

OFFICIAL NOTICE OF SALE

\$13,000,000
ATASCADERO UNIFIED SCHOOL DISTRICT
(San Luis Obispo County, California)
GENERAL OBLIGATION BONDS
2014 ELECTION, SERIES C
(GO Reauthorization Bonds®)

NOTICE IS HEREBY GIVEN by the Atascadero Unified School District (the "District"), that bids will be received by a representative of the District for the purchase of not to exceed \$13,000,000 principal amount of bonds designated the "Atascadero Unified School District (San Luis Obispo County, California) General Obligation Bonds 2014 Election, Series C (GO Reauthorization Bonds®)" (the "Bonds"). Bids will be received in electronic form via BiDCOMP™/Parity® ("Parity") on

WEDNESDAY, JANUARY 30, 2019

and (without further advertising) so long as a proposal has not been theretofore accepted, on successive days thereafter at the option of the District, in either case at 9:00 a.m. Pacific Time. The District reserves the right to postpone or change the sale date upon 24 hours notice as described below. The Bonds will be issued by the District, under the provisions of a Resolution adopted by the Board of Trustees of the District on January 22, 2019 (the "Bond Resolution"), and under the laws of the State of California. The Bonds are more particularly described in the proposed form of the Bond Resolution on file with the District (which is incorporated herein by reference) and copies thereof will be furnished to the bidder upon request.

Important Note: The District has designated a minimum and maximum purchase price at which the Bonds are to be sold, in addition to the payment of costs of issuance. See "TERMS OF SALE – Form of Bid; Minimum/Maximum Purchase Price" and "-Payment of Issuance Costs" herein.

DESCRIPTION OF THE BONDS

PURPOSE: The Bonds are being issued to finance educational projects approved by the District's voters at an election held in the District on November 4, 2014.

ISSUE; BOOK-ENTRY FORM: The Bonds will be issued in the form of current interest bonds, in the aggregate principal amount of not to exceed \$13,000,000 in the form of fully registered Bonds without coupons. The Bonds will be dated as of as of their original delivery. 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.

MATURITIES: The Bonds will mature, or be subject to mandatory sinking fund redemption, on August 1 in each of the years, and in the amounts, as set forth in the following table. The final principal amount of the Bonds, and the final amount of each maturity of the Bonds, are subject to increase or reduction as described below under the

heading "Adjustment of Principal Amounts". *Each bidder must specify in its bid whether, for any particular year, the Bonds will mature or, alternately, be subject to mandatory sinking fund redemption in such year.*

Maturity Date (August 1)	Principal Amount*	Maturity Date (August 1)	Principal Amount*
2020	\$650,000	2027	\$1,080,000
2021	475,000	2028	1,210,000
2022	560,000	2029	1,340,000
2023	660,000	2030	1,490,000
2024	750,000	2031	1,655,000
2025	860,000	2032	1,300,000
2026	970,000		

**Subject to adjustment as described herein. See "TERMS OF SALE - Adjustment of principal maturities."*

PAYMENT PROVISIONS: Interest on the Bonds will be payable on August 1, 2019, and on February 1 and August 1 in each year thereafter (the "Interest Payment Dates") through the applicable maturity date, to the registered owners by check or draft of U.S. Bank National Association, as Paying Agent (the "Paying Agent") or, in the case of the owner of Bonds in an aggregate principal amount of at least \$1,000,000, at the written request of such owner by wire transfer.

The principal amount of the Bonds will be paid upon presentation and surrender thereof at the office of the Paying Agent in St. Paul, Minnesota or, in the case of the owner of Bonds in an aggregate principal amount of at least \$1,000,000, at the written request of such owner by wire transfer. Both the principal of and interest on the Bonds are payable in lawful money of the United States of America.

OPTIONAL REDEMPTION: The Bonds maturing on or before August 1, 2026 are not subject to redemption prior to maturity. The Bonds maturing on or after August 1, 2027 are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 2026, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, plus accrued interest thereon to the date of redemption.

SINKING FUND REDEMPTION: *Any bidder may, at its option, specify that one or more maturities of the 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 bid of such bidder.* If the bid of the successful bidder specifies that any maturity of Bonds will be term Bonds, such term Bonds will be subject to mandatory sinking fund redemption on August 1 in each year so designated in the bid, in the respective amounts for such years as set forth above under the heading "MATURITIES", at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest to the redemption date, without premium.

SECURITY: The Bonds are general obligations of the District, and the District will direct the appropriate officials of the County to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

TAX-EXEMPT STATUS: In the opinion of Jones Hall, A Professional Law Corporation, bond counsel to the District, interest on the Bonds is excluded from gross

income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. Bidders are referred to the Preliminary Official Statement for the form of the proposed opinion of Bond Counsel. If prior to the delivery of the Bonds either (a) the interest on other obligations of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is adopted which will have a substantial adverse effect upon owners of the Bonds as such, the successful bidder for the Bonds may, at its option, prior to the tender of the Bonds, be relieved of its obligation under the contract to purchase the Bonds, and in such case the deposit accompanying its proposal will be returned.

LEGAL OPINION: The legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, approving the validity of the Bonds, will be furnished to the purchaser of the Bonds without cost. A copy of the legal opinion will be appended to each Bond.

FURTHER INFORMATION: A copy of the preliminary Official Statement describing the Bonds, and any other information concerning the proposed financing, will be furnished upon request to the municipal advisor to the District (the "Municipal Advisor"), as Follows: Dale Scott & Co., 650 California Street, Suite 2050, San Francisco, California 94108, tel: (415) 956-1030. Such information is also available on the website of the Municipal Advisor at <http://www.dalescott.com/financings/>.

MUNICIPAL BOND INSURANCE; BIDDER'S OPTION: The District has applied to certain bond insurance companies for a commitment to issue a policy insuring the payment when due of principal of and interest on the Bonds. If such a commitment is obtained prior to the sale date, the District will cause notice thereof to be published on the website of the Municipal Advisor and through Parity. Information concerning the availability of municipal bond insurance may be also obtained by contacting Municipal Advisor to the District, Dale Scott & Co., 650 California Street, Suite 2050, San Francisco, California 94108, telephone: (415) 956-1030. If the District obtains a commitment for municipal bond insurance, each bidder has the option to elect whether such insurance will be issued.

If the winning bidder elects to obtain any 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 bond insurance premium and costs.

CERTIFICATE REGARDING MUNICIPAL BOND INSURANCE: If the winning bidder elects to obtain a policy of municipal bond insurance for the Bonds, the bidder will be required to execute and deliver to the District a certificate, in form and substance acceptable to bond counsel, stating that (a) the present value of the fees for the municipal bond insurance policy is less than the present value of expected interest savings as a result of the insurance, determined by using the yield of the Bonds as the discount rate in computing present value; and (b) based on the experience of the purchaser in assisting issuers to obtain municipal bond insurance, the fees for the bond insurance policy do not exceed a reasonable arm's length charge for transfer of the credit risk represented by the insurance and do not include any payment for any direct or indirect services other than the transfer of credit risk.

TERMS OF SALE

RIGHT TO CANCEL, POSTPONE OR RESCHEDULE SALE: The District reserves the right to cancel, postpone or reschedule the sale of the Bonds upon notice published on through the TM3 system, not less than 24 hours before the time for receipt of bids. If the sale is postponed, bids will be received at the above place at such date and hour as set forth in the notice. Failure of any bidder to receive such notice or any other form of notice of canceled, postponed or rescheduled sale will not affect the legality or validity of any sale.

SUBMISSION OF BIDS: Bids will be received electronically as described below, provided that each such electronic bid must be received no later than the date and time set for receipt of bids.

ELECTRONIC BIDS: The District will accept bids in electronic form through the Parity electronic bidding system. Each bidder submitting an electronic bid agrees by doing so that it is solely responsible for all arrangements with 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 Parity's procedures. The District will be entitled to assume that any bid received via Parity has been made by a duly authorized agent of the bidder.

Neither the District, the County, the Municipal Advisor nor Bond Counsel has any responsibility for proper functioning of the Parity system, 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 of bid opening, and the District will not be required to accept the time kept by Parity as the official time. The District assumes no responsibility for informing any bidder prior to the deadline for receiving bids that its bid is incomplete, or not received.

FORM OF BID; MINIMUM AND MAXIMUM PURCHASE PRICE: Each proposal must be for not less than all of the Bonds hereby offered for sale. The purchase price for the Bonds shall be not less than 102% of the par amount thereof nor more than 108% of the par amount thereof. Note that the required purchase price is net of purchaser's compensation, bond insurance premium, if obtained, and costs of issuance (as described below), which are required to be paid by the purchaser. In addition, no bid will be entertained which results in net original issue premium of more than 34 months' interest on the Bonds in accordance with applicable federal tax law requirements.

The successful bidder will be required to pay directly to a cost of issuance custodian a portion of the original issue premium in order to provide for payment of the costs of issuing the Bonds, as described in the following paragraph.

PAYMENT OF ISSUANCE COSTS: The successful bidder will be required to pay \$175,000 of the costs of issuing the Bonds from underwriter's gross compensation at the time of delivery of the Bonds. Payment of this amount is not optional and is in addition to any premium for a policy of municipal bond insurance. Amounts deposited pursuant to the Costs of Issuance Custodian Agreement will be disbursed by said custodian for the payment of costs of issuance approved by the District.

DESIGNATION OF INTEREST RATES: Each bidder must specify the rate or rates of interest which the Bonds will bear. The maximum rate bid on any Bonds may not exceed 8% per annum. A bidder will be permitted to bid different rates of interest for each maturity of Bonds, but:

- each interest rate specified must be in a multiple of 1/20% or 1/8%;
- no Bond may bear more than one rate of interest;
- interest on each Bond will be computed from the date of original delivery to its stated maturity at the interest rate specified in the proposal, payable on the Interest Payment Dates as set forth above; and
- all Bonds maturing at any one time will bear the same rate of interest.

STATEMENT OF TRUE INTEREST RATE: Each bidder is requested, but not required, to state in its proposal the percentage true interest rate represented by its proposal, determined as described above, which will be considered as informative only and not binding on either the bidder or the District.

DETERMINATION OF BEST BID: The Bonds will be awarded to the responsible bidder whose bid produces the lowest true interest rate on the Bonds. The true interest rate specified in any bid will be that rate which, when used in computing the present worth of all payments of principal and interest to be paid on the Bonds, from the date of original delivery (which is assumed to be February 14, 2019) to their respective maturity dates or mandatory sinking fund redemption dates, produces an amount equal to the purchase price specified in such bid. For purposes of computing the true interest rate represented by any proposal, the purchase price specified in such proposal shall be equal to the par amount of the Bonds, plus any net original issue premium which is payable as part of the purchase price of the Bonds, 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 Bonds.

ADJUSTMENT OF PRINCIPAL MATURITIES: After the determination of the successful bid, in order to optimize the sizing and structure for the Bonds, the District reserves the right to increase or decrease the principal amount of any one or more maturities of the Bonds in \$5,000 increments. Under any circumstances, the aggregate principal amount of the Bonds will not exceed the authorized limit of \$13,000,000. Such adjustments will be made within the time herein specified for the award after bid opening and in the sole discretion of the District. Notice of such increase or decrease will be given to the successful bidder as soon as practicable following the notification of award. No such adjustment will have the effect of altering the basis upon which the best bid is determined. The successful bidder may not withdraw its bid or change its initial reoffering prices as a result of any such changes.

RIGHT OF REJECTION: The District reserves the right, in its discretion, to reject any and all bids and to the extent not prohibited by law to waive any irregularity or informality in any bid.

CANCELLATION OF SALE IF LESS THAN THREE BIDS OBTAINED: In the event that less than three bona fide bids are submitted for the purchase of the Bonds, all bids will

be rejected and the sale of the Bonds pursuant to this Official Notice of Sale will be canceled.

CERTIFICATION OF REOFFERING PRICES: The winning bidder will be required, as a condition to the delivery of the Bonds by the District, to execute a certificate to be prepared by Bond Counsel relating to the pricing of the Bonds. Such certificate will identify the reasonably expected initial offering prices for the Bonds, will state that the winning bidder was not given the opportunity to review other bids prior to submitting its bid, and will state that the bid constituted a firm offer to purchase the Bonds. A copy of the proposed form of such certification will be provided upon request to the Municipal Advisor.

PROMPT AWARD: The District's governing board has authorized its officers to accept the best responsible bid for the purchase of the Bonds by notice to the successful bidder. Such acceptance may be in the form of e-mail or other confirmation, sent by the District's Municipal Advisor on its behalf. Such officers have further been authorized, in their discretion, to reject any and all bids and waive any irregularity or informality in any bid. The sale of the Bonds will be awarded as provided herein, or all bids rejected, not later than 24 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder; provided, that the award may be made after the expiration of the specified time if the bidder has not given to the District notice in writing of the withdrawal of its proposal.

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 on or about February 14, 2019. The successful bidder has the right, at the successful bidder's option, to cancel the contract of purchase if the Bonds are not tendered for delivery within 60 days from the date of the sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying its bid.

NO GOOD FAITH DEPOSIT: No good faith deposit is required.

PAYMENT OF PURCHASE PRICE: The successful bidder will be required to pay the purchase price of the Bonds, less the good faith deposit made under the preceding paragraph and less the premium for any policy of municipal bond insurance (if any), in funds which are immediately available to the San Luis Obispo County Treasurer-Tax Collector, or as otherwise directed by the District. Such payment shall be made on the date of original delivery of the Bonds by the District to DTC.

QUALIFICATION FOR SALE; BLUE SKY: Compliance with Blue Sky laws shall be the sole responsibility of the successful bidder, and the successful bidder shall indemnify and hold harmless the District and the County from any loss or damage resulting from any failure to comply with any such laws. The District will furnish such information and take such action not inconsistent with law as the successful bidder 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 successful bidder; *provided, however*, that the District shall not be required to 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 successful bidder will not offer to sell, or solicit any offer to buy, the Bonds in any jurisdiction where it is unlawful for such successful bidder to make such offer, solicitation or sale, and the successful bidder shall comply with the Blue Sky and other securities laws and**

regulations of the states and jurisdictions in which the successful bidder sells the Bonds.

NO LITIGATION: There is no litigation pending concerning the validity of the Bonds, the corporate existence of the District, or the entitlement of the District officers to their respective offices, and the purchaser will be furnished a no-litigation certificate certifying to the foregoing as of and at the time of delivery of the Bonds.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms hereof. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the District, except that the CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and shall be paid for by the purchaser.

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION FEES: All fees payable to the California Debt and Investment Advisory Commission in connection with the issuance of the Bonds are the sole responsibility of the purchaser of the Bonds.

OFFICIAL STATEMENT: The District has approved a Preliminary Official Statement relating to the Bonds. Copies of such Preliminary Official Statement will be distributed to any bidder, upon request, prior to the sale in a form "deemed final" by the District for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). Within seven business days from the sale date, the District will deliver to the purchaser copies of the final Official Statement, executed by an authorized representative of the District and dated the date of delivery thereof to the purchaser, in sufficient number to allow the purchaser to comply with paragraph (b)(4) of the Rule and to satisfy the Municipal Securities Rulemaking Board (the "MSRB") Rule G-32 or any other rules adopted by the MSRB, which shall include information permitted to be omitted by paragraph (b)(1) of the Rule and such other amendments or supplements as are approved by the District (the "Final Official Statement"). The purchaser agrees that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Final Official Statement. The District will furnish to the successful bidder, at no charge, not more than 20 copies of the Official Statement for use in connection with any resale of the Bonds.

CERTIFICATE REGARDING OFFICIAL STATEMENT: A responsible officer of the District will certify to the original purchaser of the Certificates, as a condition of closing, that based on such officer's participation in the preparation of the Official Statement, nothing has come to his or her attention to lead him or her to believe that the 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.

DISCLOSURE COUNSEL OPINION: The firm of Jones Hall, A Professional Law Corporation, as Disclosure Counsel to the District, will provide a letter to the original purchaser of the Bonds regarding the Official Statement. Such letter will be to the effect that during the course of Disclosure Counsel's work with regard to the Bonds, no facts have come to their attention that cause them to believe that the Official Statement (except for any financial and statistical data and forecasts, numbers, estimates, assumptions and expressions of opinion, and information concerning the Depository

Trust Company and the book-entry system and bond insurance, if any) 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.

CONTINUING DISCLOSURE. In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the District has committed to undertake, under the Bond Resolution and a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the preliminary Official Statement and will also be set forth in the final Official Statement. Such Continuing Disclosure Certificate will be a document required to be delivered at closing by the District, and the failure by the District to deliver such document in form and substance acceptable to Bond Counsel and the successful bidder will relieve the successful bidder of its obligation to purchase the Bonds. The District has conducted a due diligence review into the compliance by the District with prior continuing disclosure undertakings under the Rule during the previous five years. Bidders are referred to the Preliminary Official Statement for further information concerning the results of such review.

GIVEN by order of the Board of Trustees of the Atascadero Unified School District by resolution adopted on January 22, 2019.