
OFFICIAL NOTICE OF SALE

**Approximately
\$15,000,000***
**NAPA VALLEY UNIFIED SCHOOL DISTRICT
(NAPA COUNTY, CALIFORNIA)
2015-16 TAX AND REVENUE ANTICIPATION NOTES**

NOTICE IS HEREBY GIVEN that electronic bid proposals (see “FORM OF BID” below) will be received by the Board of Supervisors of Napa County, California (the “Board of Supervisors”), in the name of the Napa Valley Unified School District (the “District”) of Napa County, California, at the place and up to the time below specified:

TIME: Wednesday, September 9, 2015 at 9:30 a.m. (Pacific Time); provided, that the District reserves the right to postpone or change the time or sale date upon 24 hours notice delivered via Thomson Municipal Market Monitor (www.tm3.com).

ELECTRONIC BIDS ONLY: *BIDDERS PLEASE NOTE* that only electronic transmission bids will be accepted. Hand delivered or faxed bids will not be accepted.

ISSUE AND DENOMINATION; BOOK ENTRY ONLY SYSTEM: The Notes consist of fully registered notes, without coupons. The Notes will be issued in minimum denominations of \$1,000. The Notes will be issued in a book entry only system with no physical distribution of the Notes made to the public. The Depository Trust Company, New York, New York (“DTC”), will act as depository for the Notes, which will be immobilized in its custody. The Notes 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 Notes.

DATE AND MATURITY: The Notes will be dated the date of delivery, and will mature on June 30, 2016 (the “Maturity Date”).

INTEREST RATE: The maximum interest rate bid for the Notes may not exceed twelve percent (12%) per annum, payable upon maturity of the Notes. Bidders must specify the rate of interest which the Notes shall bear, provided that: (i) bids must be for all Notes; (ii) no Note shall bear more than one rate of interest; (iii) each Note shall bear interest from its date to its stated maturity at the interest rate specified in the bid; and (iv) the interest rate specified must be in a multiple of 1/1,000 of one percent (1/1,000th of 1%).

REDEMPTION: The Notes are not subject to call and redemption prior to maturity.

PAYMENT: Both principal of and interest on the Notes will be payable on the Maturity Date, in lawful money of the United States of America, to DTC which will immediately credit the account of the successful bidder or bidders as participants in the DTC system.

**Preliminary; subject to change.*

AUTHORITY; PURPOSE OF ISSUE: The Notes are to be issued by the Board of Supervisors, in the name of the District, and are authorized pursuant to the provisions of Article 7.6 (commencing with Section 53850) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code and resolutions of the Board of Supervisors and Board of Education of the District. The proceeds of the Notes will be used for any purpose for which the District is authorized to expend moneys.

SECURITY: The Notes are an obligation of the District and are secured by a pledge of and first lien and charge against the first “unrestricted moneys,” as hereinafter defined, to be received by the Napa County Treasurer, on behalf of the District, (a) in an amount equal to 70% of the principal amount of the Notes to be received by the Napa County Treasurer on behalf of the District in April, 2016 and (b) in an amount equal to 30% of the principal amount of the Notes, plus all interest due on the Notes at maturity, to be received by the Napa County Treasurer on behalf of the District in May, 2016. The term “unrestricted moneys” mean taxes, income, revenue and other moneys intended as receipts for the general fund of the District and which are generally available for the payment of current expenses and other obligations of the District.

Said pledged moneys shall be deposited by the Napa County Treasurer in a special fund established, created and maintained in the Napa County Treasury by the Napa County Treasurer in the name of the District. Moneys shall be withdrawn from said fund for the sole purpose of paying the principal of and the interest on the Notes at their maturity.

By statute, the Notes are declared to be general obligations of the District, and to the extent not paid from said pledged moneys shall be paid, with the interest thereon, from any other moneys of the District lawfully available therefor. Under provisions of the California Constitution, the District is generally prohibited from incurring any indebtedness or liability exceeding in any year the income and revenue provided for such year, without the assent of two-thirds of its qualified electors voting at an election called for such purpose.

Neither the County nor the Board of Supervisors have any liability to pay principal of or interest on the Notes, and the Notes are payable solely from the funds of the District set forth above.

TERMS OF SALE

BEST BID: *Bids must be for all of the Notes.* The Notes will be awarded on the basis of the lowest true interest cost including premium offered in the proposals. The minimum purchase price for the Notes must be the par amount thereof, net of purchaser’s discount. In the event two or more bids setting forth identical interest rates and premium per dollar principal amount, if any, and aggregating a principal amount in excess of the principal amount of unawarded Notes are received, the Napa County Treasurer, pursuant to delegation by the Board of Supervisors, reserves the right to exercise his or her discretion and judgment in making the award and may award the Notes on a pro rata basis in such denominations as she shall determine.

NO GOOD FAITH DEPOSIT REQUIRED: A good faith deposit will *not* be required in connection with the submission of a bid to purchase the Notes.

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 County or 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 County and 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 Financial 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.

RIGHT OF REJECTION: The District representative, pursuant to delegation by the Board of Supervisors, reserves the right, in his or her discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

PROMPT AWARD: The District Representative, pursuant to delegation by the Board of Supervisors, will take action awarding the sale of the Notes or reject all bids not later than forty-eight (48) hours after the expiration of time herein prescribed for the receipt of bids and until such expiration of time all bids received shall be irrevocable. Unless such time of award is waived by the successful bidder, the award may be made after the expiration of the specified time if the bidder shall not have given to the District representative notice in writing of the withdrawal of such proposal. Notice of the award will be given promptly to the successful bidder.

DELIVERY AND PAYMENT: It is estimated that the delivery of the Notes will be made to DTC for the account of the successful bidders on or about September 23, 2015. Payment of the purchase price must be made in funds immediately available to the Napa County Treasurer by wire transfer or other means acceptable to the Napa County Treasurer.

CHANGE IN TAX EXEMPT STATUS: At any time before the Notes are tendered for delivery, any successful bidder may disaffirm and withdraw its proposal if the interest received by private holders from notes of the same type and character shall be declared to be taxable income under present federal income tax laws, either by ruling of the Internal Revenue Service or by a decision of any federal court, or shall be declared taxable or be required to be taken into account in computing any federal income taxes by the terms of any federal income tax law enacted subsequent to the date of this notice.

CERTIFICATION OF REOFFERING PRICE: The successful bidder shall be required, as a condition to the delivery of the Notes by the Board of Supervisors, to certify to the Board of Supervisors and the District in writing that, as of the date of award, (i) the Notes were expected to be reoffered in a bona fide public offering, and (ii) the price at which the Notes were expected to be sold to the public, in the form and substance satisfactory to the Board of Supervisors, the District and Bond Counsel.

CONTINUING DISCLOSURE: In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the District will undertake, pursuant to separate Continuing Disclosure

Certificates, to provide notices of the occurrence of certain events, if material. A description of these undertakings is set forth in the preliminary official statement relating to the Notes (the "POS") and will also be set forth in a final official statement relating to the Notes (the "OS").

CLOSING PAPERS; LEGAL OPINION: Each proposal will be conditioned upon the District furnishing to each successful bidder, without charge, concurrently with payment for and delivery of the Notes, the following closing papers, each dated the date of such delivery:

- (a) The opinion of Bond Counsel, approving the validity of the Notes and stating that, subject to certain qualifications, under existing law, the interest on the Notes is excluded from gross income for federal income tax purposes, such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings, and is exempt from State of California personal income taxes, a copy of which opinion (certified by the official in whose office the original is filed) will be delivered with the Notes without cost to the purchaser.
- (b) A certificate of the Superintendent or other appropriate official of the District that on the basis of the facts, estimates and circumstances in existence on the date of issue, it is not expected that the proceeds of the Notes will be used in a manner that would cause the Notes to be "arbitrage bonds" within the meaning of the Code;
- (c) A certificate on behalf of the District that there is no litigation threatened or pending affecting the validity of the Notes;
- (d) A certificate of the Superintendent or other appropriate official of the District, acting on behalf of the District solely in his or her official and not in his or her personal capacity, that at the time of the sale of the Notes and at all times subsequent thereto up to and including the time of the delivery of the Notes to the initial purchasers thereof, the OS did not, and does not, contain any untrue statement of a material fact or omit to state a material fact necessary which would make the statements misleading in the light of the circumstances under which they were made;
- (e) The signature certificate of the officials of the Board of Supervisors, showing that they have signed the Notes and impressed the seal of the Board of Supervisors thereon, and that they were respectively duly authorized to execute the same; and
- (f) The receipt of the Napa County Treasurer showing that the purchase price of the Notes has been received.

INFORMATION AVAILABLE: Requests for information concerning the District and/or the Notes should be addressed to the Financial Advisor:

KNN Public Finance
1300 Clay Street, Suite 1000
Oakland, California 94612
Telephone (510) 839-8200
Attention: Joanna Bowes

OFFICIAL STATEMENT: The District has caused to be prepared a Preliminary Official Statement describing the Notes in a form deemed final by the District within the meaning of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, except for certain information which is permitted under said Rule 15c2-12 to be omitted from the Preliminary Official Statement. A copy of the Preliminary Official Statement will be furnished upon request to KNN Public Finance. The District will furnish to the successful bidder within seven business days following the date of award, at no charge, not in excess of ten (10) copies of the Official Statement for use in connection with any resale of the Notes.

CONTINUING DISCLOSURE: In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the District will undertake to provide certain notices of the occurrence of certain events to the extent required under the Rule. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement.

Given by Order of the Board Adopted on July 21, 2015