

**NOTICE INVITING BIDS**

**CITY OF PASADENA, CALIFORNIA**

**Water Revenue/Refunding Bonds, 2020A Series**

**NOTICE IS HEREBY GIVEN** that electronically transmitted bids will be received by the City of Pasadena, California (the "City"), through the use of an electronic bidding service offered by Ipreo and the Parity® electronic bid submission system ("Parity") at <https://www.newissuehome.i-deal.com>, on

**November 16, 2020  
at 9:30 A.M. Pacific time,**

for the purchase of \$\_\_\_\_\_ (approximate) aggregate principal amount of City of Pasadena, California Water Revenue/Refunding Bonds, 2020A Series (the "2020A Bonds"), more particularly described herein. See "TERMS OF SALE—Form of Bid and Surety Bond—Warnings Regarding Electronic Bids" herein.

Interest on the 2020A Bonds is exempt from personal income taxes of the State of California. Furthermore, interest on the 2020A Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, as more fully described in the Preliminary Official Statement (as hereinafter defined).

The City reserves the right to cancel or reschedule the sale of the 2020A Bonds or change the terms thereof upon notice given through MuniOS (www.munios.com) or Refinitiv Municipal Market Monitor (www.tm3.com) ("TM3") prior to the time bids are to be received. If the sale is rescheduled, bids will be received at the place set forth above, at such date and time as the City shall determine. Notice of the new sale date, time and terms, if any, will be given through MuniOS or TM3 as soon as practicable prior to the new time bids are to be received.

**BIDDERS ARE DIRECTED TO REVIEW THE PROVISIONS OF THE SECTION ENTITLED "TERMS OF SALE – Establishment of Issue Price" IN THIS NOTICE INVITING BIDS IN CONNECTION WITH SUBMITTING A BID. If the successful bidder fails to provide the reoffering price certificate described therein, the Good Faith Deposit (as defined herein) will be retained by the City.**

**TERMS OF THE 2020A BONDS**

**Important Note.** This Notice Inviting Bids will be submitted to Ipreo LLC for posting at <https://www.newissuehome.i-deal.com> and in the Parity® electronic bid submission system. In the event Parity's summary of the terms of sale of the 2020A Bonds disagrees with this Notice Inviting Bids in any particulars, the terms of this Notice Inviting Bids shall control (unless notice of an amendment hereto is given as described above).

## **Opening of Bids and Award of 2020A Bonds**

The bids will be received at the above time and place, will be opened by the Director of Finance or his designee, and the 2020A Bonds are expected to be awarded by the City at the City Council meeting later that day. If the City Council does not meet or does not achieve a quorum on the date on which bids for the 2020A Bonds are received, the Director of Finance (or in the absence of the Director of Finance, his designee) is authorized and directed on behalf of the City to accept the best bid for the 2020A Bonds received (or reject all bids) and to take such other actions as the Director of Finance (or in the absence of the Director of Finance, his designee) deems appropriate.

## **The Issue**

The 2020A Bonds are being issued by the City for the purpose of providing moneys to (i) refund all of the City's outstanding Water Revenue Bonds, Issue of 2010, 2010A Series (Taxable Build America Bonds – Direct Payment) (the "2010A Bonds"), (ii) finance the costs of acquisition and construction of certain capital improvements to the Water System, (iii) make an additional deposit to the Parity Reserve Fund, and (iv) pay the costs of issuance of the 2020A Bonds.

## **Authority for Issuance**

The 2020A Bonds are authorized and issued pursuant to Article XIV of the City Charter, an Ordinance adopted by the City Council of the City on January 30, 2020 (the "Ordinance"), and a Water Revenue Bond Indenture, dated as of August 1, 2003 (the "Master Indenture"), by and between the City and The Bank of New York Mellon Trust Company, N.A. (formerly known as BNY Western Trust Company), as trustee (the "Trustee"), as supplemented by a Sixth Supplement to Water Revenue Bond Indenture, dated as of December 1, 2020, to be executed simultaneously with the delivery of the 2020A Bonds (collectively, the "Indenture"). The 2020A Bonds will be issued on a parity with other obligations of the Water System payable from Pledged Revenues and issued from time to time pursuant to the terms of the Indenture ("Parity Debt"), including its Water Revenue Refunding Bonds, 2011A Series, currently outstanding in the principal amount of \$15,065,000 (the "2011A Bonds"), and its Water Revenue Refunding Bonds, 2017A Series, currently outstanding in the principal amount of \$13,095,000 (the "2017A Bonds"). The 2011A Bonds, the 2017A Bonds, the 2020A Bonds and all other Water Revenue Bonds to be issued pursuant to the Indenture are herein referred to collectively as the "Bonds."

*Bidders are referred to the Indenture and the Preliminary Official Statement, dated November 5, 2020, relating to the 2020A Bonds (the "Preliminary Official Statement"), for definitions of terms and for further particulars, including further information regarding the 2020A Bonds. This Notice Inviting Bids contains certain information for general reference only, is not a summary of the issue and governs only the terms of the sale of, bidding for and closing procedures with respect to the 2020A Bonds. Bidders must read the entire Preliminary Official Statement to obtain information essential to the making of an informed investment decision.*

## **Security; Limited Obligations**

The 2020A Bonds will be an obligation solely payable from the Water Fund of the City and certain other funds as provided in the Indenture. The 2020A Bonds are to be secured by a

pledge of and lien upon Pledged Revenues of the Water System on a parity with other Bonds and Parity Debt.

The City has covenanted in the Indenture to fix the charges for the services, facilities and water furnished by the Water System so as to provide Gross Aggregate Revenues at least sufficient to pay, as the same become due, the principal of and interest on the Bonds and any other Parity Debt, all payments required for compliance with the Indenture, including payments required to be made into any Parity Reserve Fund, all payments required to be made with respect to any Subordinate Debt, all Operation and Maintenance Expenses and all payments required to meet any other obligations of the City which are charges, liens, encumbrances upon or payable from the Gross Aggregate Revenues or any portion thereof and the charges shall be fixed so that in each Fiscal Year the Gross Aggregate Revenues less Operation and Maintenance Expenses will be at least equal to 1.10 times the amount necessary to pay principal and interest as the same become due on all Bonds and any other Parity Debt.

“Pledged Revenues” means all Gross Capital Improvement Charge (CIC) Revenues and all Net Other Water Revenues. “Gross CIC Revenues” means all CIC Revenues, all amounts deposited in the CIC Account and all interest earnings or income thereon or therefrom. “CIC Revenues” means all capital improvement charges collected and received pursuant to Chapter 13.20.035 of Title 13 of the Pasadena Municipal Code and interest earned thereon. “Net Other Water Revenues” means all Other Water Revenues, all amounts deposited in the Water Fund and all interest earnings or income thereon or therefrom, less all Operation and Maintenance Expenses. “Other Water Revenues” means all the revenues from rates, fees and charges for providing water service to persons and real property and all other fees, rents and charges and other revenues derived by the City from the ownership, operation, use or service of the Water System, including contributions in aid of construction, but not including the CIC Revenues.

**The general fund of the City is not liable for the payment of any 2020A Bonds, any premium thereon upon redemption prior to maturity or their interest, nor is the credit or taxing power of the City pledged for the payment of any 2020A Bonds, any premium thereon upon redemption prior to maturity or their interest. The Owner of any 2020A Bond shall not compel the exercise of the taxing power by the City or the forfeiture of any of its property. The principal of and interest on any 2020A Bonds and any premiums upon the redemption of any thereof prior to maturity are not a debt of the City nor a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon any of its income, receipts or revenues, except the Pledged Revenues and other funds, security or assets which are pledged to the payment of the 2020A Bonds, interest thereon and any premiums upon redemption.**

### **Parity Reserve Fund**

Pursuant to the Indenture, the City has established and agreed to maintain the Parity Reserve Fund in an amount equal to the Reserve Fund Requirement.

“Reserve Fund Requirement” means, as of any date of determination and excluding any Parity Debt for which no reserve fund is to be maintained or for which a separate reserve fund is to be maintained, the least of (a) ten percent (10%) of the initial offering price to the public of each Series of Bonds and any Parity Debt to be secured by the Parity Reserve Fund as determined under

the Code, or (b) the Maximum Annual Debt Service on all Bonds and Parity Debt to be secured by the Parity Reserve Fund, or (c) one hundred twenty-five percent (125%) of the Average Annual Debt Service on all Bonds and Parity Debt to be secured by the Parity Reserve Fund, all as computed and determined by the City and specified in writing to the Trustee.

Amounts in the Parity Reserve Fund shall be transferred by the City to the applicable debt service fund to pay principal of and interest on the Bonds and other Parity Debt secured by the Parity Reserve Fund in the event amounts on deposit therein are insufficient for such purposes.

**On such date the 2011A Bonds and the 2017A Bonds are defeased, paid or discharged in accordance with their terms and are no longer Outstanding for purposes of the Indenture, the Parity Reserve Requirement shall be zero dollars and accordingly, all of the amounts held in the Parity Reserve Fund shall be released to the City to be used for lawful purposes.**

### **Book-Entry Only**

The 2020A Bonds will be issued as fully registered bonds and, when issued will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as security depository for the 2020A Bonds. Individual purchases of the 2020A Bonds will be made in book-entry form only, in denominations of \$5,000 principal amount or any integral multiple thereof. Payments of principal of, and interest and premium, if any, on the 2020A Bonds will be paid by the Trustee to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the 2020A Bonds.

### **Interest Payment Dates**

The 2020A Bonds will be dated the date of delivery and interest will be payable semiannually on each June 1 and December 1, commencing June 1, 2021, to holders of record on the preceding May 15 and November 15, respectively, until maturity or redemption.

**Principal Amortization\***

The 2020A Bonds shall be subject to principal amortization on June 1 in the following years and amounts described in the following table, subject to the adjustments described below:

<u>Maturity (June 1)</u>	<u>Principal Amount*</u>	<u>Maturity (June 1)</u>	<u>Principal Amount*</u>
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\* Preliminary, subject to adjustment as described below.

**Adjustment of Principal Amounts and Amortization Schedule**

The principal amounts set forth in this Notice Inviting Bids reflect certain estimates of the City and its Municipal Advisor with respect to the possible interest rates of the winning bid and the premium, if any, contained in the winning bid. The principal amortization schedule may be changed prior to the time bids are to be received and, if adjustments are made, bidders must bid on the basis of the adjusted schedule. Such changes, if any, will be communicated through MuniOS or TM3 not later than 1:00 p.m., Pacific time, on the business day prior to the bid opening. After selecting the winning bid, the principal amount of the 2020A Bonds and amortization schedule may be adjusted in \$5,000 increments as necessary in the determination of the Municipal Advisor to reflect the actual interest rates and any premium in the winning bid and to achieve the City's debt structuring objectives. Such adjustments after the selection of the winning bid will not change the principal amount due on the 2020A Bonds in any year by more than the greater of (i) [\$500,000] or (ii) [ten percent (10%)] of the preliminary principal amount in any given year. Any such adjustment will be communicated to the winning bidder within 24 hours after acceptance of the bids. Changes in the amortization schedule made subsequent to bid opening as described above will not affect the determination of the winning bidder or give the winning bidder any right to reject the 2020A Bonds. The winning bidder may not withdraw its bid or change the interest rates bid as a result of any changes to the principal payments of the 2020A Bonds in accordance with this Notice Inviting Bids; further, the dollar amount of the price bid will be changed so that the percentage of net compensation paid to the winning bidder will not increase or decrease from what it would have been if no adjustments had been made by the City.

### **Serial Bonds and/or Term Bonds**

Bidders may provide that the 2020A Bonds be issued as serial bonds or may provide that any two or more consecutive annual principal amounts be combined into one or more term bonds.

### **Mandatory Sinking Fund Redemption**

If the successful bidder designates principal amounts to be combined into one or more term bonds, each such term bond shall be subject to mandatory sinking fund redemption commencing on June 1 of the first year which has been combined to form such term bond and continuing on June 1 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth in the table above under the caption "Principal Amortization", as adjusted in accordance with the provisions described above under the caption "Adjustment of Principal Amounts and Amortization Schedule". The 2020A Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed in part at par and shall be selected by lot from among the 2020A Bonds then subject to redemption. The City, at its option, may credit against any mandatory sinking fund redemption requirement term bonds of the maturity then subject to redemption which have been purchased and cancelled by the City or have been redeemed and not theretofore applied as a credit against any mandatory sinking fund redemption requirement.

### **Optional Redemption**

The 2020A Bonds maturing on or before June 1, 2030 are not subject to call or redemption prior to maturity. The 2020A Bonds maturing on or after June 1, 2031 are subject to redemption prior to their respective stated maturities, at the option of the City, from any source of available funds, as a whole or in part on any date on or after June 1, 2030, at a Redemption Price equal to the principal amount of the 2020A Bonds called for redemption together with accrued interest thereon to the date of redemption, without premium.

### **Notice of Redemption**

Notice of redemption of any 2020A Bonds shall be mailed to the Owners of the 2020A Bonds, certain securities depositories and one or more information services. Notice of such redemption shall be given to the Owners of the 2020A Bonds designated for redemption at their addresses appearing on the bond registration books, not less than 30 days nor more than 60 days prior to the redemption date. The actual receipt of such notice by the Owner of any 2020A Bond to be redeemed shall not be a condition precedent to the redemption, and failure of any Owner to receive such notice shall not affect the validity of the proceedings for the redemption of 2020A Bonds or the cessation of interest on the redemption date. If by the date of mailing of notice of any optional redemption the City shall not have deposited with the Trustee moneys sufficient to redeem all the 2020A Bonds called for redemption, then such notice shall state that it is expressly conditioned upon and subject to the availability of funds for such purpose not later than the opening of business on the redemption date and shall be of no effect unless funds sufficient for such purpose are available.

Notice of redemption shall be given by the Trustee, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, (i) by mail to each Owner and the Securities

Depositories and (ii) electronically to one or more Information Services. Notice of redemption to the Securities Depositories shall be given by telecopy, certified, registered or overnight mail or by such other method as may be requested by the Securities Depositories. Each notice of redemption shall state the date of such notice, the date of issue of the 2020A Bonds to which such notice relates, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity, the distinctive certificate numbers of the 2020A Bonds of such maturity to be redeemed and, in the case of 2020A Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said 2020A Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a 2020A Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such 2020A Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Neither the City nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any 2020A Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the City nor the Trustee shall be liable for any inaccuracy in such numbers.

Failure by the Trustee to give notice to any one or more of the Information Services or Securities Depositories or failure of any Owner to receive notice or any defect in any such notice shall not affect the sufficiency of the proceedings for redemption.

### **Selection of 2020A Bonds for Redemption**

If less than all of the 2020A Bonds are to be redeemed, the maturities of the 2020A Bonds to be redeemed shall be specified by the City. In the case of partial redemption of less than all of the 2020A Bonds of any maturity, the Trustee shall select the particular 2020A Bonds to be redeemed, from all 2020A Bonds of the respective maturity not previously called for redemption, in authorized denominations, by lot in any manner which the Trustee in its sole discretion shall deem appropriate.

### **Trustee**

The Bank of New York Mellon Trust Company, N.A., Los Angeles, California is the Trustee for the payment of principal of, premium, if any, and interest on the 2020A Bonds and for the registration of the 2020A Bonds.

### **Legal Opinion**

The City will furnish to the successful bidder at the closing of the 2020A Bonds, the legal opinion of Bond Counsel, Nixon Peabody LLP, that under existing law, interest on the 2020A Bonds is exempt from personal income taxes of the State of California and that based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on

the 2020A Bonds is excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986 and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel will express no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the 2020A Bonds.

### **Continuing Disclosure**

In order to assist bidders in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), the City will undertake, pursuant to a Continuing Disclosure Agreement, to provide certain annual financial information and notices of the occurrence of certain events. A form of the Continuing Disclosure Agreement is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

## **TERMS OF SALE**

### **Interest Rates and Limits on Purchase Price**

No bid for other than all of the 2020A Bonds will be considered.

Bidders must specify a rate of interest for each maturity of the 2020A Bonds. The rates of interest must be expressed in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%), and the true interest cost to the City shall not exceed \_\_\_\_ percent (\_\_\_\_%) per annum. All 2020A Bonds of the same maturity must bear the same rate of interest. No 2020A Bonds may bear a rate of interest greater than \_\_\_\_ percent (\_\_\_\_%). No 2020A Bonds will be issued as "zero coupon" or capital appreciation bonds.

Bidders must bid to purchase the 2020A Bonds with an aggregate price of (i) not more than \_\_\_\_\_ percent (\_\_\_\_%) of the principal amount thereof and (ii) not less than \_\_\_\_\_ percent (\_\_\_\_%) of the principal thereof.

**No bid will be accepted that contemplates the waiver of any interest or other concession by the bidder as substitute for payment in full of the purchase price. Bids that do not conform to the terms of this section may be rejected.**

### **Award**

If satisfactory bids are received, the 2020A Bonds will be awarded to the highest responsible bidder. The highest bid will be that which results in the lowest True Interest Cost. The True Interest Cost shall be computed by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from their respective payment dates to the date of the 2020A Bonds and to the price bid. For the purpose of calculating the True Interest Cost, the principal amount of 2020A Bonds established for mandatory sinking fund redemption as part of a term bond shall be treated as a serial maturity in each year. In the event that two or more bidders have bid the same True Interest Cost, the award shall be made at the discretion of the City.



### **Right of Rejection**

The City reserves the right, in its discretion, to reject any and all proposals, including any proposals not conforming to this Notice Inviting Bids, and to waive any irregularity or informality in any proposal.

### **Equal Opportunity**

It is the policy of the City that disadvantaged business enterprises (“DBE”) and all other business enterprises have an equal opportunity to participate in the performance of the City contracts. Bidders are required to make a good faith effort to reach out to the DBEs to ensure they have equal opportunity to compete for the purchase of the 2020A Bonds.

### **Insurance**

The successful bidder shall not purchase municipal bond insurance in connection with the 2020A Bonds.

### **Form of Bid and Surety Bond**

Bidders must purchase the 2020A Bonds at a price equal to the principal amount thereof plus a premium. (See “Interest Rates and Limits on Purchase Price” above.) Each bid must be delivered by electronic transmission, as described below, and received by 9:30 a.m., Pacific time, November 16, 2020. Each bid must be in accordance with the terms and conditions set forth in this Notice Inviting Bids.

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

***Warnings Regarding Electronic Bids:*** The City will accept bids in electronic form solely through Ipreo’s Parity® System (at <https://www.newissuehome.i-deal.com>) 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 City. Instructions and forms for submitting electronic bids must be obtained from Parity, and the City assumes no responsibility for ensuring or verifying bidder compliance with Parity’s procedures. The City shall be entitled to assume that any bid received via Parity has been made by a duly authorized agent of the bidder.

The City, the Municipal Advisor, and Bond Counsel assume no 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 City at the place of bid opening, and the City shall not be required to accept the time kept by Parity as the official time. The City assumes no responsibility for informing any bidder prior to the deadline for receiving bids that its bid is incomplete or not received.

## **Good Faith Deposit**

Each bidder must provide prior to the time the bids are examined a deposit in the amount of \$390,000.00 (the "Good Faith Deposit") in the form of (i) a financial surety bond ("Surety Bond") issued by an insurance company rated in one of the top two rating categories by Moody's Investors Service, Fitch Ratings or S&P Global Ratings, without regard to any modification of the rating and licensed to issue such a bond in the State of California, naming the City as the beneficiary and identifying the bidder whose deposit is guaranteed by the Surety Bond, or (ii) a wire transfer of immediately available federal funds.

***Surety Bonds.*** Any Surety Bond may be submitted by facsimile transmission to 626-440-7036 or electronic mail to [verganian@cityofpasadena.net](mailto:verganian@cityofpasadena.net), [stthomas@cityofpasadena.net](mailto:stthomas@cityofpasadena.net) and [esoong@pragadvisors.com](mailto:esoong@pragadvisors.com) prior to the deadline for the examination of the bids. If the successful bidder has provided a Surety Bond, such bidder shall wire transfer to the City the amount of the Good Faith Deposit in immediately available federal funds not later than 12:00 noon (Pacific Time) on the business day next succeeding the day of acceptance of the proposal, which amount shall be deposited in a fund held by the City and applied to the purchase price of the 2020A Bonds. If the City has not received such federal funds wire transfer by the time stated, the City may draw upon the Surety Bond to satisfy the successful bidder's deposit requirements.

***Wire Transfers.*** Any Good Faith Deposit wire transfers must be received in federal funds prior to the deadline for the examination of the bids. Contact the City's Municipal Advisor, Public Resources Advisory Group, 310-477-1453 or by e-mail at [esoong@pragadvisors.com](mailto:esoong@pragadvisors.com) for wiring information.

**Each bidder submitting the Good Faith Deposit by wire transfer must also (i) send an email to the attention of [verganian@cityofpasadena.net](mailto:verganian@cityofpasadena.net), [stthomas@cityofpasadena.net](mailto:stthomas@cityofpasadena.net), and [esoong@pragadvisors.com](mailto:esoong@pragadvisors.com) and to the attention of [patty.ramirez@baml.com](mailto:patty.ramirez@baml.com) and [dedicatedwgov@bankofamerica.com](mailto:dedicatedwgov@bankofamerica.com) providing the name of the bidder entity and contact person and notifying the City of the delivery of such wire transfer and referencing "Water 2020A Series Good Faith Wire Transfer"; (ii) include with such e-mail notification, wiring and/or mailing instructions for the return of the wire transfer should the bidder be unsuccessful and (iii) obtain a confirmation from one of the foregoing persons of the receipt of such Good Faith Deposit and instructions. Failure to provide such information will delay return of such Good Faith Deposit. The wire transfers of unsuccessful bidders will be returned promptly after the examination of bids. The wire transfer of the successful bidder will be retained by the City and applied to the purchase price of the 2020A Bonds when the 2020A Bonds are delivered. The City disclaims any liability for funds sent by wire transfer, except for any willful misconduct or reckless disregard for its duties.**

***Liquidated Damages; No Interest.*** No interest will be paid upon the Good Faith Deposit made by any bidder. The Good Faith Deposit of the successful bidder will, immediately upon acceptance of its bid, become the property of the City to be held and invested for the exclusive benefit of the City. The principal amount of such Good Faith Deposit shall be applied to the purchase price of the 2020A Bonds at the time of delivery thereof.

If the purchase price is not paid in full upon delivery of the 2020A Bonds, the successful bidder shall have no right in or to the 2020A Bonds or to the recovery of its Good Faith Deposit, or to any allowance or credit by reason of such Good Faith Deposit, unless (i) it shall appear that the 2020A Bonds would not be validly issued if delivered to the successful bidder in the form and manner proposed or (ii) as provided in "Right of Cancellation by Bidder" below. Except as provided in the prior sentence, in the event of nonpayment by the successful bidder, the amount of the Good Faith Deposit shall be retained by the City. Notwithstanding the foregoing, should the successful bidder fail to pay for the 2020A Bonds at the price and on the date agreed upon, the City retains the right to seek further compensation for damages sustained as a result of the successful bidder so doing.

### **Estimate of True Interest Cost**

Each bidder is requested, but not required, to supply an estimate of the True Interest Cost to the City on the basis of its bid, which shall be considered as informative only and not binding on either the bidder or the City.

### **Prompt Award**

The City, acting through its Director of Finance, will conditionally award the 2020A Bonds or reject all bids not later than 24 hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful bidder. Notice of the conditional award will be given promptly to the successful bidder. The City will endeavor to obtain City Council confirmation and ratification of the award within such 24-hour period, but such confirmation and ratification, which is a condition of closing, may occur at any time prior to delivery of the 2020A Bonds.

### **Establishment of Issue Price**

(a) The successful bidder shall assist the City in establishing the issue price of the 2020A Bonds in accordance with applicable requirements of the Internal Revenue Code, and shall execute and deliver to the City at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the 2020A Bonds, together with the supporting pricing wires or equivalent communications, substantially in one of the forms attached hereto as Exhibit A, as applicable, with such modifications as may be appropriate or necessary, in the reasonable judgment of the City and Bond Counsel. All actions to be taken by the City under this Notice Inviting Bids to establish the issue price of the 2020A Bonds may be taken on behalf of the City by the City's Municipal Advisor identified herein and any notice or report to be provided to the City may be provided to the City's Municipal Advisor.

(b) The City 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 2020A Bonds) will apply to the initial sale of the 2020A Bonds (the "Competitive Sale Requirements") because:

(1) the City shall disseminate this Notice Inviting Bids to potential Underwriters (as defined below) in a manner that is reasonably designed to reach such potential Underwriters;

- (2) all bidders shall have an equal opportunity to bid;
- (3) the City anticipates receiving bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the 2020A Bonds to the bidder who submits a firm offer to purchase the 2020A Bonds at the highest price (or lowest interest cost), as set forth in this Notice Inviting Bids.

Any bid submitted pursuant to this Notice Inviting Bids shall be considered a firm offer for the purchase of the 2020A Bonds, as specified in the bid.

(c) In the event that the Competitive Sale Requirements set forth in (b)(3) above are not satisfied, the City shall so advise the successful bidder. In such event, the City shall treat the first single price at which 10% of a Maturity (defined below) of the 2020A Bonds (the "10% test") is sold to the public as the issue price of that Maturity, applied on a Maturity-by-Maturity basis, EXCEPT any Maturity of the 2020A Bonds identified by the successful bidder in writing within four hours of the time of the award as a hold-the-offering-price Maturity (each a "HTP Maturity"). Each HTP Maturity will be subject to the "Hold-the-Offering-Price Requirements" further described and set forth in subsection (e) below. **Bids will NOT be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.**

(d) In the event that the Competitive Sale Requirements are not satisfied, the successful bidder shall advise the City, within four hours of the time of award of the 2020A Bonds, which Maturities of the 2020A Bonds satisfy the 10% Test as of the date of award, and confirm any HTP Maturities which shall be subject to the Hold-the-Offering-Price Requirements. For each Maturity of the 2020A Bonds that does not satisfy the 10% Test, except for any HTP Maturity identified in writing within four hours of the time of award, the successful bidder agrees to promptly report to the City the prices at which the unsold 2020A Bonds of that Maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been satisfied as to the 2020A Bonds of that Maturity or until all 2020A Bonds of that Maturity have been sold.

(e) By submitting a bid, each bidder (i) confirms that the bidder has offered or will offer the 2020A Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the bidder, (ii) certifies that the bidder is an underwriter of municipal obligations who has an established industry reputation for underwriting new issuances of municipal obligations, and (iii) on behalf of the Underwriters participating in the purchase of the 2020A Bonds with the bidder, for each HTP Maturity identified and confirmed by the successful bidder, that such Underwriters will neither offer nor sell unsold 2020A Bonds of any such HTP Maturity to which the Hold-the-Offering-Price Requirements described in this subsection (e) shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or

- (2) the date on which the Underwriters have sold at least 10% of that HTP Maturity to the public at a price that is no higher than the initial offering price to the public.

The successful bidder shall promptly advise the City when the Underwriters have sold 10% of each HTP Maturity of the 2020A Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

(f) The City acknowledges that, in making the representation set forth in subsection (e) above, the successful bidder will rely upon (i) the agreement of each Underwriter to comply with the Hold-the-Offering-Price Requirements, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2020A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price Requirements, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the 2020A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price Requirements, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering-Price Requirements and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Offering-Price Requirements as applicable to the 2020A Bonds.

(g) By submitting a bid, each bidder confirms that any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the 2020A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each Maturity allotted to it until it is notified by the successful bidder that either the 10% Test has been satisfied as to a Maturity or all Bonds of that Maturity have been sold to the public and (B) comply with the Hold-the-Offering-Price Requirements, in the event that the bidder intends to utilize the Hold-the-Offering-Price Requirements, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires.

(h) Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the public for purposes of this Notice Inviting Bids. Further, for purposes of this Notice Inviting Bids:

- (1) "Public" means any person other than an Underwriter or a Related Party;

- (2) "Underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the 2020A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to

participate in the initial sale of the 2020A Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2020A Bonds to the public);

(3) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates are treated as separate Maturities;

(4) a purchaser of any of the 2020A Bonds is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(5) “Sale Date” means the date that the 2020A Bonds are awarded by the City to the successful bidder.

#### **California Debt and Investment Advisory Commission**

The successful bidder will be required to pay any fees due to the California Debt and Investment Advisory Commission (“CDIAC”) under California law. CDIAC will invoice the successful bidder after the delivery of the 2020A Bonds.

#### **CUSIP Numbers and Other Fees**

It is anticipated that CUSIP numbers will be printed on the 2020A Bonds, but neither the failure to print such numbers on any 2020A 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 said 2020A Bonds in accordance herewith. The City’s Municipal Advisor will apply for CUSIP numbers for the 2020A Bonds and will submit the CUSIP numbers to Parity to be provided to all bidders. All charges of the CUSIP Service Bureau for the assignment of CUSIP numbers for the 2020A Bonds shall be paid by the successful bidder. The successful bidder shall also be required to pay all fees required by DTC, the Securities Industry and Financial Markets Association, the Municipal Securities Rulemaking Board and any other similar entity imposing a fee in connection with the issuance and delivery of the 2020A Bonds.

#### **No Litigation**

There is no litigation pending concerning the validity of the 2020A Bonds, the corporate existence of the City, or the title of the officers thereof to their respective offices, and the City will furnish to the successful bidder a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the 2020A Bonds.

## **Official Statement**

The City has approved a Preliminary Official Statement dated November 5, 2020, which the City has “deemed final” for purposes of Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission although subject to revision, amendment and completion in a final Official Statement in conformity with such Rule. The City will furnish to the successful bidder, at no expense to the successful bidder, within seven (7) business days of the award date, the Official Statement, in electronic format.

## **Certificate Regarding Official Statement**

The City will provide to the successful bidder of the 2020A Bonds a certificate, signed by a responsible officer, confirming to the successful bidder that, at the time of the acceptance of its bid for the 2020A Bonds and at the time of delivery thereof, the Preliminary Official Statement and the final Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

## **Delivery and Payment**

Delivery of the 2020A Bonds is expected to occur on or about December 1, 2020. The 2020A Bonds will be delivered in New York, New York (by Fast Automated Securities Transfer) to DTC. The successful bidder shall pay for the 2020A Bonds on the date of delivery in Federal Reserve Bank funds or equivalent immediately available funds. Payment on the delivery date shall be made in an amount equal to the price bid for the 2020A Bonds less the amount of the Good Faith Deposit. Any expense of providing immediately available funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the successful bidder.

## **Right of Cancellation by City**

The City reserves the right at any time prior to and including the day of the bid opening, to cancel the public sale of the 2020A Bonds. In such event, the City shall cause notice of the cancellation of this invitation for bids and the public sale of the 2020A Bonds to be communicated through MuniOS or TM3 as promptly as practicable. However, no failure to publish such notice, failure of any prospective bidder to receive such notice or any defect or omission therein shall affect the cancellation of the public sale of the 2020A Bonds.

## **Right of Cancellation by Bidder**

The successful bidder shall have the right, at its option, to cancel its obligation to purchase the 2020A Bonds if the City shall fail to execute the 2020A Bonds and tender the same for delivery within 30 days from the date of award thereof, and in such event the successful bidder shall be entitled to the return of the Good Faith Deposit accompanying its proposal.

## **Springing Amendment to Indenture**

*Terms of Amendment.* The amendment to the Indenture described below shall become effective upon the earlier to occur of: (i) the first date upon which the City has filed with the

Trustee the written consent of a majority of the aggregate principal amount of Bond Obligations of the Bonds Outstanding as of the effective date of the Sixth Supplement (but excluding the 2020A Bonds for the purposes of such calculation), or any consent in lieu thereof in accordance with Section 8.01 of the Indenture has been obtained, or (ii) the first date upon which all of the Outstanding 2011A Bonds and 2017A Bonds have been defeased, paid or discharged in accordance with their terms and are no longer Outstanding for purposes of the Indenture. The purchase of Bonds issued pursuant to the Indenture after the effective date of the Sixth Supplement shall constitute the consent of such purchasers, as Bond Owners, to the amendments in Article VIII of the Indenture.

***Reserve Fund Requirement.*** The definition of Reserve Fund Requirement in Section 1.02 of the Indenture is amended and restated in its entirety as follows:

“Reserve Fund Requirement” means zero.

***Investment of Moneys in Funds and Accounts.*** The first sentence of the first paragraph of Section 5.05 is amended and restated in its entirety as follows:

“Unless otherwise limited in the Supplemental Indenture, all moneys in any of funds and accounts held by the Trustee and established pursuant to this Indenture shall be invested, as directed by the City, solely in Investment Securities; provided, however, that Investment Securities purchased with moneys held by the Trustee in the Parity Reserve Fund shall have an average weighted term to maturity not greater than ten (10) years, unless otherwise agreed to by each Credit Provider.”

#### **Additional Information**

Copies of the Ordinance, the Indenture, and the Preliminary Official Statement will be furnished to any potential bidder upon request made to the City’s Municipal Advisor, Public Resources Advisory Group, 11500 West Olympic Boulevard, Suite 502, Los Angeles, California 90064, Attention: Edmund Soong (telephone (310) 477-1453).

Date: \_\_\_\_\_, 2020

\_\_\_\_\_  
/s/ Matthew Hawkesworth

Director of Finance  
City of Pasadena



**EXHIBIT A**  
**ISSUE PRICE CERTIFICATE**

**(VERSION 1 – USED IF 3 BIDS FROM COMPETITIVE PROVIDERS ARE RECEIVED)**

This certificate is being delivered by \_\_\_\_\_, the purchaser (the “Purchaser”) in connection with the issuance by the City of Pasadena, California (the “City”) of the City of Pasadena, California Water Revenue/Refunding Bonds, 2020A Series (the “Bonds”). The Purchaser hereby certifies and represents that:

**1. Reasonably Expected Initial Offering Price.**

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed on Schedule A attached hereto (the “Initial Offering Prices”). The Initial Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

**2. Defined Terms.**

(a) *Maturity* means the Bonds maturing on the same date and bearing the same credit and payment terms. Bonds with different payment dates are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter. The term “Related Party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is November 16, 2020.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury

Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Nixon Peabody LLP, Bond Counsel, in connection with rendering its opinion that the interest evidenced by the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

[PURCHASER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: [EXECUTION AND DELIVERY DATE]

## ISSUE PRICE CERTIFICATE

### [VERSION 2 – USED IF THE COMPETITIVE SALE REQUIREMENTS OF 3 BIDS FROM COMPETITIVE PROVIDERS ARE NOT SATISFIED AND PURCHASER ELECTS TO UTILIZE THE 10% TEST FOR ALL MATURITIES]

This certificate is being delivered by \_\_\_\_\_, the purchaser (the “Purchaser”) in connection with the issuance by the City of Pasadena (the “City”) of the City of Pasadena, California Water Revenue/Refunding Bonds, 2020A Series (the “Bonds”). The Purchaser hereby certifies and represents that:

1. As of the date hereof, other than the Bonds listed on Schedule A hereto as undersold maturities (the “Undersold Maturities”), the first single price or yield at which at least 10% of each Maturity of the Bonds was sold by the Purchaser to the Public was the price set forth on Schedule A hereto.

2. With respect to the Undersold Maturities, the Purchaser agrees to notify the City in writing of the first single price or yield at which at least 10% of each such Undersold Maturity is ultimately sold by the Purchaser to the Public as soon as practicable after such applicable sales have occurred. If all of an Undersold Maturity is sold to the Public but not more than 10% of the Undersold Maturity is sold by the Purchaser to the Public at any particular price or yield, the Purchaser agrees to notify the City in writing of the amount of the Undersold Maturity sold by the Purchaser to the Public at each of the respective prices or yields at which the Undersold Maturity is sold to the Public.

3. *Defined Terms.*

(a) *Maturity* means the Bonds maturing on the same date and bearing the same credit and payment terms. Bonds with different payment dates are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter. The term “Related Party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is November 16, 2020.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically

Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Nixon Peabody LLP, Bond Counsel, in connection with rendering its opinion that the interest evidenced by the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

[PURCHASER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: [EXECUTION AND DELIVERY DATE]

## ISSUE PRICE CERTIFICATE

### [VERSION 3 --- USED IF THE COMPETITIVE SALE REQUIREMENTS OF 3 BIDS FROM COMPETITIVE PROVIDERS ARE NOT SATISFIED AND PURCHASER SELECTS HOLD-THE-OFFERING-PRICE RULE FOR CERTAIN MATURITIES]

This certificate is being delivered by \_\_\_\_\_, the purchaser (the "Purchaser") in connection with the issuance by the City of Pasadena (the "City") of the City of Pasadena, California Water Revenue/Refunding Bonds, 2020A Series (the "Bonds"). The Purchaser hereby certifies and represents that:

1. As of the date hereof, other than the Bonds listed on Schedule A hereto as undersold maturities (the "Undersold Maturities"), the first single price or yield at which at least 10% of each Maturity of the Bonds was sold by the Purchaser to the Public was the price set forth on Schedule A hereto.

2. For each Undersold Maturity indicated on Schedule A as a 10% Rule Maturity (an "Undersold 10% Rule Maturity"), the Purchaser agrees to notify the City in writing of the first single price or yield at which at least 10% of each such Undersold 10% Rule Maturity is ultimately sold by the Purchaser to the Public as soon as practicable after such applicable sales have occurred. If all of an Undersold 10% Rule Maturity is sold to the Public but not more than 10% of the Undersold 10% Rule Maturity is sold by the Purchaser to the Public at any particular price or yield, the Purchaser agrees to notify the City in writing of the amount of the Undersold 10% Rule Maturity sold by the Purchaser to the Public at each of the respective prices or yields at which the Undersold 10% Rule Maturity is sold to the Public.

3. The Purchaser offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

4. As set forth in the Official Notice Inviting Bids and bid award, the Purchaser has agreed in writing that, (i) for each Undersold Maturity of the Bonds identified on Schedule A as a HTP Maturity (an "Undersold HTP Maturity"), it would neither offer nor sell any of the Bonds of such Undersold HTP Maturity to any person at a price that is higher than the Initial Offering Price for such Undersold HTP Maturity during the Holding Period for such Undersold HTP Maturity (the "Hold-the-Offering-Price Requirement"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the Hold-the-Offering-Price Requirement. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Undersold HTP Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Undersold HTP Maturity of the Bonds during the Holding Period.

5. ***Defined Terms.***

(a) *Holding Period* means, with respect to a HTP Maturity, the period starting on the Sale Date (\_\_\_\_\_) and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriters have sold at least 10% of such Undersold HTP Maturity to the Public at prices that are no higher than the Initial Offering Price for such Undersold HTP Maturity.

(b) *Maturity* means the Bonds maturing on the same date and bearing the same credit and payment terms. Bonds with different payment dates are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter. The term "Related Party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is November 16, 2020.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Nixon Peabody LLP, Bond Counsel, in connection with rendering its opinion that the interest evidenced by the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

[PURCHASER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: [EXECUTION AND DELIVERY DATE]

**SCHEDULE A TO ISSUE PRICE CERTIFICATE**

**TO BE USED IF COMPETITIVE SALE REQUIREMENTS OF 3 BIDS FROM  
COMPETITIVE PROVIDERS ARE NOT SATISFIED**

**THE PURCHASER SHALL IDENTIFY WHICH MATURITIES OF THE BONDS WILL  
BE SUBJECT TO THE 10% RULE AND WHICH TO THE HOLD-THE-OFFERING  
PRICE RULE AS DESCRIBED IN THE OFFICIAL NOTICE INVITING BIDS.**

<b>Payment Date (June 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Issue Price</b>	<b>10% Rule Maturity</b>	<b>HTP Maturity</b>
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**SCHEDULE B TO ISSUE PRICE CERTIFICATE**  
**PRICING WIRE (OR EQUIVALENT COMMUNICATION) (OR BID SUBMITTED, AS**  
**APPLICABLE)**