

## OFFICIAL NOTICE OF SALE

**\$60,000,000\***

### CHULA VISTA ELEMENTARY SCHOOL DISTRICT

#### 2021 Certificates of Participation

NOTICE IS HEREBY GIVEN by the Chula Vista Elementary School District (the "District") that bids will be received by a representative of the District for the purchase of \$60,000,000\* principal amount of 2021 Certificates of Participation (the "Certificates"). Bids will be received in electronic form via PARITY® ("PARITY") on:

November 18, 2021

at 9:00 a.m. Pacific Standard Time; provided that the District reserves the right to postpone or change the sale date upon notice delivered via Thomson Municipal Market Monitor ([www.tm3.com](http://www.tm3.com)), Bloomberg Financial Markets or The Bond Buyer not less than 24 hours before the time for receipt of bids. The Certificates will be delivered under the provisions of a Trust Agreement (the "Trust Agreement") among the District, the Chula Vista Elementary School District Public Facilities Financing Corporation (the "Corporation") and U.S. Bank National Association, as trustee (the "Trustee"), and pursuant to the laws of the State of California. The Certificates represent the direct, undivided fractional interests of the owners thereof in Lease Payments to be made by the District under a Lease Agreement (the "Lease Agreement") by and between the Corporation, as lessor, and the District, as lessee. The Certificates are more particularly described in the proposed form of the Trust Agreement on file with the District. Copies of the Lease Agreement and the Trust Agreement will be furnished to bidders upon request.

#### DESCRIPTION OF THE CERTIFICATES

**EACH BIDDER IS DEEMED TO HAVE OBTAINED AND REVIEWED THE PRELIMINARY OFFICIAL STATEMENT PRIOR TO BIDDING FOR THE CERTIFICATES. THE DESCRIPTION OF THE CERTIFICATES CONTAINED IN THIS NOTICE OF SALE IS QUALIFIED IN ALL RESPECTS BY THE DESCRIPTION CONTAINED IN THE PRELIMINARY OFFICIAL STATEMENT.**

***Purpose:*** The proceeds of the Certificates will be applied by the District for the purpose of financing a portion of the cost of the acquisition and construction of a new elementary school for the District.

***Issue; Book-Entry Form:*** The Certificates will be issued in the aggregate principal amount of \$60,000,000\* in the form of fully registered Certificates without coupons. The Certificates will be dated as of the delivery date, and will be issued in minimum denominations of \$5,000 and any integral multiple thereof. The Certificates will be issued in a book entry only system with no physical distribution of the Certificates made to the public. The Depository Trust Company, New York, New York ("DTC"), will act as depository for the Certificates which will be immobilized in its

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\* Preliminary, subject to adjustment as herein described.

custody. The Certificates 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 Certificates.

***Maturities:*** The Certificates will mature, or be subject to mandatory sinking fund prepayment, on each of the dates and in the amounts, as set forth in the following table. The final principal amount of the Certificates, and the final principal amount of each maturity of the Certificates, will be subject to increase or reduction as described below under the heading “Adjustment of Principal Maturities.” *Each bidder is required to specify in its bid whether, for any particular year, the Certificates will mature or, alternately, be subject to mandatory sinking fund prepayment in such year.*

<b><i>Maturity (September 1)</i></b>	<b><i>Principal Amount*</i></b>
2022	\$1,800,000
2023	1,555,000
2024	1,605,000
2025	1,650,000
2026	1,700,000
2027	1,750,000
2028	1,805,000
2029	1,860,000
2030	1,915,000
2031	1,970,000
2032	2,030,000
2033	2,090,000
2034	2,155,000
2035	2,220,000
2036	2,285,000
2037	2,355,000
2038	2,425,000
2039	2,500,000
2040	2,570,000
2041	2,650,000
2042	2,705,000
2043	2,755,000
2044	2,340,000
2045	2,190,000
2046	2,220,000
2047	2,150,000
2048	1,955,000
2049	1,415,000
2050	885,000
2051	495,000

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\* Preliminary, subject to adjustment as herein described.

The schedule of principal maturities is further subject to adjustment based upon the interest rates specified in the winning bid, as described below under “TERMS OF SALE—*Adjustment of Principal Amounts.*”

***Payment Provisions:*** Interest represented by the Certificates will be payable on each March 1 and September 1, commencing March 1, 2022 (the “Interest Payment Dates”), to DTC for distribution by DTC to its participants pursuant to its procedures. Principal of and premium (if any) on any Certificate will be paid upon presentation and surrender of the Certificate at the corporate trust office of the Trustee in Los Angeles, California. Both the principal of and interest and premium (if any) on the Certificates are payable in lawful money of the United States of America.

***Extraordinary Prepayment.*** The Certificates are subject to prepayment prior to their respective maturity dates on any date, in whole or in part, from net proceeds of insurance or condemnation which the Trustee shall transfer to the Prepayment Fund under the Trust Agreement as provided in the Lease Agreement at least 45 days prior to the date set for prepayment, at a prepayment price equal to the principal amount thereof, together with accrued interest to the date fixed for prepayment, without premium.

***Optional Prepayment:*** The Certificates maturing on or after September 1, 2032, are subject to optional prepayment prior to their stated maturities on any date on or after September 1, 2031, in whole or in part, at the option of the District, from any lawfully available source of funds in the event the District exercises its option under the Lease Agreement to prepay the principal component of the Lease Payments (in integral multiples of \$5,000), at a prepayment price equal to the principal component to be prepaid, plus accrued interest to the date fixed for prepayment, without premium.

***Sinking Fund Prepayment:*** Any bidder may, at its option, specify that one or more maturities of the Certificates will consist of term Certificates which are subject to mandatory sinking fund prepayment in consecutive years immediately preceding the maturity thereof, as designated in the bid of such bidder. In the event that the bid of the winning bidder specifies that any maturity of Certificates will be term Certificates, such term Certificates will be subject to mandatory sinking fund prepayment on September 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 prepayment price equal to the principal amount thereof to be prepaid together with accrued interest thereon to the prepayment date, without premium, and Certificates will be selected for prepayment by lot within a maturity.

***Selection of Certificates for Prepayment:*** Whenever provision is made for the optional prepayment of Certificates and less than all Outstanding Certificates are called for prepayment, the Trustee shall select Certificates for optional prepayment from among maturities selected by the District and by lot within any maturity. In connection with an extraordinary prepayment of the Certificates, the Trustee shall select Certificates for prepayment pro rata among maturities and by lot within a maturity. The Trustee will promptly notify the District and the Corporation in writing of the Certificates so selected for prepayment by delivering to the District and the Corporation copies of the notice of prepayment provided.

***Security:*** The Certificates represent the direct, undivided fractional interests of the owners thereof in Lease Payments to be made by the District under the Lease Agreement. The District is obligated to make such Lease Payments is payable from any source of legally available funds of the District so long as the leased property is available for use and occupancy by the District. Bidders are

referred to the Preliminary Official Statement for further particulars concerning the terms of and the security for the Certificates.

***Municipal Bond Insurance and Reserve Fund Policy:*** The District has received a commitment from Assured Guaranty Municipal Corp. to provide municipal bond insurance and a reserve fund policy for the Certificates as described in the Preliminary Official Statement. The premiums will be paid for by the District through costs of issuance.

***Tax-Exempt Status:*** Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Special Counsel to the District, is expected to deliver an opinion to the effect that (i) under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements, interest (and original issue discount) represented by the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum taxes imposed on individuals, and (ii) such interest (and original issue discount) is exempt from State of California personal income taxes. In the event that prior to the delivery of the Certificates (a) the interest represented by other obligations of the same type and character as the Certificates 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 Certificates, the winning bidder for the Certificates may, at its option, prior to the execution and delivery of the Certificates, be relieved of its obligation to purchase the Certificates, and in such case, the deposit accompanying its proposal will be returned.

***Legal Opinion:*** The legal opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, regarding the tax-exempt status of interest due with respect to the Certificates and approving the validity of the Lease and Trust Agreement will be furnished to the winning bidder for the Certificates without cost. Bidders are referred to Appendix C of the Preliminary Official Statement for the proposed form of opinion to be delivered by Special Counsel.

***Further Information:*** A copy of the Preliminary Official Statement describing the Certificates, and other available information concerning the proposed financing, will be furnished upon request to the municipal advisor to the District: Dale Scott & Co., 548 Market Street, Suite 44410, San Francisco, California 94104, telephone: (415) 956-1030.

#### **TERMS OF SALE**

***Right to Cancel, Postpone or Reschedule Sale:*** The District reserves the right to cancel, postpone or change the sale date upon notice delivered via Thomson Municipal Market Monitor ([www.tm3.com](http://www.tm3.com)), Bloomberg Financial Markets or The Bond Buyer not less than 24 hours before the time for receipt of bids. If the sale is postponed, bids will be received via PARITY 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 the canceled, postponed or rescheduled sale will not affect the legality or validity of any sale.

***Submission of Bids:*** Bids must be delivered electronically through PARITY. Faxed bids will not be accepted.

**Electronic Bids:** Electronic bids must conform to the procedures established by PARITY. Solely as an accommodation to bidders, electronic bids will be received exclusively through PARITY in accordance with this Official Notice of Sale until 9:00 a.m. Pacific Standard Time, but no bid will be received after the time specified 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.

**Warning Regarding Electronic Bids:** The District will accept bids in electronic form solely through PARITY. 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.

The District will make its best efforts to accommodate electronic bids; however the District, the municipal advisor and Special 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 of bid opening, and the District shall not be required to accept the time kept by PARITY as the official time.

**Form of Bid; Minimum/Maximum Purchase Price:** Each proposal must be for not less than all of the Certificates offered for sale. The purchase price to be paid for the Certificates may not be less than One-Hundred One percent (101.0%) of the par value thereof. **No bid will be entertained which provides for a purchase price greater than One-Hundred Three and One-Half percent (103.5%) of the par value of the Certificates.** Underwriter's discount may not exceed 1.5% of the aggregate principal amount of the Certificates.

**Designation of Interest Rates:** Each bidder must specify the rate or rates of interest to be represented by the Certificates. A bidder will be permitted to bid different rates of interest for each maturity of Certificates; but (i) each interest rate specified must be in a multiple of 1/20% or 1/8%; (ii) no Certificate shall represent more than one rate of interest; (iii) interest represented by each Certificate shall be computed from the delivery date to its stated maturity at the interest rate specified in the proposal, payable on the Interest Payment Dates as set forth above; and (vi) any premium must be paid as part of the purchase price, and no proposal will be accepted which contemplates the waiver of any interest or other concession by the bidder as a substitute for payment in full of the purchase price.

**Determination of Best Bid:** The Certificates will be awarded to the responsible bidder whose bid produces the lowest true interest rate on the Certificates as determined by the District's municipal advisor. 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 all Certificates from the date of original delivery thereof (which shall be assumed for computational purposes to be December 8, 2021, to their respective maturity dates or mandatory sinking fund prepayment dates, produces an amount equal to the par amount of the Certificates, 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 Certificates.

***Adjustment of Principal Maturities:*** The District reserves the right to increase or decrease the aggregate principal amount of the Certificates in order to raise an amount which is determined by the District to be sufficient to accomplish the purposes of this issue. In addition, the District reserves the right to increase or decrease the principal amount of any maturity of the Certificates (or, in the case of the term Certificates, the principal amount thereof which is subject to mandatory sinking fund prepayment on September 1 in any year). Notice of such increase or decrease shall be given to the winning bidder as soon as practicable following the notification of award, as described below. The District will attempt to maintain total underwriting compensation as a proportion of the par amount of the Certificates when adjusting maturities. No such adjustment will have the effect of altering the basis upon which the best bid is determined. The total principal amount of the Certificates and the principal amounts payable in each of the years set forth above are subject to adjustment in \$5,000 increments to reflect the actual interest rates contained in the winning bid; provided, however, that the adjusted aggregate principal amount of the Certificates shall not exceed \$60,000,000\*. The aggregate price bid by the winning bidder will be adjusted by the District proportionate to any increase or decrease in the aggregate principal amount of the Certificates and without consideration for the reoffering price by the winning bidder to the public of any individual maturity of the Certificates. **THE WINNING BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR ANY INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE STATED PRINCIPAL AMOUNTS.**

***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 Board of Education of the District has authorized the Interim Superintendent or the Deputy Superintendent, on behalf of the District, to accept the best responsible bid for the purchase of the Certificates and to accept such bid, for and in the name of the District, by notice to the winning bidder. In the event two or more bids setting forth identical interest rates and premium, if any, are received, the Interim Superintendent or Deputy Superintendent, on behalf of the District, has been authorized to exercise discretion and judgment in making the award and may award the Certificates on a pro rata basis in such denominations as he shall determine. The Interim Superintendent or Deputy Superintendent, on behalf of the District, has further been authorized, to reject any and all bids and waive any irregularity or informality in any bid. The sale of the Certificates or rejection of all bids will be determined, and notice thereof given, not later than 24 hours after the expiration of the time prescribed herein for the receipt of bids unless such time of award is waived by the winning bidder; provided, that the award may be made after the expiration of the specified time if the bidder shall not have given to said District notice in writing of the withdrawal of such proposal.

***Place of Delivery; Cancellation for Late Delivery:*** It is expected that the Certificates will be delivered to DTC for the account of the winning bidder within twenty-one (21) days from the date the winning bid is accepted. The winning bidder shall have the right, at the winning bidder's option, to cancel its bid if the Certificates are not tendered for delivery within sixty (60) days from the date of the sale thereof, and in such event the winning bidder shall be entitled to the return of the deposit accompanying its bid.

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\* Preliminary, subject to adjustment as herein described.

**Statement of True Interest Rate:** Each bidder is requested, but not required, to state in its bid the percentage true interest rate represented by its bid, determined as described above, which shall be considered as informative only and not binding on either the bidder or the District.

**Certification of Reoffering Price:** The winning bidder will be required, as a condition to the delivery of the Certificates by the District, to deliver to the District a certificate identifying the prices at which it reasonably expects to initially offer each maturity of the Certificates to the general public (the "Initial Offering Prices") as of the bid date for the Certificates (the "Sale Date"). The winning bidder will also be required, on or prior to the date of delivery of the Certificates, to actually offer 100% of each maturity of the Certificates to the general public in a bona fide public offering for prices equal to or less than the Initial Offering Prices. As of the date of delivery of the Certificates, the winning bidder be required execute a certificate to be prepared by Special Counsel which states: (a) the reoffering prices of the Certificates, (b) that, as of the Sale Date, taking into account market conditions, the winning bidder had no reason to believe any of the Certificates would be initially sold to the general public at prices greater than the Initial Offering Prices, (c) that, as of the Sale Date, at least 10% of each maturity of the Certificates was initially sold to the general public for the respective Initial Offering Prices, other than specifically identified maturities of the Certificates, and (d) that, in the opinion of the winning bidder, the Initial Offering Prices do not exceed the fair market value of said maturities of the Certificates to the general public as of the Sale Date. If less than 10% of a maturity is initially sold to the general public for the respective Initial Offering Prices on the Sale Date, then the winning bidder will agree to hold the offering price for such Certificates for five days or provide additional information to the District as required by Special Counsel in order to determine the initial offering price of the Certificates.

**No Litigation:** There is no litigation pending concerning the validity of the Certificates, or affecting the existence of the District or the entitlement of the officers thereof to their respective offices, and the winning bidder will be furnished a no-litigation certificate certifying to the foregoing as of and at the time of delivery of the Certificates.

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

**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 Certificates shall be the responsibility of the winning bidder for the Certificates.

**Official Statement:** The District has approved a Preliminary Official Statement relating to the Certificates. 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, as amended (the "Rule"). Within seven business days from the sale date, the District will deliver to the winning bidder copies of the final Official Statement, in sufficient number to allow the winning bidder 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 from the

Preliminary Official Statement by paragraph (b)(1) of the Rule and such other amendments or supplements to the Preliminary Official Statement as shall have been approved by the District (the “Final Official Statement”). The winning bidder agrees that it will not confirm the sale of any Certificates unless the Final Official Statement is made available to each purchaser of any beneficial ownership interests in the Certificates in accordance with the Rule. The District will furnish to the winning bidder, at no charge, not in excess of one hundred (100) copies of the Final Official Statement for use in connection with any resale of the Certificates.

Stradling Yocca Carlson & Rauth, a Professional Corporation, is acting as Disclosure Counsel to the District and will provide to the winning bidder a letter regarding its views as to the accuracy of certain information in the Official Statement.

***Continuing Disclosure.*** In order to assist the winning bidder in complying with the Rule, the District will commit to undertake, pursuant to a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain enumerated events. A description of this undertaking is set forth in Appendix E to 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 the Continuing Disclosure Certificate substantially in the form set forth in the Preliminary Official Statement will relieve the winning bidder of its obligation to purchase the Certificates.

CHULA VISTA ELEMENTARY SCHOOL  
DISTRICT

Dated: November 10, 2021

By: /s/ Oscar Esquivel  
Interim Superintendent