

OFFICIAL NOTICE OF SALE

\$48,000,000*

**FREMONT UNION HIGH SCHOOL DISTRICT
(County of Santa Clara, State of California)
GENERAL OBLIGATION BONDS
(Election of 2008), Series 2013**

NOTICE IS HEREBY GIVEN that submitted bids via i-Deal/Parity will be received for the purchase of \$48,000,000* of the above-named bonds (the “Bonds”) on behalf of the Board of Trustees of the Fremont Union High School District (the “District”), located in the County of Santa Clara (the “County”), State of California, on

**Tuesday, January 29, 2013
at 9:30 A.M., California time.**

***Important Note:* The winning bidder will be required to pay certain costs of issuance of the Bonds. See “Payment of Issuance Costs,” herein.**

The Superintendent of the District, the Chief Business Officer, or such other officer of the District designated for the purpose (each an “Authorized District Representative”), acting on behalf of and as authorized and directed by the Board of Trustees of the District, reserves the right to cancel or reschedule the sale of the Bonds or alter the terms thereof upon notice given through the Thompson Municipal Market Monitor (www.TM3.com) (the “News Service”) at any time prior to the time bids are to be received. If no legal bid or bids are received for the Bonds on said date (or such later date as is established as provided herein) at the time specified, bids will be received for the Bonds on such other date and at such other time as shall be designated through the News Service as soon as practicable. As an accommodation to the bidders, telephonic, telecopies or emailed notice of the postponement of the sale date or dates or of a change in the principal payment schedule will be given to any bidder who has requested such notice of the District’s Financial Advisor: KNN Public Finance, a Division of Zions First National Bank, 1333 Broadway, Suite 1000, Oakland, CA 94612-1926 (telephone (510) 208-8200; fax (510) 208-8282). Failure of any bidder to receive such telephonic, telecopied or emailed notice shall not affect the legality of the sale.

***Important Note:* This notice will be submitted to i-Deal LLC for posting at i-Deal’s website and in the Parity bid delivery system. In the event i-Deal’s summary of the terms of sale of the Bonds disagrees with this Official Notice in any particulars, the terms of this Official Notice shall control (unless notice of an amendment hereto is given as described above).**

* Approximate; subject to adjustment.

TERMS OF THE BONDS

Issue: The terms of issuance, principal and interest repayment, optional redemption, security, tax opinion, and all other information regarding the Bonds and the District are given in the Preliminary Official Statement which each bidder must have obtained and reviewed prior to bidding for the Bonds. This notice governs only the terms of sale, bidding and closing procedures. The description of the Bonds contained in this Official Notice of Sale is qualified in all respects by the description contained in the Preliminary Official Statement.

Subject to the foregoing, the Bonds are generally described as follows:

Principal Payments *(preliminary; subject to change):*

Maturity Date (August 1)	Principal Amount	Maturity Date (August 1)	Principal Amount
2027	\$1,470,000	2036	\$ 1,320,000
2028	1,380,000	2037	1,145,000
2029	1,225,000	2038	930,000
2030	1,115,000	2039	740,000
2031	1,050,000	2040	530,000
2032	920,000	2041	13,530,000
2033	810,000	2042	14,385,000
2034	1,640,000	2043	4,330,000
2035	1,480,000		

Serial Bonds and/or Term Bonds: The Bonds shall be issued as serial maturities as shown in the table above, unless the bidder requests the creation of one or more term Bonds by combining any two or more consecutive serial maturities. For any term Bond, the amount of principal paid in each year as the mandatory sinking fund payment shall be the amount shown above as maturing in such year.

Term Bonds, if specified, will be subject to redemption, by lot, on August 1 of each year specified prior to their respective stated maturity dates from monies in the interest and sinking fund of the District, upon payment of the principal amount due in such year, without premium, plus accrued interest thereon to the date fixed for redemption.

Optional Redemption: The Bonds maturing on or before August 1, 2023 are not subject to redemption prior to their respective stated maturity dates. The Bonds maturing on or after August 1, 2024, 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, 2023, and on any date thereafter, at a redemption price of 100% of the principal amount of Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption.

Adjustment of Principal Amounts: The principal amounts of each maturity of Bonds set forth above reflect certain estimates of the District and its Financial Advisor with

respect to the likely interest rates of the winning bid and the likely premium to be specified in such bid. Following the determination of the successful bidder, the District reserves the right to increase or decrease the principal amount of each maturity of the Bonds, in \$5,000 increments in order to optimize the sizing and savings structure for the Bonds. Such adjustment shall be made at the sole discretion of the District in consultation with its Financial Advisor within 26 hours of the bid opening and in the sole discretion of the Authorized District Representative. The aggregate principal amount of the bonds will not exceed \$48 million. The District may choose to eliminate some maturities in their entirety, but will not introduce new maturities that are not specified above. The interest rates bid for each maturity will not be changed as part of the re-sizing process, but the purchase price may be adjusted proportionally to the change in the aggregate principal amount. Although the successful bidder will be given the opportunity to review the proposed adjustments prior to the official award, the successful bidder may not withdraw its bid or change the interest rate bid for any individual maturity as a result of such adjustments.

Interest: Interest is payable commencing on August 1, 2013, and thereafter on February 1 and August 1 of each year. Interest is calculated on the basis of a 30-day month, 360-day year from the date of the Bonds. Each Bond shall bear interest at the specified rate from its date to its stated maturity date, and all Bonds maturing at any one time shall bear the same rate of interest.

Bidders must specify the rate or rates of interest which the Bonds hereby offered for sale shall bear. Bidders will be permitted to specify a single rate of interest for each bond maturity, according to the following:

- (i) Each interest rate must be a multiple of 1/8 or 1/20 of 1% per annum.
- (ii) Each interest rate must be greater than zero and no interest rate may exceed 8.00% per annum.

Maturity: No Bond shall mature prior to August 1, 2013, nor later than the date which is 40 years from the date of the Bonds.

Premium: No bid shall be for less than 102% of the aggregate principal amount of the Bonds. Each bid must generate sufficient premium to cover the interest payment due August 1, 2013. No bid shall be for more than 115% of the aggregate principal amount of the Bonds, and no bid shall generate more premium than an amount equal to the interest due on the Bonds in the first three years.

TERMS OF SALE

Best Bid: The District requires that the maximum true interest cost for the bonds not exceed 6.00%. The Bonds will be awarded to the responsible bidder submitting the best responsive bid, considering the interest rate or rates specified and the premium offered, if any. The best bid will be the bid which represents the lowest true interest cost (TIC) to the District and otherwise complies with the requirements set forth herein. The TIC is the compound discount rate which, when used to discount all debt service payments on the Bonds back to the

date of the Bonds, results in an amount equal to the price bid for the Bonds. In the event that two or more bidders offer bids at the same lowest TIC, the District will determine by lot which bidder will be awarded the Bonds. For the purpose of calculating the TIC, the mandatory sinking fund payments, if any (*see* “TERMS OF THE BONDS—Serial Bonds and/or Term Bonds” above), 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 Authorized District Representative, as described herein under “TERMS OF THE BONDS—Adjustment of Principal Amounts”, even if such adjustments have the effect of raising the TIC of the successful bid to a level higher than the bid containing the next lowest TIC prior to adjustment.

By submission of its bid, a bidder shall be deemed to have made the following representations:

(1) The bidder has received and reviewed the Preliminary Official Statement with respect to the Bonds (the “Preliminary Official Statement”) and as a condition to bidding on the Bonds, has determined that it can comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

(2) As of the date of its bid and as of the date of delivery of the Bonds, all members of the bidder’s syndicate either participate in DTC or clear through or maintain a custodial relationship with an entity that participates in said depository.

(3) Zions First National Bank is not a participant in the bidding syndicate.

(4) The True Interest Cost on the bonds does not exceed 6.00%.

(5) 5) Underwriters spread (the amount retained by the underwriter, after paying the \$195,000 cost of issuance assuming all bonds are sold at specified reoffending yields) shall not exceed .8%.

<p>Payment of Issuance Costs: The successful bidder will be required to pay \$195,000 in costs of issuance of the Bonds at the time of delivery of the Bonds. The payment of these costs is not inclusive of the allowable .8% underwriters spread. This amount should not be added to the price paid for the bonds. Payment of this amount is not optional. Therefore, bidders should include payment of such costs in calculating their bids.</p>
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Form of Bid; Delivery of Bids: No bid will be accepted for less than all of the Bonds or for a purchase price less than the par amount of the Bonds. All bids must be unconditional. All bids must be received by the District through i-Deal LLC’s Parity Electronic Bid Submission System (“Parity”) no later than 9:30 a.m., California time, on Tuesday, January 29, 2013, or such other date and time as may be determined in accordance with this Official Notice of Sale. All bids shall be deemed to incorporate all of the terms of this Official Notice of Sale.

Electronic Transmission: The District will accept bids in electronic form solely through Parity on the official bid form created for such purpose. Each bidder submitting an

electronic bid understands and 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. Bidders may contact Parity directly at (212) 849-5021 or at the Parity website: <https://www.newissuehome.i-deal.com>.

WARNINGS: The District does not assume any responsibility for ensuring or verifying bidder compliance with Parity's procedures. The District shall be entitled to assume that any bid received via Parity has been made by a duly authorized agent of the bidder.

The District, the Financial Advisor and Bond Counsel assume no responsibility for any malfunction of the Parity system, any failure of a bid to be received at the official time, or any error contained in any bid submitted electronically. The official time for receipt of bids will be determined by District's agents at the place of bid opening, and the District shall 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. In the event of a malfunction of the Parity system, bidders should submit their bids by hand delivery to the address on the official bid form attached hereto as Exhibit A.

Warnings Regarding Fax Bids: Bids submitted by facsimile transmission are deemed late and will not be evaluated unless, at precisely the time indicated above for submission of bids, the entire bid has been fully ejected from the receiving fax machine at the place of the bid opening, such that the interest rates, total purchase price, and name and signature of the bidder are clearly readable by that time. Neither the District, the Financial Advisor, nor Bond Counsel will accept responsibility for, and the bidder expressly assumes the risk of, any incomplete, illegible or untimely bid submitted by such bidder by facsimile transmission, including by reason of garbled transmissions, mechanical failure, engaged telephone or fax lines at the place of bid opening, or any other cause for rejection arising out of any bidder's election to deliver its bid by means other than hand delivery. The District takes no responsibility for informing any bidder prior to the deadline for receiving bids that its bid is incomplete, illegible or not received.

THE DISTRICT RETAINS ABSOLUTE DISCRETION TO DETERMINE WHETHER ANY BID DELIVERED BY ELECTRONIC TRANSMISSION IS TIMELY, LEGIBLE AND COMPLETE.

Multiple Bids: In the event multiple bids are received from a single bidder by any means or combination thereof, the District shall accept the best of such bids, and each bidder agrees by submitting any bid to be bound by its best bid.

Statement of True Interest Cost (TIC): 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.

Maximum Underwriter's Discount: The underwriter's discount may not exceed .8% of the aggregate principal amount of the Bonds.

Good Faith Deposit: Upon acceptance of its bid, the successful bidder shall be required to make a good faith deposit (the "Deposit") of \$100,000 by wire transfer in immediately available funds not later than 12:00 p.m. on the next business day following the award, payable to the order of U.S. Bank National Association, paying agent with respect to the Bonds, to secure the District from any loss resulting from the failure of the bidder to comply with the terms of its bid. Wiring instructions will be provided to the successful bidder.

No interest will be paid upon the Deposit made by any bidder. The Deposit of the successful bidder will, immediately upon acceptance of its bid, become the property of the District to be held and invested for the exclusive benefit of the District. The principal amount of such Deposit shall be applied to the purchase price of the Bonds at the time of delivery thereof. If the purchase price is not paid in full upon tender of the Bonds, the successful bidder shall have no right in or to the Bonds or to the recovery of its Deposit, or to any allowance or credit by reason of such Deposit, unless it shall appear that the Bonds would not be validly issued if delivered to the successful bidder in the form and manner proposed. In the event of nonpayment by the successful bidder, the amount of the Deposit shall be retained by the District as and for liquidated damages for such failure by the successful bidder, and such retention shall constitute a full release and discharge of all claims by the District against the successful bidder arising from such failure. The District's actual damages in such event may be greater or may be less than the amount of the Deposit. Each bidder waives any right to claim that the District's actual damages are less than such amount.

Right of Rejection: The District reserves the right to reject any and all bids and to waive any irregularity or informality in any bid which does not have a material effect, or change the ranking of the bids received. If the sale of the Bonds is cancelled or postponed, all sealed bids shall be returned unopened.

Prompt Award: The District will take action awarding the Bonds or rejecting all bids not later than twenty-six (26) hours after the expiration of the time herein prescribed for the receipt of the bids, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

CLOSING PROCEDURES AND DOCUMENTS

Delivery and Payment: Delivery of the Bonds through the facilities of DTC will be made to the successful bidder in New York, New York on or about February 12, 2013. Payment for the Bonds must be made in funds immediately available in San Francisco, California, on the date of delivery. Any expense of providing immediately available funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the successful bidder. The cost of printing the Bonds will be borne by the District.

Right of Cancellation: The successful bidder shall have the right, at its option, to cancel its obligation to purchase the Bonds if the Bonds are not executed and tendered for delivery within 60 days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of its good faith deposit.

CUSIP Numbers and Other Fees: It is expected that the successful bidder will apply for CUSIP identification numbers for the Bonds, and furnish such numbers to Bond Counsel. It is anticipated that such CUSIP numbers will be printed on the Bonds being delivered to DTC, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms and conditions of its bid. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid by the District, but the CUSIP Service Bureau charge for the assignment of such numbers shall be paid by the successful bidder. The successful bidder shall also be required to pay all fees required by The Depository Trust Company, New York, New York, Securities Industry and Financial Markets Association (“SIFMA”), the Municipal Securities Rulemaking Board and any other similar entity imposing a fee in connection with the issuance of the Bonds.

California Debt and Investment Advisory Commission Fee: Attention of bidders is directed to California Government Code Section 8856, which provides that the lead underwriter or the purchaser of the Bonds shall be charged any California Debt and Investment Advisory Commission fee payable with respect to the Bonds.

Certification of Reoffering Prices: Upon notification of award of the bid, the successful bidder shall provide initial offering prices for each maturity of the Bonds. Prior to Closing, as a condition to delivery of the Bonds, the successful bidder shall be required to provide to the District initial offering price information in form and substance as Bond Counsel may require, including: (i) certification that as of the date of sale, all of the Bonds were expected to be reoffered in a bona fide public offering at stated initial offering prices; (ii) certification that as of the date of the certification, all of the Bonds had actually been offered to the general public at such prices; and (iii) the maximum initial bona fide offering prices at which at least 10% of each maturity of the Bonds was sold to the general public, and identification of any Bond maturity of which less than 10% was sold to the general public at its initial offering price. The successful bidder may also be asked to clarify any discrepancies between the initial offering prices and publicly available information relating to trades of the Bonds, and to explain the failure to sell at least 10% of each maturity of the Bonds to the public at the initial reoffering prices.

Litigation: There is no litigation pending concerning the validity of the Bonds, the corporate existence of the District or the entitlement to their respective offices of the officers of the District who will execute the Bonds and other documents or certificates, or the power of the County to levy and collect taxes on behalf of the District for payment of, and to pay interest and principal on, the Bonds, and the District will furnish to the successful bidder a no-litigation certificate or certificates certifying the foregoing as of and at the time of the delivery of the Bonds.

Tax Matters: Orrick, Herrington & Sutcliffe LLP will render its legal opinion with respect to tax-exemption of the interest paid on the Bonds. See the discussion of Tax Matters in the Official Statement hereinafter referred to. In the event that prior to the delivery of the Bonds the income received by private holders from obligations of the same type and character shall be declared to be includable in gross income (either at the time of such declaration or at any future date) for purposes of 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, the successful bidder may, at its option, prior to the tender of the Bonds by the Board, be relieved of its obligation to purchase the Bonds, and in such case the deposit accompanying its bid will be returned. For purposes of the preceding sentence, interest will be treated as excludable from gross income for federal income tax purposes whether or not it is includable as an item of tax preference for calculating alternative minimum taxes or otherwise includable for purposes of calculating certain other tax liabilities.

Official Statement: The District has authorized the adoption of an official statement relating to the Bonds. A copy of the Preliminary Official Statement will be furnished upon request to the Financial Advisor. The Preliminary Official Statement is in form “deemed final” by the issuer for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final Official Statement. The District will furnish to the successful bidder, at no expense to the successful bidder, up to 150 copies of the final Official Statement within seven (7) business days of the award date.

Official Statement Certificate: The District will provide to the successful bidder for the Bonds a certificate, signed by an official of the District, confirming to the successful bidder that, at the time of the acceptance of the bid for the Bonds and at the time of delivery thereof, to the best of the knowledge of said official, the Official Statement (except for information regarding DTC and its book-entry only system, information provided by the County Treasurer regarding County investments, information provided by the successful bidder regarding the underwriting and reoffering of the Bonds, and information regarding a municipal bond insurance policy with respect to the Bonds and the provider thereof, as to all of which no view shall be expressed) does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition or affairs of the District which would make it unreasonable for the purchaser of the Bonds to rely upon the Official Statement in connection with the resale of the Bonds.

Continuing Disclosure Certificate: In order to assist bidders in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), the District will undertake, pursuant to 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. The District has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events.

Dated: January 29, 2013.

/s/ Christine Mallery
Chief Business Officer
Fremont Union High School District

EXHIBIT A

BIDDING FIRM'S NAME: _____

**OFFICIAL BID FORM
January 29, 2013, 9:30 a.m.**

Authorized Signatory: _____

Chief Financial Officer
Fremont Union High School District
c/o KNN Public Finance
1333 Broadway, Suite 1000
Oakland, CA 94612-1926
FAX NO. (510) 208-8282

(signature)

**Re: \$48,000,000*
FREMONT UNION HIGH SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
(Election of 2008), Series 2013
(County of Santa Clara, State of California)**

By the authorized signature above, we hereby submit this bid (consisting of the Premium, Purchase Price, and Interest Rates entered below) for the above-described Bonds in accordance with the Official Notice of Sale relating thereto dated January 29, 2013, which Notice together with all representations and agreements on Page 2 hereof are hereby made part of this bid:

Par Value: \$ _____ **+ Premium:** \$ _____ **= Purchase Price:** \$ _____
(plus accrued interest to the date of delivery)

<u>Maturity (August 1)</u>	<u>Principal Amount*</u>	<u>Check if Term Bonds**</u>	<u>Interest Rate</u>	<u>Maturity (August 1)</u>	<u>Principal Amount*</u>	<u>Check if Term Bonds**</u>	<u>Interest Rate</u>
2027	\$1,470,000	n/a	_____ %	2036	\$ 1,320,000	_____	_____ %
2028	1,380,000	n/a	_____	2037	1,145,000	_____	_____
2029	1,225,000	n/a	_____	2038	930,000	_____	_____
2030	1,115,000	n/a	_____	2039	740,000	_____	_____
2031	1,050,000	n/a	_____	2040	530,000	_____	_____
2032	920,000	n/a	_____	2041	13,530,000	_____	_____
2033	810,000	n/a	_____	2042	14,385,000	_____	_____
2034	1,640,000	n/a	_____	2043	4,330,000	_____	_____
2035	1,480,000	n/a	_____			_____	_____
		_____	_____			_____	_____
		_____	_____			_____	_____
		_____	_____			_____	_____

* Preliminary; subject to adjustment pursuant to Official Notice of Sale.

** *Please!* Clearly indicate each Term Bond so that Serial Maturities of the same coupon rate are distinguished from Serial Maturities comprising a single Term Bond. E.g., circle maturity, or indicate beginning and end of each Term Bond. No mandatory sinking fund payments shall be required to be made prior to August 1, 2027.

Interest rate restrictions: Each interest rate must be a multiple of 1/8 or 1/20 of 1% per annum. Each interest rate must be greater than zero, and no interest rate may exceed 12% per annum.

By execution on the first page of this bid by an authorized officer, we hereby represent:

(1) We have previously submitted a financial surety bond complying with the requirements of the Official Notice of Sale, or enclose herewith a cashier's check drawn on a bank or trust company transacting business in the State of California, payable to the order of the Treasurer-Tax Collector of the County of Santa Clara, in the amount of \$100,000. We understand that no interest will be paid on good faith deposits.

(2) We have received and reviewed the Preliminary Official Statement with respect to the Bonds (the "Preliminary Official Statement") and as a condition to bidding on the Bonds, have determined that we can comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

(3) As of the date of award and as of the date of delivery of the Bonds, all members of our syndicate either participate in DTC or clear through or maintain a custodial relationship with an entity that participates in said depository.

(4) Our computation of the True Interest Cost (TIC) to the District under this proposal, made as provided in the Official Notice of Sale, is _____%. Our computation of the gross interest cost to the District (net of any premium bid) under this proposal is \$_____. These estimates are for informational purposes only and not binding on the District or on the undersigned.

(5) We understand that we are required to pay \$195,000 in costs of issuance of the Bonds at the time of delivery.

We hereby request that _____ (not to exceed 150) printed copies of the Official Statement with respect to the Bonds be furnished to us in accordance with the terms of the Official Notice of Sale.

Very truly yours,

Company

By *[executed on first page of bid form]*
Authorized Representative

Title

Phone: _____

Fax: _____

Zions First National Bank, parent company of KNN Public Finance, is not a participant in this bidding syndicate or other similar account formed for the purpose of purchasing the Bonds directly or indirectly from the District.

Bidder's representative to be contacted regarding closing procedures:

Receipt of Return of Bidder's unaccepted Good Faith Check Hereby Acknowledged:

Name: _____

By _____

Authorized Representative

Phone: _____ Fax: _____