
OFFICIAL NOTICE OF SALE
CITY OF BRENTWOOD, TENNESSEE



\$3,775,000*
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017

Electronic Bids Only Due No Later Than

9:45 A.M., CT
January 24, 2017

RAYMOND JAMES®

Financial Advisor
1 Burton Hills Blvd. – Suite 225
Nashville, Tennessee 37215
800-764-1002

* Subject to adjustment and revision as outlined herein

OFFICIAL NOTICE OF SALE

\$3,775,000*

CITY OF BRENTWOOD, TENNESSEE General Obligation Refunding Bonds, Series 2017

NOTICE IS HEREBY GIVEN that electronic bids only will be received by the Mayor of the City of Brentwood, Tennessee (the "Municipality"), until 9:45 a.m., CT on January 24, 2017 (or at such later time and date announced at least forty-eight hours in advance via IPREO's BiDCOMP®/Parity® system) for the purchase of not less of \$3,775,000* General Obligation Refunding Bonds, Series 2017 (the "Bonds") of the Municipality. Electronic bids must be submitted through BiDCOMP®/Parity® as described herein and no other provider of electronic bidding services will be accepted. See "Bidding Instructions" herein.

Description of the Bonds. The Bonds will be issued in fully registered, book-entry form (except as set forth herein) without coupons and will be initially issued or reissued upon transfer in \$5,000 denominations or multiples thereof, as shall be requested by the purchaser or registered owner thereof, as applicable. Interest on the Bonds will be payable on March 1 and September 1 of each year, commencing September 1, 2017.

The Bonds will be dated the date of their issuance expected to be on or about February 3, 2017*. The Bonds will mature and be payable on each year as outlined in the section entitled "Preliminary Amortization Schedules" herein.

Bank Qualification. The Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended.

Registration and Depository Participation. The Bonds, when issued, will be registered in the name of Cede & Co., DTC's partnership nominee. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry system maintained by DTC (the "Book-Entry-Only System"). One or more fully-registered Bond certificates will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC. The book-entry system will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 for the Bonds and any integral multiple of \$5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. The Bonds will be payable, at maturity to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments (as applicable) to beneficial owners of the Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The Municipality will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

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Notwithstanding the foregoing, if the winning bidder certifies that it intends to hold the Bonds for its own account and has no present intent to reoffer the Bonds, then use of the Book- Entry system is not required.

In the event that the book-entry only system for the Bonds is discontinued and a successor securities depository is not appointed by the Municipality, Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of \$5,000 for the Bonds or integral multiples thereof. The ownership of Bonds so delivered shall be registered in registration books to be kept by the Registration Agent (named herein) at its principal corporate trust office, and the Municipality and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Resolution authorizing the Bonds.

Purpose. The Bonds are being issued for the purpose of providing funds to (i) refund the Municipality's outstanding Water Revenue and Tax Refunding Bonds, Series 2006, dated January 6, 2006, maturing September 1, 2017 through September 1, 2020, inclusive (the "Series 2006 Bonds"), and a portion of its General Obligation Improvement Bonds, Series 2007, dated December 12, 2007, maturing March 1, 2028 (collectively, the "Outstanding Bonds"); (ii) and pay all or a portion of the costs of issuance and sale of the Bonds.

Security. The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the Municipality is irrevocably pledged. Any portion of the Bonds attributable to the refunding of the Series 2006 Bonds (as defined above) are additionally payable from, although not secured by, the revenues of the water and sewer system of the Municipality.*

Optional Redemption. Bonds maturing September 1, 2017 through September 1, 2023, inclusive shall mature without option of prior redemption. Bonds maturing September 1, 2024 and thereafter shall be subject to redemption prior to maturity at the option of the Municipality on September 1, 2023 and thereafter, as a whole or in part, at any time at the redemption price of par plus accrued interest to the redemption date.

Term Bond Option; Mandatory Redemption. Bidders shall have the option to designate certain consecutive serial maturities of the Bonds as term Bonds ("Term Bonds") bearing a single interest rate or yield. If the successful bidder for the Bonds designates certain consecutive serial maturities of the each series of the Bonds to be combined as one or more Term Bond as allowed herein, then such Term Bond shall be subject to mandatory sinking fund redemption by the Municipality at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bond to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the proposal of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed herein for such principal payment date. Term Bonds to be redeemed within a

* Approximately 23.93% of the Bonds are supported by the net revenues of the water and sewer system of the Municipality. See page B-15 for of the "Preliminary Official Statement" additional information.

single maturity shall be selected in the manner provided for optional redemption of the Bonds within a single maturity.

Bidding Instructions. Electronic bids for the Bonds must be submitted through IPREO's BiDCOMP®/Parity® system and no other provider of electronic bidding services will be accepted. Subscription to the IPREO's BiDCOMP®/Parity® competitive bidding system is required in order to submit an electronic bid. The Municipality will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time as maintained by BiDCOMP®/Parity® shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in BiDCOMP®/Parity® conflict with the terms of the *Official Notice of Sale*, the *Official Notice of Sale* shall prevail. Electronic bids made through the facilities of BiDCOMP®/Parity® shall be deemed an offer to purchase in response to the Official Notice of Sale and shall be binding upon the bidder as if made by a signed, sealed written bid delivered to the Municipality. The Municipality, Bond Counsel and the Financial Advisor shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by IPREO. The use of the IPREO's BiDCOMP®/Parity® facilities is at the sole risk of the prospective bidders. Further information regarding BiDCOMP®/Parity® may be obtained from IPREO (www.newissuehome.i-deal.com).

Bidding Specifications.

INTEREST		BIDDING	
Dated Date:*	February 3, 2017	Bids Due:	9:45 a.m., CT, January 24, 2017
Delivery Date:*	February 3, 2017	Bids Accepted/Rejected:	By Mayor following bidding
Day Count:	30/360	Electronic Submission:	IPREO's BiDCOMP/Parity <u>only</u>
Interest Payment Dates:	March 1 and September 1	Award Basis:	Lowest TIC
First Interest:	September 1, 2017	All or None:	Yes
Coupon Multiples:	0.01% and/or 0.125% of 1.0%	Good Faith Deposit:	2.0% of the adjusted par amount. See page 7 herein for complete transmittal instructions
High Coupon:	4.0%		
Low Coupon:	2.0%	Term Bonds:	Permitted. See page 3
Rate Per Maturity:	One		
Ascending Coupons:	Not required		
PRINCIPAL		PRICING	
Par Amount:*	\$3,775,000	Minimum Bid:	Not Less Than 100.0% of par
Due Date:	September 1 as shown below	Maximum Bid:	Not Greater Than 120.0%
Term Bonds:	Permitted as described herein	Zero Coupon:	Not permitted
Denominations:	\$5,000 or Multiples Thereof		
Optional Redemption:	September 1, 2023 @ par		
Adjustments:	Yes, see the following paragraph for details		

* Subject to adjustment and revision outlined herein

Preliminary Amortization Schedules

September 1*	Bonds*	September 1*	Bonds*
2017	\$200,000	2023	\$300,000
2018	465,000	2024	305,000
2019	480,000	2025	310,000
2020	495,000	2026	320,000
2021	280,000	2027	335,000
2022	285,000		

Adjustment and/or Revision. While it is the Municipality's intention to sell and issue the approximate par amount of the Bonds as offered herein, there is no guarantee that adjustments and/or revisions may not be necessary in order to properly size the Bonds. Accordingly, the Municipality reserves the right, in its sole discretion, to adjust the total original par amount of the Bonds without limitation, but in no case shall the aggregate amount exceed \$4,100,000. The Municipality reserves the right to make corresponding adjustments in each maturity of the Bonds as described in the following paragraphs.

The Municipality reserves the right in its sole discretion to adjust (up or down) the original par amount of each maturity without limitation and/or to cancel one or more maturities in their entirety. Among other factors the Municipality may (but shall be under no obligation to do so) consider in sizing the transaction and individual par amounts of each maturity are the amount of premium bid per maturity, the size of the individual maturities or sinking fund installments and assuring other preferences of the Municipality.

In the event of any such adjustment and/or revision, no rebidding will be permitted. The Underwriter's Discount on the Bonds as submitted by the successful bidder shall be held constant. The "Underwriter's Discount" shall be defined as the difference between the purchase price of the Bonds submitted by the bidder and the price at which the Bonds will be issued to the public, as calculated from information provided by the bidder, divided by the par amount of the bid.

Notwithstanding the paragraph above, prior to the sale, the Municipality will make a decision on whether to adjust the amortization schedule and the par amounts of each maturity of the Bonds. Unless the market is notified via the BiDCOMP®/Parity® bidding system not later than 12:00 Noon (CT) on the business day preceding the sale date, the Bonds will be offered as outlined herein, but subject to the foregoing additional adjustments, if necessary.

The successful bidder for Bonds will be notified not later than 4:00 p.m., CT, on the sale date of the exact revisions and/or adjustments required

Award. Unless bids are rejected, the Bonds will be awarded on an all or none basis on the sale date to the bidder whose bid results in the lowest true interest rate for the Bonds to be calculated as that rate (or yield) that, when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the date of the Bonds), produces an amount equal to the purchase price of the Bonds, exclusive of accrued interest. For purposes of

calculating the true interest cost, the principal amount of any Term Bond scheduled for mandatory sinking fund redemption as part of the Term Bond shall be treated as a serial maturity in such year for the Bonds. In the event that two or more bidders offer to purchase the Bonds at the same lowest true interest rate, the Mayor shall determine (in her sole discretion) which bidder shall be awarded the Bonds.

The Municipality reserves the right to reject all bids for the Bonds and to waive informalities in the bids accepted.

Good Faith Deposit. No good faith check will be required to accompany any bid submitted. The successful bidder shall be required to deliver to the Municipality's Financial Advisor (wire transfer or certified check) the amount of 2.0% of the aggregate principal amount of the Bonds (determined following final sizing) that will secure the faithful performance of the terms of the bid. A certified check or wire transfer must be received by the Financial Advisor no later than the close of business on the day following the competitive sale.

A wire transfer may be sent to:

Citibank NA 111 Wall Street
New York, NY 10043 ABA Number: 021000089
For Credit to: Raymond James & Associates, Inc. Account Number: 40776559
For Benefit of: FI/PF FIN REP [TN1140 – City of Brentwood, TN Good Faith]

The good faith deposit shall be applied (without interest) to the purchase price of the Bonds. If the successful bidder should fail to accept or pay for the Bonds when tendered for delivery and payment, the good faith deposit will be retained by the Municipality as liquidated damages.

In the event of the failure of the Municipality to deliver the Bonds to the purchaser in accordance with the terms of this Detailed Notice of Sale within 45 days after the date of the sale, the good faith deposit will be promptly returned to the purchaser unless the purchaser directs otherwise.

Reoffering Prices; Other Information. The successful bidder must furnish the following information to the Municipality to complete the *Official Statement* in final form within 2 hours after receipt and award of the bid for the Bonds:

1. The initial offering prices or yields for the Bonds (expressed as a price or yield per maturity, exclusive of any accrued interest, if applicable);
2. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields as provided above);
3. The identity of the underwriters if the successful bidder is part of a group or syndicate; and
4. Any other material information necessary to complete the Official Statement in final form but not known to the Municipality.

In addition, within two hours of the award of the Bonds, the successful bidder shall furnish to the Municipality a certificate acceptable to Bond Counsel stating: (i) the reoffering prices (as shown

in the bidder's winning bid); (ii) that the successful bidder will make a bona fide public offering of all of the Bonds at such reoffering prices; and (iii) that such successful bidder reasonably expects that the Bonds (or at least 10% of each maturity of the Bonds) will be sold to the public (excluding bond houses, brokers and other intermediaries) at or below those reoffering prices.

As a condition to the delivery of the Bonds, the successful bidder will be required to deliver a certificate to the Municipality confirming that nothing has come to the bidder's attention that would lead it to believe that its certification with respect to the reoffering prices of the Bonds given in connection with the award of the Bonds is inaccurate, and addressing such other matters as to the reoffering prices of the Bonds as Bond Counsel may request.

Legal Opinion. The unqualified approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel along with other certificates including, but not limited to, a tax certificate and a continuing disclosure certificate dated as of the date of delivery of the Bonds will be furnished to the purchaser at the expense of the Municipality. As set forth in the accompanying *Preliminary Official Statement* (which is incorporated herein by reference), Bond Counsel's opinion with respect to the Bonds will state that interest on the Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal law alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. As set forth in the *Preliminary Official Statement*, the owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. Reference is hereby made to the *Preliminary Official Statement* and the form of the opinion which is contained in Appendix A.

Continuing Disclosure. At the time the Bonds are delivered, the Municipality will execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information relating to the Municipality by not later than twelve months after each of the Municipality's fiscal years, (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board ("MSRB") through the operation of the Electronic Municipal Market Access system ("EMMA") and any State Information Depository established in the State of Tennessee (the "SID"). If the Municipality is unable to provide the Annual Report to the MSRB and the SID by the date required, notice of each failure will be sent to the MSRB and the SID on or before such date. The notices of certain enumerated events will be filed by the Municipality with the MSRB and the SID. The specific nature of the information to be contained in the Annual Report or the notices of events will be summarized in the Municipality's *Official Statement* to be prepared and distributed in connection with the sale of the Bonds.

Reference is hereby made to page 21 in the *Preliminary Official Statement* ("MISCELLANEOUS – Continuing Disclosure") and the form of the certificate which is contained in Appendix C: "Form of Continuing Disclosure Certificate".

Delivery of Bonds. Delivery of the Bonds is expected on or about February 3, 2017* although that date is subject to change and will be finalized when the Bonds are awarded. At least a 5 day notice will be given the successful bidder. Delivery will be made in book-entry form through the

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facilities of The Depository Trust Company, New York, New York. Payment for the Bonds must be made in Federal Funds or other immediately available funds.

CUSIP Numbers. CUSIP numbers will be assigned to the Bonds at the expense of the Underwriter. The Municipality will assume no obligation for assignment of such numbers or the correctness of such numbers and neither failure to record such numbers on the Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and make payment for the Bonds. The successful bidder must furnish the CUSIPS to the Municipality to complete the *Official Statement* in final form within 2 hours after receipt and award of the bid for the Bonds.

Official Statements; Other. The Municipality has deemed the *Preliminary Official Statement* to be final as of its date within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) except for the omission of certain pricing and other information. The Municipality will furnish the successful bidder at the expense of the Municipality a reasonable number of copies of the *Official Statement* in final form, containing the pricing and other information supplied by the successful bidder which will be dated the date of the sale. The *Official Statement*, together with the foregoing information will be delivered by the successful bidder and to the persons to whom such bidder and members of the bidding group initially sell the Bonds. Acceptance of the bids for the Bonds will constitute a contract between the Municipality and the successful bidder for the provision of such copies within seven business days of the sale date.

Further Information. Additional information, including the *Preliminary Official Statement* and the *Official Notice of Sale* may be obtained from iProspectus at (www.i-dealprospectus.com) or the Municipality’s Financial Advisor, Raymond James & Associates, Inc., One Burton Hills Blvd. - Suite 225, Nashville, Tennessee 37215-6299, Telephone: 615.665.6920 or 800.764.1002. Further information regarding BiDCOMP®/Parity® may be obtained from **IPREO** (www.newissuehome.i-deal.com).

/s/ Regina Smithson

Mayor