
OFFICIAL NOTICE OF SALE

\$95,000,000*

**SANTA CRUZ CITY HIGH SCHOOL DISTRICT
(Santa Cruz County, California)
GENERAL OBLIGATION BONDS, ELECTION OF 2022, SERIES A**

BIDDERS ARE REQUIRED TO SUBMIT BIDS ELECTRONICALLY VIA PARITY®

NOTICE IS HEREBY GIVEN by the Santa Cruz City High School District (the “District”) that electronic bids will be received by a representative of the District through iDeal LLC’s Parity®/BidCOMP Competitive Bidding System (“Parity”) on

**Wednesday, November 13, 2024
9:30 a.m., Pacific time**

(or, at the election of the District, at such other time as provided below) for the purchase of \$95,000,000* principal amount of bonds of the District designated the “Santa Cruz City High School District (Santa Cruz County, California) General Obligation Bonds, Election of 2022, Series A” (the “Bonds”). The Bonds are being issued as current interest bonds. The Bonds are more particularly described in the Preliminary Official Statement prepared in connection with the offer and sale of the Bonds (the “Preliminary Official Statement”) (which is incorporated herein by reference) and copies thereof will be furnished to the Bidder upon request. 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 District and publicized via *The Bond Buyer* or *Thomson Municipal Market Monitor* (www.tm3.com) (the “News Service”).

The District reserves the right to cancel or reschedule the sale of the Bonds or alter the terms thereof upon notice given through the News Service on its website at any time prior to the time of bids are then-scheduled to be received. If the sale is rescheduled, bids will be received at the place set forth above, at a date and time to be determined, and notice of the new sale date, time and terms, if any will be given through the News Service as soon as practicable. Failure of any bidder to receive such supplementary notice shall not affect the legality of the sale.

DESCRIPTION OF THE BONDS

Terms of Bonds. The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated their date of issuance and delivery, which is expected to be December 3, 2024 (the “Delivery Date”) (and should be considered to be such dated date for purposes of the bid).

* Preliminary; subject to change.

The Bonds will bear interest from their dated date at the rates to be determined when the Bonds are sold as hereafter provided, with interest payable semiannually on February 1 and August 1, commencing February 1, 2025.

The Bonds will mature serially in the amounts and on the dates set forth below, subject to adjustment as described under the section “Adjustment of Principal Maturities”

Principal Payment Date (August 1)	Principal Amount*
2026	\$ 6,200,000
2027	4,235,000
2028	565,000
2029	640,000
2030	500,000
2031	370,000
2032	500,000
2033	640,000
2034	805,000
2035	1,125,000
2036	1,305,000
2037	1,505,000
2038	1,725,000
2039	1,960,000
2040	2,210,000
2041	2,505,000
2042	2,955,000
2043	3,260,000
2044	3,505,000
2045	3,955,000
2046	4,335,000
2047	4,840,000
2048	5,180,000
2049	5,605,000
2050	5,980,000
2051	6,450,000
2052	6,405,000
2053	7,505,000
2054	8,235,000

*Subject to change; see “TERMS OF SALE - Adjustment of Principal Maturities” below.

Purpose. The Bonds are being issued to (i) finance the construction, reconstruction, rehabilitation, acquisition, furnishing and equipping of school facilities of the District, (ii) to fund capitalized interest on the Bonds, and (iii) to pay certain costs of issuance of the Bonds.

Issue. The Bonds will be issued as current interest bonds in the aggregate principal amount of not to exceed \$95,000,000 in fully registered form, without coupons. The Bonds will be dated the Delivery Date and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds.

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 above 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, see “Adjustment of Principal Maturities” below. 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.

Term Bonds; Mandatory Sinking Fund Redemption. The purchaser may elect to combine any number of consecutive maturities of current interest bonds for which an identical interest rate has been specified to comprise term current interest bonds by indicating such an election on the bid form submitted through Parity. The election to create term current interest 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. Term current interest bonds shall be subject to a mandatory sinking fund redemption by lot in the amounts specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

Payment Provisions. Interest on the Bonds will be payable on February 1, 2025, 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 Trust Company, N.A. (the “Paying Agent”) or, in the case of the owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Paying Agent as of any record date, interest on such Bonds shall be paid on the succeeding Interest Payment Date by wire transfer to such account as shall be specified in such written request. Principal of, and premium (if any) on the Bonds is payable in lawful money of the United States of America upon presentation and surrender at the Principal Office of the Paying Agent. 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 before August 1, 2035, are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after August 1, 2035, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 2034, at a redemption price equal to the principal amount of the Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

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

Tax Exemption. In the opinion of Lozano Smith LLP, 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 purpose of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. 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.

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 given through the News Service not later than 2:00 p.m. (California time) on the business day preceding the day 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 the News Service no later than 24 hours prior to the new time bids are to be received. Failure of any bidders to receive notice from the News Service shall not affect the sufficiency of such notice or the legality of the sale.

Basis of Award. The Bonds will be awarded to the responsible bidder whose bid produces the lowest true interest cost (“TIC”) on the Bonds and generates the maximum amount of proceeds, while not exceeding the maximum principal amount of Bonds indicated herein. TIC is the rate which, when compounded semiannually and used to discount all debt service payments on the Bonds back to the dated date of the Bonds, results in an amount equal to the price bid for the Bonds. Each bidder is requested, but not required, to state in its bid the total percentage TIC, which shall be considered as informative only and not binding on either the bidder or the District. In the event two or more bidders offer bids of the Bonds at the same lowest TIC and generating the same amount of proceeds, the District will determine by lottery which bidder will be awarded the Bonds.

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 Purchase Price. All bids for the Bonds must be unconditional and for not less than all of the Bonds offered for sale. Each bid is required to generate an amount of original issue premium; the purchase price to be paid for the Bonds by the winning bidder, net of the winning bidder's compensation, shall be not less than 103.5% of the par value thereof nor more than 109% of the par value thereof. **No Bid will be entertained if the amount of original issue premium on the sale of the Bonds exceeds the first 34 months of interest coming due and payable on the Bonds, in order to comply with applicable federal tax law requirements.** Bidder's compensation (underwriter's discount) shall not exceed 0.25% of aggregate principal amount of the Bonds. Each bid must be in accordance with the terms and conditions set forth herein. Bids will be accepted via Parity pursuant to this notice until 9:30 a.m., California time on the date set forth for receipt of bids. To the extent any instructions or directions set forth in Parity conflict with this notice, the terms of this notice shall control.

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.

Estimate of True Interest Cost. Bidders on the Bonds are requested (but not required) to supply an estimate of the total true interest cost to the District and the true interest rate determined thereby on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or the Board of Education of the District.

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 \$95,000,000. Such adjustments will be made with 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 received and to waive any irregularity or informality in the bids, except that the time for receiving bids shall be of the essence.

Right of Cancellation of Sale. The District reserves the right, in its sole discretion, at any time to cancel the public sale of the Bonds. In such event, the District shall cause notice of cancellation of this invitation for bids and the public sale of the Bonds to be communicated through News Service as promptly as practicable. No failure to publish such notice nor any defect or omissions therein, however, shall affect the cancellation of the public sale of the Bonds.

Right to Modify or Amend. The District reserves the right, in its sole discretion, to modify or amend this Official Notice of Sale including, but not limited to, the right to adjust and change the principal amount and principal amortization schedule of the Bonds being offered, however, such modifications or amendments shall be made not later than 2:00 p.m., California time, on the business day prior to the bid opening and communicated through the News Service.

Right of Postponement. The District reserves the right, in its sole discretion, to postpone, from time to time, the date established for the receipt of bids. Any such postponement will be communicated through News Service not later than 2:00 p.m., California time, on the business day prior to any announced date for receipt of bids. If any date is postponed, any alternative sale date will be announced via News Service by 2:00 p.m., California time, on the business day prior to such alternative sale date. On any such alternative sale date, any bidder may submit a bid for the purchase of the Bonds in conformity in all respects with the provisions of this Official Notice of Sale, except for the date of sale and except for the changes announced by News Service at the time the sale date and time are announced.

Establishment of Issue Price. In establishing the issue price of the Bonds, 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) shall apply (the “competitive sale requirements”). Assuming the competitive sale requirements are satisfied, the issue price for the Bonds shall be the reasonably expected initial offering prices of the Bonds as of the sale date, as certified by the winning bidder pursuant to the Issue Price Certificate (defined and described below).

In the event the competitive sale requirements are not satisfied, the District will 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. In such event, the winning bidder shall describe to the District, within one hour of the time of award of the Bonds, which maturities of the Bonds have satisfied the 10% Test. Further, in such event, the District will require the winning bidder to apply the “hold-the-offering-price rule” to all maturities of the bonds for which the 10% Test is not satisfied as of the sale date.

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.

The winning bidder will be required, as a condition to the delivery of the Bonds by the District, to execute and deliver a certificate relating to the establishment of the issue price of the Bonds (“Issue Price Certificate”). In the event the competitive sale requirements are satisfied, the Issue Price Certificate shall: (i) identify the reasonable expected initial offering prices for the Bonds, (ii) state that the winning bidder was not given the opportunity to review other bids prior to submitting its bid, and (iii) state that the bid constituted a firm offer to purchase the Bonds. In the event the competitive sale requirements are not satisfied, the Issue Price Certificate shall (i) identify the prices at which each maturity was offered to the public, (ii) identify the maturities for which the 10% Test were satisfied and which maturities were subject to the hold-the-offering-price rule, and (iii) provide such further documentation (for example, pricing wire) as reasonably requested by the District or its bond counsel, to assist the District in establishing the issue price of the Bonds.

Prompt Award. The Superintendent or Assistant Superintendent, Business Services or their designee, will take action awarding the Bonds or rejecting all bids not later than 9:00 p.m., California time, on November 13, 2024, provided that the award may be made after the expiration of the specified time if the winning bidder has not given to the District a notice in writing of the withdrawal of such bid.

Delivery and Payment on Delivery Date. It is estimated that delivery of the Bonds will be made to the winning bidder on the Delivery Date, as defined herein. The winning bidder will be required to pay the purchase price of the Bonds in immediately available funds to the District on the Delivery Date.

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

CUSIP Numbers and Other Fees. The successful bidder shall apply for CUSIP identification numbers for the Bonds and shall furnish such CUSIP numbers to Bond Counsel. CUSIP numbers

will be printed on the Bonds prior to their delivery. Any delay, error or omission with respect thereto will not constitute cause for the purchaser of the Bonds to refuse to accept delivery of and pay for the Bonds. The successful bidders shall be required to pay all fees required by The Depository Trust Company, Public Securities Association, Municipal Securities Rulemaking Board, and any other similar entity imposing a fee in connection with the issuance of the Bonds (see “California Debt and Investment Advisory Commission” below).

California Debt and Investment Advisory Commission. 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.

No Good Faith Deposit. A good faith deposit is not required in connection with the sale of the Bonds.

No Litigation. At the time of execution and delivery of the Bonds, the District will deliver a certificate stating that no litigation is pending affecting the issuance and sale of the Bonds.

Tax Certificate. The District will deliver a tax certificate covering its reasonable expectations concerning the Bonds and the use of proceeds thereof.

Official Statement. Further information regarding the proposed sale of the Bonds, including copies of the Preliminary Official Statement and the Official Notice of Sale relating to the Bonds are available electronically at the News Service, through the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system, or may be obtained from the Municipal Advisor: Dale Scott & Company Inc., 548 Market Street, #44410, San Francisco, California 94104; telephone: (415) 956-1030 (office). Such Preliminary Official Statement, together with any supplements thereto, shall be in a form that has been “deemed final” by the District for the purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final Official Statement (the “Official Statement”) made available within seven business days after the date of award of the Bonds. The District shall deliver, at closing, a certificate, executed by appropriate officers of the District acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the Bonds are true and correct in all material respects, and that the Official Statement does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statement therein, in light of the circumstances under which they were made, not misleading.

Disclosure Counsel Opinion. Lozano Smith LLP, 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, number, 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.

