

NOTICE INVITING PROPOSALS FOR PURCHASE OF BONDS

\$7,385,000*

**FOLSOM CORDOVA UNIFIED SCHOOL DISTRICT
(SACRAMENTO COUNTY, CALIFORNIA)
2020 GENERAL OBLIGATION REFUNDING BONDS, SERIES A
(SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2)
(FEDERALLY TAXABLE)**

NOTICE IS HEREBY GIVEN that sealed unconditioned proposals will be received to and including the hour of 8:30 a.m., California Time, on October 22, 2020, at the offices of KNN Public Finance, LLC, 2054 University Avenue, Suite 300, Berkeley, California 94704 (the “Municipal Advisor”), in the manner described below, for the purchase of all, but not less than all, of \$7,385,000* principal amount of Folsom Cordova Unified School District (Sacramento County, California) 2020 General Obligation Refunding Bonds, Series A (School Facilities Improvement District No. 2) (Federally Taxable) (the “Refunding 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 \$7,385,000* principal amount of the Refunding 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 Folsom Cordova 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 Refunding Bonds will be dated the date of delivery, will be in denominations of \$5,000 principal amount each, or integral multiples thereof, and will bear interest from the date of delivery of the Refunding Bonds to the maturity of each of the Refunding Bonds at the rate such that the true interest cost (the “TIC”) shall not exceed 2.45%, with interest payable semiannually on April 1 and October 1 of each year during the term of each of the Refunding Bonds, commencing April 1, 2021. The Refunding Bonds will mature on October 1 in each of the years set forth in the following schedule:

<u>MATURITY DATE</u>	<u>PRINCIPAL AMOUNT*</u>
10/1/2021	\$215,000
10/1/2022	210,000
10/1/2023	210,000
10/1/2024	1,040,000
10/1/2025	1,070,000
10/1/2026	1,100,000
10/1/2027	1,140,000
10/1/2028	1,175,000
10/1/2029	1,225,000

* Preliminary, subject to change.

II. Option to Elect Term Bonds:

The Purchaser (as defined below) may elect to combine any number of consecutive maturities of Refunding 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 Refunding Bonds set forth above reflect certain assumptions of the District and the Municipal Advisor, with respect to the likely interest rates of the winning bid. Following the determination of the identity of the winning bidder (the "Purchaser"), the Municipal Advisor, on behalf of the District, reserves the right to increase or decrease the principal amount of each maturity of the Refunding Bonds, in \$5,000 increments of principal amount, 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 Municipal 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 may not be withdrawn, and the Purchaser will not be permitted to change the interest rate(s) in its bid for the Refunding Bonds. The percentage compensation to be paid to the Purchaser will not change if the maturity schedule is adjusted.

IV. Interest Rates:

All bids for the purchase of the Refunding Bonds must state the rate or rates of interest to be paid for each maturity of Refunding Bonds offered and bid price for such Refunding Bonds. All Refunding Bonds of the same maturity must bear the same rate of interest and no Refunding Bond may bear more than one rate. The maximum interest rate bid for each maturity may not exceed 2.25%, and the TIC shall not exceed 2.45%. Bidders may specify any number of different rates to be borne on the Refunding Bonds, and a zero rate of interest cannot be specified. Interest will be computed on the basis of a 360-day year consisting of twelve, 30-day months.

V. Redemption:

The Refunding Bonds will not be subject to redemption prior to their stated maturity dates.

VI. Reserved.

VII. Costs of Issuance:

The Purchaser will not be required to pay any costs of issuance associated with the Refunding Bonds, except as described in Sections XV, XVI, XXIII and XXIX. Such costs of issuance, including the Purchaser's compensation, will be paid by the District solely from the aggregate proceeds of the Refunding Bonds. The District reserves the right to instruct the Purchaser to wire a portion of the purchase price to U.S. Bank National Association, in its capacity as costs of issuance custodian for the Refunding Bonds.

VIII. Discount Bonds:

No bid submitted at a price less than the aggregate par value of the Refunding Bonds will be considered.

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

The Refunding 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 Refunding 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 Refunding 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 Refunding Bonds through DTC’s Participants, as described in the Preliminary Official Statement.

X. Authority:

The Refunding Bonds will be issued pursuant to the Constitution and laws of the State of California, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, and a resolution adopted by the governing board of the District.

XI. Security:

Both the principal of and interest on the Refunding Bonds are payable solely from an *ad valorem* property tax levied against all of the property within the Folsom Cordova Unified School District School Facilities Improvement District No. 2, subject to taxation by the District, without limitation as to rate or amount (except certain personal property which is taxable at limited rates).

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 Refunding 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 Refunding 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 8:30 a.m., California Time, on October 22, 2020, 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, Danielle Arruda at (510) 208-8263 or darruda@knninc.com, or PARITY at i-Deal at (212) 849-5021. In the event that a bid for the Refunding 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 Refunding Bonds and shall be deemed to be an irrevocable offer to purchase the Refunding 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 Refunding 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 Refunding Bonds, the coupon interest rate or rates to be borne by the various maturities of the Refunding Bonds, the initial public offering price of each maturity and any other

information included in such transmission) shall form a contract and the Purchaser 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 Refunding 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, the Municipal Advisor, 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 prospective bidder, and neither the District, the Municipal Advisor, 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 Refunding 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 Refunding Bonds.

XIV. Deposit:

Within twenty four (24) hours of being notified of the acceptance of its bid, the Purchaser will be required to provide a good faith deposit (the "Deposit") in the amount of Sixty Five Thousand Dollars (\$65,000.00), in the form of a wire transfer made payable to the order of U.S. Bank National Association, on behalf of the District, in its capacity as escrow agent (the "Escrow Agent").

The wire transfer must be transmitted in immediately available funds and sent to the account of the District at the Escrow Agent, pursuant to wire instructions provided by the Municipal Advisor, with the following reference: Folsom Cordova USD 2020 GO Refunding Bonds Series A Good Faith Deposit. The Deposit shall be held by the Paying Agent on behalf of the District and shall be applied toward the purchase price of the Refunding Bonds. The Municipal Advisor will request the Purchaser to wire the Deposit and provide the Federal wire reference number thereof. The Refunding 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 Purchaser will be applied to the purchase price of the Refunding Bonds. In the event the Purchaser fails to complete the purchase of the Refunding Bonds on the terms stated in their bid and herein, the Deposit plus any interest accrued on the Deposit will be retained by the District. Any investment income earned on the Deposit will not be paid to the Purchaser in the event the District is unable to deliver the Refunding Bonds.

XV. Qualification for Sale; Blue Sky:

The Purchaser will assume responsibility for taking any action necessary to qualify the Refunding Bonds for offer and sale in jurisdictions other than California, and for complying with the laws of all jurisdictions on resale of the Refunding 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 Refunding 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 Refunding 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 Refunding 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.**

XVI. CUSIP Numbers and Other Fees:

The Municipal Advisor has applied for CUSIP numbers and the CUSIP numbers will be printed on the Refunding Bonds. The cost of the 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 Refunding Bonds. The Municipal Advisor shall provide the CUSIP numbers to the Purchaser following the award of the Refunding Bonds. The Purchaser shall also be required to pay all fees required by DTC, Bond Market Association, Municipal Securities Rulemaking Board, and any other similar entity imposing a fee in connection with the issuance of the Refunding Bonds (see also "California Debt and Investment Advisory Commission" below).

XVII. Legal Opinion:

The Refunding Bonds are sold with the understanding that the Purchaser will be furnished with the approving opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel. A copy of the opinion will be attached to the Refunding 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 Refunding Bonds under State of California law and on the exemption of the interest income on such Refunding Bonds from State of California income taxes. Fees of Bond Counsel will be paid by the District from the costs of issuance.

XVIII. Tax Matters:

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Refunding Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Refunding Bonds is exempt from State of California personal income tax.

XIX. Reserved.

XX. Award:

If Refunding Bonds are awarded on the date of sale, the Refunding Bonds will be awarded to the 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 Refunding 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 Refunding Bonds back to the date of delivery of such Refunding Bonds, results in an amount equal to the purchase price bid for said Refunding Bonds. Notwithstanding the foregoing, if the winning bid fails to achieve a certain amount of debt service savings to the District (such amount to be determined by the District in its sole discretion), the District may reject all bids and not award the Refunding Bonds. In the event that two or more bidders offer bids for the Refunding Bonds at the same lowest TIC, the District will determine by lottery which bidder will be awarded the Refunding 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 Municipal 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 best bid to a level higher than the bid containing the next lowest TIC prior to adjustment.

XXI. Prompt Award:

The Assistant Superintendent, Business Services or Superintendent of the District, or his or her designee, will take action awarding the Refunding 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 Purchaser. Notice of the award will be given promptly to the Purchaser.

XXII. Delivery:

Delivery of the Refunding 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 Escrow Agent, pursuant to such wire instructions as shall be provided to the Purchaser by the Municipal 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, on or about November 10, 2020.

XXIII. California Debt Advisory and Investment Commission:

The Purchaser 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 Purchaser after the closing of the Refunding Bonds.

XXIV. No Litigation:

The District will deliver a certificate stating that no litigation is pending affecting the issuance and sale of the Refunding Bonds.

XXV. Official Statement:

The District will make available a Preliminary Official Statement relating to the Refunding Bonds, a copy of which, along with related documents, will be furnished upon request to the Municipal Advisor. Such Preliminary Official Statement, together with any supplements thereto, shall be in a form “deemed final” by the District for the purposes of Securities and Exchange Commission 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 Refunding 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 five (5) 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 the 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 15c-2-12(b)(5) promulgated under the Securities Exchange Act of 1934 (the “Rule”), it will (i) apprise the Purchaser 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 Purchaser, 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 Purchaser, that the end of the underwriting period will occur on the date of the delivery of the Refunding Bonds. By making a bid on the Refunding Bonds, the Purchaser 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 Refunding Bonds to the Purchaser.

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

events listed 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 Standard & Poor's Financial Services LLC and Moody's Investors Services have assigned to the Refunding 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 Municipal Advisor. Such ratings reflect only the views of such organization and an explanation of the significance of such rating may be obtained from such agency. There is no assurance that the rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by 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 Refunding Bonds.

XXVIII. Right to Cancel, Postpone, or Reschedule Sale; Right of Rejection:

The District reserves the right to cancel, postpone or reschedule the sale of the Refunding 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-four (24) hours prior to the new time bids are to be received. Failure of any bidder to receive such notice shall not affect the legality of the sale.

Further, the District reserves the right, in its sole discretion, to reject any and all bids and to waive, without limitation, any irregularity or informality in any bid except the time of receipt of electronic bids.

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 Refunding Bonds when due. Information concerning the availability of municipal bond insurance may be obtained by contacting the Municipal Advisor. 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 or a portion of the Refunding Bonds. If the Purchaser 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.

