility for any error contained in any bid submitted electronically, or for failure of any bid to be transmitted; received or opened at the official time for receipt of bids. The official time for receipt of bids will be determined by the District at the place set for the receipt of bids, and the District shall not be required to accept the time kept by PARITY as the official time.

Adjustment of Principal Amounts: The principal amounts of each maturity and the aggregate principal amount of Bonds set forth above reflect certain assumptions of the District and its Financial Advisor with respect to the likely interest rates of the winning bid. Correspondingly, following the determination of the successful bidder, the Chief Financial Officer, or the Chief Financial Officer's designee, acting on behalf of the District, reserves the right to increase or decrease the principal amount of any and each maturity of the Bonds (or, in the case of term Bonds, the principal amount thereof which is subject to mandatory redemption on August 1 in any year) in \$5,000 increments of principal amounts in order to comply with such requirement. **The aggregate principal amount of the Bonds shall be \$20,000,000.** Such adjustment shall be made within twenty-six (26) hours following the bid opening and in the sole discretion of the Chief Financial Officer or the Chief Financial Officer's designee, upon recommendation of the District and the Financial Advisor, and notice of any such adjustment shall be given to the successful bidder as soon as practical following the notification of the award of bid, as set forth below. **IN THE EVENT OF ANY SUCH ADJUSTMENT, NO REBIDDING OR RECALCULATION OF THE BIDS SUBMITTED WILL BE REQUIRED OR PERMITTED AND THE SUCCESSFUL BID MAY NOT BE WITHDRAWN, AND THE SUCCESSFUL BIDDER WILL NOT BE PERMITTED TO CHANGE THE INTEREST RATE(S) IN ITS BID FOR THE BONDS. Adjustments to maturity amounts shall not result in any change to the underwriter's/initial purchaser's compensation (i.e., underwriting discount).**

Award: If the Bonds are awarded on the date of sale, the Bonds will be awarded to the responsible bidder submitting the best responsive bid, considering the coupon interest rate and the purchase price specified in the bid. The best bid will be the bid that conforms with the provisions of this Official Notice of Sale and represents the lowest TIC to the District for the Bonds, taking into consideration the interest rate specified, and premium thereon. 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 Financial 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.

Right of Rejection: The District reserves the right, in its sole discretion, to reject any and all bids and, to the extent not prohibited by law, to waive any irregularity or informality in any bid.

Prompt Award: The Chief Financial Officer of the District, or his or her 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.

Rebidding: In the event that the Chief Financial Officer, or the Chief Financial Officer’s authorized designee, does not award a bid on the date specified above, proposals will be received the following Tuesday at the same time and place specified above, and each Tuesday thereafter, until such time as a bid is awarded or notice to the contrary is given.

Place of Delivery; Cancellation for Late Delivery: It is expected that the Bonds will be delivered to DTC for the account of the successful bidder within thirty (30) days from the date of sale thereof. The successful bidder shall have the right, at its option, to cancel the contract of purchase if the Bonds are not tendered for delivery within sixty (60) days from the date of the sale thereof, and in such event the successful bidder shall be entitled to the return of its good faith deposit submitted as described under the heading “Deposit” herein.

Deposit: **The successful bidder will be required to provide a good faith deposit (the “Deposit”) in the form of a wire transfer made payable to Tustin Unified School District in the amount of \$100,000 prior to the official award.**

The wire transfer must be transmitted in immediately available funds and sent to the account of the District at the County of Orange Treasurer and Tax Collector at the wire address specified in writing by the Financial Advisor with the following reference: Tustin Unified School District 2012 Series B Good Faith Deposit. The Financial Advisor will request the apparent winning bidder to immediately wire the Deposit and provide the Federal wire reference number of such Deposit to the Financial Advisor within 90 minutes of such request by the Financial Advisor. The Bonds will not be officially awarded to a bidder who has not submitted a Deposit in the form of a wire transfer, together with its Federal wire reference number, as provided above.

No interest on the Deposit will accrue to any bidder. The Deposit (without accruing interest) of the winning bidder will be applied to the purchase price of the Bonds. In the event the winning bidder fails to honor its accepted bid, the Deposit plus any interest accrued on the Deposit will be retained by the District. Any investment income earned on the Deposit will be

paid to the successful bidder in the event the District is unable to deliver the Bonds. Deposits accompanying bids other than the bid which is accepted will be returned promptly upon the determination of the best bidder.

If the purchase price for an awarded lot of Bonds is not paid in full upon tender of such Bonds, the successful bidder therefor shall have no right in or to the Bonds or to the recovery of its deposit, or to any allowance or credit by reason of such deposit, unless it shall appear that such Bonds would not be validly issued if delivered to the successful bidder in the form and manner proposed. In the event of nonpayment by the successful bidder, the amount of the deposit shall be retained by the District as and for liquidated damages for such failure by the successful bidder, and such retention shall constitute a full release and discharge of all claims by the District against the successful bidder arising from such failure. The District's actual damages in such event may be greater or may be less than the amount of the Deposit. Each bidder, by submission of its bid, waives any right to claim that the District's actual damages are less than such amount.

Change in Tax Exempt Status: At any time before the Bonds are tendered for delivery, the successful bidder may disaffirm and withdraw its proposal if the interest received by private holders from Bonds of the same type and character as the Bonds shall be declared to be taxable income under present federal income tax laws, either by a ruling of the Internal Revenue Service or by a decision of any federal court, or shall be declared taxable, or be required to be taken into account in computing federal income taxes (except alternative minimum taxes payable by corporations) by any federal income tax law enacted subsequent to the date of this notice.

Closing Papers: Bond Printing: Each proposal will be understood to be conditioned upon the District's furnishing to the purchaser, without charge, concurrently with payment for and delivery of the Bonds, the following closing papers, each dated the date of delivery. The cost of printing the Bonds will be borne by the District.

(a) Bond Counsel Opinion: The opinion of Atkinson, Andelson, Loya, Ruud & Romo, a Professional Law Corporation, Bond Counsel, approving the validity of the Bonds and stating that, under existing law, interest on the Bonds (including any original issue discount properly allocable to the owner thereof) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is exempt from State of California personal income taxes under present state income tax laws. Interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax, but it is included in adjusted current earnings of corporations for purposes of the federal alternative minimum tax applicable to taxable years beginning before January 1, 2018. Other federal or state tax consequences to holders of the Bonds, if any, are not addressed in the opinion. A copy of the opinion will be printed on each Bond. No charge will be made to the purchaser for such printing or certification.

(b) A certificate of the District certifying that on the basis of the facts, estimates, expectations and circumstances in existence on the date of issue, neither will the proceeds of the Bonds be used in a manner that would cause the Bonds to be arbitrage bonds, nor shall the

District engage in any other acts which would cause the Bonds to be arbitrage bonds for federal tax exemption purposes.

(c) The receipt of the Paying Agent showing that the purchase price of the Bonds, including interest accrued to the date of delivery thereof, if any, has been received by the Treasurer-Tax Collector on behalf of the District.

(d) Certificates or opinions executed by officers of, or counsel to, the District, certifying that there is no known litigation threatened or pending affecting the validity of the Bonds.

(e) A certificate of the District, signed by an officer of the District, acting in their official capacity, to the effect that at the time of the sale of the Bonds, and at all times subsequent thereto up to and including the time of the delivery of the Bonds, the Preliminary Official Statement relating to the Bonds did 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 were made, not misleading.

(f) A Continuing Disclosure Agreement, signed by an officer of the District, certifying that the District will make available annual reports and provide notices of certain events, in order to assist the successful bidder in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The form of the Continuing Disclosure Agreement will be printed in the Preliminary Official Statement relating to the Bonds. Bidders are advised to review this form to determine that it will satisfy their responsibilities under Securities and Exchange Commission Rule 15c2-12(b)(5). The successful bidder will be required to confirm to the District, in writing, that the provision of such executed and completed Continuing Disclosure Agreement will satisfy their responsibilities under Securities and Exchange Commission Rule 15c2-12(b)(5).

Establishment of Issue Price: The winning bidder shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, in a form provided by Bond Counsel in the reasonable judgment of the District and Bond Counsel, including, but not limited to, modifications in the event that the Competitive Sale Requirements (defined below) are not satisfied. All actions to be taken by the District under this Official Notice of Sale (this “Official Notice of Sale”) to establish the issue price of the Bonds may be taken on behalf of the District by the Financial Advisor and any notice or report to be provided to the District may be provided to the Financial Advisor.

(a) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “Competitive Sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because:

- (1) the District shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the District anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest TIC, as set forth in 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 Bonds, as specified in the bid.

(b) In the event that the Competitive Sale Requirements are not satisfied, the District shall so advise the winning bidder. The District 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 District if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The 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 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.

(c) If the competitive sale requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the District 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 the Bonds of that maturity or until all Bonds of that maturity have been sold.

(d) By submitting a bid, each bidder confirms 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 Bonds to the public, together with the related pricing wires, 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 Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity 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 Bonds to the public, together with the related pricing wires, 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 Bonds 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 Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity 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.

(e) Sales of any Bonds 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:

- (1) “public” means any person other than an underwriter or a related party,
- (2) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) 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 Bonds 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 Bonds to the public),
- (3) a purchaser of any of the Bonds 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
- (4) “sale date” means the date that the Bonds are awarded by the District to the winning bidder.

CUSIP® Numbers: It is anticipated that CUSIP® numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses of printing

CUSIP® numbers on the Bonds and the CUSIP® Service Bureau charge for the assignment of such numbers shall be paid by the purchaser.

Payment of Fees: The successful bidder shall 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. The successful bidder shall be required, pursuant to State 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.

Preliminary Official Statement; Official Statement: Reference is made to the Preliminary Official Statement adopted by the District for more details regarding the Bonds. The Preliminary Official Statement is available at no cost in an electronic version at **www.i-dealprospectus.com**. Prospective purchasers are urged to carefully examine the Preliminary Official Statement to determine the investment quality of the Bonds. Requests for copies of the Preliminary Official Statement may be made to the District’s Financial Advisor, Keygent LLC, 999 North Sepulveda Boulevard, Suite 570, El Segundo, CA 90245, telephone: (310) 322-4222.

This Official Notice of Sale 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 Bonds. 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.

The District has covenanted that it has adopted a Preliminary Official Statement meeting the requirements of the Rule (as defined herein) relating to the Bonds, a copy of which will be furnished upon request to the Financial Advisor.

The Preliminary Official Statement will be dated the sale date of the Bonds and amended on the date of sale of the Bonds with information relating to the terms of the Bonds. The District shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of award of the Bonds (but, in any event, not later than the earlier of the Closing Date (defined herein) or seven business days after the date of award of the Bonds and in sufficient time to accompany any confirmation requests payment from any purchaser) copies of the Preliminary Official Statement in such quantity as the Underwriter shall request and in designated electronic format which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall request in order to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

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 Preliminary 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 Preliminary 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 Preliminary Official Statement, including any supplements prepared by the District, and to file a copy of the final Preliminary Official Statement, including any supplements prepared by the District, with the MSRB through its 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.

The Preliminary Official Statement will be provided and posted in electronic form for use by the Underwriter. The District will furnish to the successful bidder, as requested at the time of the award of the bid, and at no charge, printed copies of the Preliminary Official Statement for use in connection with any resale of the Bonds. Except as noted above, the District assumes no responsibility or obligation for the distribution or delivery of any copies of the Preliminary Official Statement in connection with the offering or reoffering of the subject securities.

Certificate Regarding Preliminary Official Statement: A responsible officer of the District will certify to the original purchaser of the Bonds, as a condition of closing, that based on such officer's participation in the preparation of the Preliminary Official Statement, nothing has come to his or her attention to lead him or her to believe that the Preliminary Official Statement (except for certain financial statements, statistical data and other information) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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.

Additional Information. Copies of the Official Notice of Sale, and the Preliminary Official Statement relating to the Bonds will be furnished to any bidder upon request made to Keygent LLC, Attn: Chet Wang, phone: (310) 322-4222, chet.wang@keygentcorp.com, the Financial Advisor to the District.

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GIVEN BY ORDER of the Board of Education of the Tustin Unified School District,
California, adopted December 11, 2017.

Dated: January 16, 2018

Clerk of the Board of Education
Tustin Unified School District

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