

NOTICE OF SALE DATED APRIL 14, 2017

CITY OF AUGUSTA, MAINE \$7,210,000 2017 GENERAL OBLIGATION BONDS

Notice is hereby given that electronic proposals for the purchase of all of the \$7,210,000 2017 General Obligation Bonds (the “Bonds”) will be received by the City of Augusta, Maine (the “City”) via **PARITY**[®], in the manner described below, until 11:00 am, local time, on Thursday, April 27, 2017. Bids must be submitted electronically via **PARITY**[®] pursuant to this Notice until 11:00 am, local time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY**[®] conflict with this Notice, the terms of this Notice shall control. For further information about **PARITY**[®], potential bidders may contact **PARITY**[®] at (212) 849-5021.

UNTIL 11:00 O'CLOCK A.M. (E.D.S.T.), THURSDAY, APRIL 27, 2017

At which time and place all such proposals will be publicly announced for the purchase of all of the following:

\$7,210,000 2017 General Obligation Bonds

MATURITY SCHEDULE

<u>October 1,</u>	<u>Amount</u>	<u>May 1,</u>	<u>Amount</u>
2017	\$445,000	2027	\$325,000
2018	445,000	2028	325,000
2019	445,000	2029	325,000
2020	440,000	2030	325,000
2021	435,000	2031	325,000
2022	405,000	2032	270,000
2023	405,000	2033	270,000
2024	405,000	2034	270,000
2025	405,000	2035	270,000
2026	405,000	2036	270,000

The Bonds will be dated as of the date of their delivery. Interest will be payable on October 1, 2017 and semi-annually on each April 1st and October 1st thereafter until maturity or redemption prior to maturity.

This Notice of Sale sets forth only a brief summary of certain provisions of the Bonds. For additional information pertaining to the Bonds, a prospective bidder should refer to the City’s Preliminary Official Statement with respect to the Bonds and dated as of the date hereof (the “Preliminary Official Statement”). In the event of any conflict between the Preliminary Official Statement and this Notice of Sale, the Preliminary Official Statement shall control.

The Bonds are being issued by the City pursuant to certain laws of the State of Maine, the city charter of the City and certain orders of the city council of the City. The Bonds are being issued to provide funds to finance acquisition, construction, renovation, reconstruction, improvement and repair of City facilities and equipment.

The City has not contracted for the issuance of any policy of municipal bond insurance for the Bonds. If the Bonds qualify for a commitment for, or issuance of, any such policy, any purchase of such commitment or insurance shall be at the sole option and expense of the bidder and any increased costs of issuance or delivery of the Bonds resulting by reason of such insurance shall be paid by such bidder. Proposals shall not be conditioned upon the issuance of any such commitment or policy and any failure of the Bonds to be insured

or of any such commitment or policy to be issued shall not in any way relieve the purchaser of their contractual obligations arising from the City's acceptance of their proposal for the purchase of the Bonds.

The Bonds will be issued in book-entry-only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive certificates representing their interests in the Bonds. Individual purchases will be in the principal amount of \$5,000 and multiples thereof. Payments of principal, interest and redemption premium, if any, will be made to DTC for subsequent disbursement by DTC.

The Bonds are subject to optional redemption prior to maturity at the discretion of the City. See "THE BONDS - Optional Redemption Prior to Maturity" in the Preliminary Official Statement.

The successful bidder shall, within one hour after being notified of the oral award of the Bonds, advise the City of the initial public reoffering price of each maturity of the Bonds, expressed both as a stated amount and as a percentage of the principal amount of such maturity (each a "Reoffering Price").

As of the date of delivery of the Bonds and as a condition precedent to the delivery of the Bonds by the City, the successful bidder shall furnish to the City a certificate acceptable to Preti, Flaherty, Beliveau, & Pachios, LLP, bond counsel to the City ("Bond Counsel") to the effect that (i) each maturity of the Bonds was the subject of a bona fide initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers (collectively, "Wholesalers")) on the date of the written award of the Bonds to the successful bidder (the "Award Date") at the Reoffering Price for such maturity; (ii) the successful bidder first sold not less than 10% of each maturity of the Bonds to the public (excluding Wholesalers) on the Award Date at prices not greater than the Reoffering Price for such maturity; (iii) as to maturities, if any, to be specified in such certificate (each an "Excepted Maturity") for which there were insufficient sales to the public (excluding Wholesalers) to make the certification in (ii) for all maturities of the Bonds, the successful bidder reasonably expected as of the Award Date to sell each such Excepted Maturity at prices not greater than the Reoffering Price for such Excepted Maturity; (iv) the successful bidder had no reason to believe as of the Award Date that any maturity of the Bonds would be sold to the public (excluding Wholesalers) at prices greater than the Reoffering Price for such maturity; and (v) the Reoffering Price for each maturity of the Bonds did not exceed the fair market value of such maturity as of the Award Date. In the event that the Bonds shall be held by the successful bidder for investment and not to be offered for resale to the public, the successful bidder shall specify in such certificate the purchase price being paid by the successful bidder to the City for each such maturity, which purchase price shall be at least equal to the fair market value price of such maturity or maturities on the date of sale to the successful bidder. The certificate shall also set forth the arbitrage yield on the Bonds.

The certificate shall state that it is made on the best knowledge, information and belief of the successful bidder after appropriate investigation.

Bids must specify the amount bid for the Bonds, which amount must be not more than 103.0% of the par amount of the Bonds (excluding amounts retained by a bidder as compensation and to pay the cost of municipal bond insurance, if any). Bids must state in a multiple of one-eighth ($\frac{1}{8}$) or one-twentieth ($\frac{1}{20}$) of one percent (1%) the rate or rates of interest per annum which the several maturities of the Bonds are to bear. No interest rate for any maturity of the Bonds may be lower than any interest rate for any prior maturity of the Bonds. Each maturity of the Bonds shall bear interest at the same rate, not in excess of 5% per annum, and no rate of interest for any maturity of the Bonds may exceed the rate of interest for any other maturity of the Bonds by more than 4% per annum. Bids which include split or supplemental interest rates will not be considered.

As between proposals which comply with this Notice of Sale, and unless the City rejects all bids, the Bonds will be sold to the bidder whose proposal offers to purchase all of the Bonds at the lowest true interest cost ("TIC") which is the annual interest rate, compounded semiannually, which, when used to discount

to **May 11, 2017**, the expected delivery and dated date of the Bonds, all payments of principal and interest payable on the Bonds, results in an amount equal to the purchase price for the Bonds which will include any premium bid thereon. The TIC shall be computed to four decimal places.

By submitting a bid for the Bonds, a prospective bidder represents and warrants to the City that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds. An electronic bid made through the facilities of Parity shall be deemed an unconditional and irrevocable offer, in response to the Official Notice of Sale, which shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City and which shall be a binding contractual obligation of the bidder, when and if accepted by the City.

The oral award of the sale of the Bonds is subject to written confirmation by the City. When the successful bidder has been ascertained, the City will notify such bidder orally. Promptly thereafter, and if the bidder has not already done so, such bidder shall provide to the City a completed, signed Confirmation of Sale, the form of which is available upon request. Then the City will make the award in writing if the completed, signed Confirmation of Sale conforms to the terms of the electronic bid and the oral award. The right is reserved to reject any or all proposals and to reject any proposal not complying with this Notice of Sale, and, so far as permitted by law, to waive any irregularity or informality with respect to any proposal. As between the lowest bids that are equal, the bid that is received earliest as per the bid submission clock on the **PARITY**[®] system shall be deemed the low bid. A final decision as to the award of the bid rests with the City.

It is anticipated that CUSIP identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the City, provided, however, that the City assumes no responsibility for any CUSIP Service Bureau charge or other charges that may be imposed for the assignment of such numbers.

Bids must be placed through Parity[®].

The Preliminary Official Statement is in a form "deemed final" by the City for purposes of SEC Rule 15c2-12(b)(1) but is subject to revision, amendment and completion in a final Official Statement.

Additional information concerning the City and the Bonds is contained in the Preliminary Official Statement which has been distributed and to which prospective bidders are directed. The Preliminary Official Statement is provided for informational purposes only and is not a part of this Notice of Sale.

Copies of the Preliminary Official Statement may be obtained from Northeast Municipal Advisors LLC at (207) 797-6681. The purchaser will be furnished 25 copies of the City's final Official Statement with respect to the Bonds and prepared at the City's expense within seven (7) business days after the date of the written award. Additional copies may be obtained by the purchaser at its own expense by arrangement with the Preliminary Official Statement printer. The purchaser will be responsible for filing a completed DTC Eligibility Questionnaire and the MSRB Form G-36(OS) and for the electronic filing of the Official Statement at <http://emma.msrb.org/submission>. The original opinion of Bond Counsel and certificates and copies of the supporting documents delivered in connection with the issuance of the Bonds will be kept by the City, and may be examined, at City Hall, Augusta, Maine.

Northeast Municipal Advisors LLC has acted as financial advisor to the City with respect to the issuance of the Bonds pursuant to Municipal Securities Rulemaking Board Rules G-23 and G-42. Northeast Municipal Advisors LLC will not participate in the public bidding for the Bonds.

It is expected that delivery of the Bonds will be made to the successful bidder on May 11, 2017 through the facilities of DTC. The successful bidder shall pay for the Bonds on the date of delivery in **IMMEDIATELY AVAILABLE FEDERAL FUNDS** by 10:00 a.m. on the date of delivery. Any

expenses of providing immediately available funds shall be borne by the successful bidder. Payment on the delivery date shall be made in an amount equal to the price bid for the Bonds. Delivery of documents other than the Bonds which will be provided in connection with the issuance of the Bonds, including the opinion of Bond Counsel, certain certificates and other supporting documents, shall be made electronically and at the office of Bond Counsel in Augusta, Maine.

It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that it shall be furnished, without cost, with the following documents:

- (a) The approving opinion of Bond Counsel, substantially in the form set forth in Appendix B of the Preliminary Official Statement;
- (b) A certificate of an official of the City in form satisfactory to Bond Counsel dated as of the date of delivery of the Bonds to the effect that there is no litigation pending or, to the knowledge of such official, threatened, affecting the validity of the Bonds or the power of the City to levy and collect taxes to pay them, and that neither the corporate existence nor boundaries of the City, nor the title of certain officers of the City to their respective offices, is being contested;
- (c) A certificate of an official of the City to the effect that, to the best of his knowledge and belief, as of the date of sale of the Bonds and as of the date of delivery of the Bonds, the final Official Statement of the City did not and does not contain any untrue statement of a material fact and did not and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, subject to certain exceptions; and
- (d) The Continuing Disclosure Certificate of an official of the City substantially in the form set forth in Appendix C of the Preliminary Official Statement.

The information and descriptions in this Notice of Sale do not purport to be complete, comprehensive or definitive. Statements regarding specific documents, including the laws of the State of Maine and the Bonds, are summaries of, and subject to, the detailed provisions of such laws and documents and are qualified in their entirety by reference to each such law and document.

DATED: April 14, 2017

CITY OF AUGUSTA, MAINE

By: _____
Raphael St. Pierre
Assistant City Manager for Finance and
Administration

TERMS

ISSUER:	City of Augusta, Maine
ISSUE:	2017 General Obligation Bonds
RATING:	Standard & Poor's: AA, Stable Outlook
PRINCIPAL AMOUNT:	\$7,210,000
TRUE INTEREST COST RATE (TIC):	____.____%
DATED DATE:	On or about May 11, 2017
DUE DATES:	October 1, 2017-2036
CALL FEATURES:	Bonds are subject to redemption prior to maturity. <u>See</u> Preliminary Official Statement dated April 14, 2017 for details.
INTEREST DUE:	Semi-Annually, April 1 and October 1 beginning October 1, 2017
FUNDS:	Federal Funds (Same Day Funds)
TAX STATUS:	Federal and State of Maine tax-exempt, not subject to AMT
Q&D STATUS:	The Bonds <u>WILL BE</u> designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code
PURCHASER:	_____
CUSIP:	_____
BOND FORM:	DTC - BEO
DENOMINATIONS:	Pieces by \$5,000
CLOSING DATE:	On or about May 11, 2017
PAYING AGENT:	City of Augusta, Augusta, Maine
LEGAL OPINION:	Preti, Flaherty, Beliveau & Pachios, LLP, Augusta, Maine
FINANCIAL ADVISOR:	Northeast Municipal Advisors LLC, Portland, Maine