

**OFFICIAL NOTICE OF SALE**

**CITY OF OAKLAND  
GENERAL OBLIGATION BONDS**

**CONSISTING OF**

**\$59,925,000\***

**GENERAL OBLIGATION BONDS  
(MEASURE KK) SERIES 2017A-1 (TAX-EXEMPT)**

**AND**

**\$56,155,000\***

**GENERAL OBLIGATION BONDS  
(MEASURE KK) SERIES 2017A-2 (TAXABLE)**

**NOTICE IS HEREBY GIVEN** that electronically submitted bids via i-Deal LLC's Parity System ("Parity") will be received by the City of Oakland (the "City") for the purchase of all but not less than all of \$59,925,000\* aggregate principal amount of the City of Oakland General Obligation Bonds (Measure KK) Series 2017A-1 (Tax-Exempt) (the "2017A-1 Bonds") and \$56,155,000\* aggregate principal amount of (Measure KK) Series 2017A-2 (Taxable) (the "2017A-2 Bonds" and, collectively with the Series 2017A-1 Bonds, the "Bonds"). Bidders may bid on one or more series of Bonds, but must bid separately for each series of Bonds.

**ISSUE:** The Bonds are described in the Preliminary Official Statement for the Bonds dated July 17, 2017.

**TIME:** Bids for the Series 2017A-1 Bonds:

**8:00\* a.m., Pacific Daylight Time,  
on Tuesday, August 1, 2017\***

Bids for the Series 2017A-2 Bonds:

**8:30\* a.m., Pacific Daylight Time,  
on Tuesday, August 1, 2017\***

The date and time of the Bond sale and the terms thereof may be changed at the sole discretion of the City by providing notice thereof through Parity, Bloomberg Professional Service, known as "Bloomberg Terminal" and/or Thomson Reuters "Thomson Municipal News" as soon as practicable prior to the then-scheduled sale date and times of the Bonds and, in any case, prior to 1:00 p.m. Pacific Daylight Time one day prior to the then-scheduled sale date. If no legal bid or bids are received for the Bonds on said date (or such later date as is established as provided herein) at the times specified, bids will be received for the Bonds on such other date and at such other time as shall be designated through the News Service as soon as practicable. As an accommodation to bidders, telephone or email notice of the postponement of the sale date or dates or of a change in the principal payment schedule will be given to any bidder requesting such

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\* Preliminary, subject to change.

notice from the Municipal Advisor (defined herein), at the address and attention given below. Failure of any bidder to receive such supplementary notice shall not affect the legality of the sale.

The City further reserves the right to amend this Official Notice of Sale (the “Official Notice of Sale”) and the terms of sale in any respect, upon notice thereof given through the News Service not later than the times bids are then scheduled to be received.

Subject to the provisions of this Official Notice of Sale, a series of Bonds will be awarded to the bidder with the lowest true interest cost (“TIC”) for such series of the Bonds. Bidders for a series of Bonds are required to bid on all of the applicable series of Bonds. See “TERMS OF SALE” herein.

Any questions on the bidding procedures and sale terms set forth in this Official Notice of Sale, or any modification or amendment thereof, or any postponement or cancellation of the sale of the Bonds should be directed to Backstrom McCarley Berry & Co., LLC, 115 Sansome Street, Mez. A, San Francisco, California 94104; telephone: (415) 857-6101 (office), Attention: Vincent McCarley (email: vmccarley@bmcbco.com).

## TERMS OF THE BONDS

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

The City will accept bids in electronic form exclusively through Parity. 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. Bidders may contact Parity directly at (212) 849-5021 or at the Parity website: <https://www.newissuehome.i-deal.com>.

**PRINCIPAL PAYMENTS AND MATURITIES:** The Bonds are general obligation bonds and were authorized at a general election held within the City on November 8, 2016. The Series 2017A-1 Bonds will be issued in the aggregate principal amount of \$59,925,000\* and the Series 2017A-2 Bonds will be issued in the aggregate principal amount of \$56,155,000\*. The Bonds will be dated as of the date of issuance. The Bonds shall bear interest from their dated date at the rate or rates to be fixed upon the sale thereof. Interest on the Bonds is payable on each January 15 and July 15, commencing January 15, 2018 (each, an “Interest Payment Date”). The Bonds will mature on January 15 of each year through 2047\* in the following amounts:

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\* Preliminary, subject to change.

<b>Principal Payment Date <u>January 15</u></b>	<b>Series 2017A-1 Bonds <u>Principal Amount*</u></b>	<b>Series 2017A-2 Bonds <u>Principal Amount*</u></b>	<b>Total Principal <u>Amount*</u></b>
2018	-	\$4,890,000	\$4,890,000
2019	-	2,455,000	2,455,000
2020	-	2,495,000	2,495,000
2021	-	2,540,000	2,540,000
2022	-	2,590,000	2,590,000
2023	-	2,650,000	2,650,000
2024	-	2,715,000	2,715,000
2025	-	2,790,000	2,790,000
2026	-	2,865,000	2,865,000
2027	-	2,945,000	2,945,000
2028	-	3,040,000	3,040,000
2029	-	3,130,000	3,130,000
2030	-	3,230,000	3,230,000
2031	-	3,335,000	3,335,000
2032	-	3,450,000	3,450,000
2033	-	3,565,000	3,565,000
2034	-	3,685,000	3,685,000
2035	30,000	3,785,000	3,815,000
2036	3,950,000	-	3,950,000
2037	4,150,000	-	4,150,000
2038	4,315,000	-	4,315,000
2039	4,485,000	-	4,485,000
2040	4,665,000	-	4,665,000
2041	4,855,000	-	4,855,000
2042	5,045,000	-	5,045,000
2043	5,250,000	-	5,250,000
2044	5,460,000	-	5,460,000
2045	5,675,000	-	5,675,000
2046	5,905,000	-	5,905,000
2047	6,140,000	-	6,140,000
<b>TOTAL</b>	<b>\$59,925,000</b>	<b>\$56,155,000</b>	<b>\$116,080,000</b>

The Bonds will be fully registered bonds in the denominations of \$5,000 each or any integral multiple thereof. Interest will be computed on the basis of a 360-day year composed of twelve 30-day calendar months at the rate per annum specified in the bid accepted.

**ADJUSTMENT OF PRINCIPAL AMOUNTS:** The City reserves the right, following the receipt of bids and determination of the winning bid and at its sole discretion, to change the total principal amount of each series of the Bonds and the principal amount of each maturity of a series of Bonds awarded by up to 15% based upon the interest rates and premiums submitted by the successful bidder, provided that the total principal amount of Bonds shall not exceed \$125,000,000. The successful bidder will be notified of the modification to the principal amount at the time of the award. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR ANY INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE STATED PRINCIPAL AMOUNTS. The successful bidder will be notified of the modification to the principal amount at the time

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\* Preliminary, subject to change.

of the award. **The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount, if any, but will not change the per Bond underwriter's discount as provided in the bid.**

**SERIAL BONDS AND/OR TERM BONDS:** The Bonds shall be issued as serial maturities as shown in the table above, unless the bidder requests the creation of one or more term Bonds by combining any two (2) or more consecutive serial maturities. Bidders may designate the principal amounts of the Bonds set forth in the maturity schedule under "Principal Payments and Maturities" for any two (2) or more consecutive years as a single term maturity which will mature in the latest of the years designated, and will have a stated maturity amount equal to the sum of the annual principal amounts designated as a part of such term maturity. Amounts included in a single term bond must bear the same rate of interest. Only one term maturity within a series may be subject to mandatory sinking fund redemption in any year. Upon such designation, the Bonds of such term maturity shall be subject to mandatory sinking fund redemption in part by lot on January 15, in the principal amounts which would otherwise have matured in such designated years, at the price of par plus accrued interest to the redemption date, without premium. In the event term Bonds are designated, all term Bond maturities and corresponding mandatory sinking fund redemptions shall be subject to the same optional redemption provisions. See "– REDEMPTION" herein.

**REDEMPTION\***: The Bond maturing on or before January 15, 2027 are not subject to optional redemption prior to their respective stated maturities. The Bonds maturing on or after January 15, 2028 are subject to redemption prior to their respective stated maturities at the option of the City on or after January 15, 2027, from any source of available funds, as a whole or in part on any date (with the maturities to be redeemed to be determined by the City and by lot within a maturity), at redemption prices equal to 100% of the principal amount thereof to be redeemed, without premium, together with accrued interest to the date fixed for redemption.

**TAX MATTERS:** Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the City, will render to the City its legal opinion with respect to tax-exemption of the interest paid on the Series 2017A-1 Bonds. See the discussion of Tax Matters in the Preliminary Official Statement hereinafter referred to. In the event that prior to the delivery of the Series 2017A-1 Bonds (a) the income received by private holders from obligations of the same type and character shall be declared to be includable in gross income (either at the time of such declaration or at any future date) for purposes of federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is adopted which will have a substantial adverse tax effect on holders of the Series 2017A-1 Bonds as such, the successful bidder may, at its option, prior to the tender of the Series 2017A-1 Bonds by the City, be relieved of its obligation to purchase the Series 2017A-1 Bonds, and in such case the deposit accompanying its bid will be returned. For purposes of the preceding sentence, interest will be treated as excludable from gross income for federal income tax purposes whether or not it is includable as an item of tax preference for calculating alternative minimum taxes or otherwise includable for purposes of calculating certain other tax liabilities.

**BOOK-ENTRY ONLY:** The Bonds will be issued in book-entry only form by appointing The Depository Trust Company ("DTC") to act as securities depository for the Bonds.

**LEGAL OPINION:** The legal opinion of Bond Counsel referred to in the Preliminary Official Statement under "LEGAL MATTERS," the proposed form of which is included in Appendix F – "PROPOSED FORM OF OPINION OF BOND COUNSEL" to the Preliminary Official Statement, will be furnished to the City and a reliance letter thereto will be furnished to the successful bidder without charge.

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\* Preliminary; subject to change.

**CERTIFICATE:** The City will provide to the successful bidder of the Bonds a certificate, signed by an authorized representative of the City, confirming to the successful bidder that, at the time of acceptance of its proposal for the Bonds and at the time of delivery thereof, to the best of the knowledge of said authorized representative, the 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.

## **TERMS OF SALE**

**SUBMISSION OF BIDS:** Each bid for each series of Bonds must be for not less than all of the applicable series of Bonds hereby offered for sale. The bid price for each series of Bonds must be for not less than the par value of such series of Bonds. No bid will be accepted which contemplates the waiver of any interest or other concession by the bidder as a substitute for payment in full of the purchase price. Each bid must be in accordance with, and shall be deemed to incorporate, all of the terms and conditions set forth in this Official Notice of Sale. Each bid must state the aggregate purchase price of the Bonds and the interest rate applicable to each maturity thereof. Bids may only be delivered by electronic transmission via i-Deal/Parity, as follows:

*Electronic Transmission:* The City will accept bids in electronic form exclusively through i-Deal LLC's Parity System ("Parity"). 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. Bidders may contact Parity directly at (212) 849-5021 or at the Parity website: <https://www.newissuehome.i-deal.com>. No other provider of internet bidding services and no other means of delivery (i.e. telephone, telefax, or physical delivery) will be accepted.

## **THE DIRECTOR OF FINANCE RETAINS ABSOLUTE DISCRETION TO DETERMINE WHETHER ANY BID IS TIMELY AND COMPLETE.**

*Multiple Bids:* In the event multiple bids are received from a single bidder by any means or combination thereof, the Director of Finance shall accept the bid representing the lowest TIC to the City, and each bidder agrees by submitting any bid to be bound by such best bid.

**WARNINGS REGARDING ELECTRONIC BIDS.** THE CITY ASSUMES NO RESPONSIBILITY FOR ENSURING OR VERIFYING BIDDER COMPLIANCE WITH PARITY'S PROCEDURES. THE DIRECTOR OF FINANCE SHALL BE ENTITLED TO ASSUME THAT ANY BID RECEIVED VIA PARITY HAS BEEN MADE BY A DULY AUTHORIZED AGENT OF THE BIDDER. NONE OF THE CITY, THE MUNICIPAL ADVISOR OR BOND COUNSEL ASSUMES ANY RESPONSIBILITY FOR ANY ERROR CONTAINED IN ANY BID SUBMITTED ELECTRONICALLY OR FOR FAILURE OF ANY BID TO BE TRANSMITTED, RECEIVED OR OPENED BY THE TIME FOR RECEIVING BIDS, AND EACH BIDDER EXPRESSLY ASSUMES THE RISK OF, ANY INCOMPLETE, ILLEGIBLE, UNTIMELY OR NONCONFORMING BID SUBMITTED BY ELECTRONIC TRANSMISSION BY SUCH BIDDER, INCLUDING WITHOUT LIMITATION, BY REASON OF GARBLED TRANSMISSIONS, MECHANICAL FAILURE, ENGAGED TELECOMMUNICATIONS LINES, OR ANY OTHER CAUSE ARISING FROM SUBMISSION BY ELECTRONIC TRANSMISSION. THE TIME FOR RECEIVING BIDS WILL BE DETERMINED BY THE CITY AT THE PLACE OF BID OPENING, AND THE CITY WILL NOT BE REQUIRED TO ACCEPT THE TIME KEPT BY PARITY.

**INTEREST RATE AND BID CONSTRAINTS:** The interest rate on the Bonds shall not exceed 5% per annum. Bidders must specify the rate or rates of interest that the Bonds offered for sale shall bear

and an aggregate purchase price. Bidders may not bid a price of less than 100%, or more than 115%, of the aggregate principal amount of the Bonds. Bids that do not conform to the terms of this section may be rejected. Bidders will be permitted to bid different rates of interest for each bond maturity, according to the following:

- (i) Each interest rate specified in any bid must be in a multiple of one-eighth (1/8th) or one-twentieth (1/20th) of one percent per annum and a zero rate of interest cannot be specified;
- (ii) No maturity with a series shall represent more than one rate of interest; and
- (iii) Each Bond shall bear interest from its dated date to its maturity date at the interest rate specified in the bid; premium bids must be paid as part of the purchase price, and no bid will be accepted which contemplates the waiver of any interest or other concession by the bidder as substitute for payment in full of the purchase price.

The City reserves the absolute right, in its sole discretion, to modify or amend the terms of the sale prior to the time bids are received and to reject any and all bids and to waive any irregularity or informality in any bid.

**TRUE INTEREST COST CALCULATION:** The TIC to the City of any bid shall be calculated on the basis of the present value of the principal and interest to be paid on the Bonds based on the bid price, i.e., principal of the Bonds, plus premium, if any, compounded semi-annually. In the event that two or more bidders offer bids for the Bonds at the same lowest TIC, the first one submitted, as determined by reference to the time displayed on Parity's website, shall be the leading bid.

The Director of Finance of the City will award the Bonds to the bidder offering the lowest TIC to the City, provided, however that the Director of Finance of the City reserves the right to reject any and all bids and to waive any informality or irregularity in any and all bids. The Director of Finance of the City reserves the further right, in her discretion, to adjourn the sale, in which event a notice will be given via Parity.

**BEST BID:** Each Series of Bonds will be awarded to the responsible bidder submitting the best responsive bid, considering the interest rate or rates specified and the premium offered, if any. The best bid will be the bid which represents the lowest TIC to the City. The TIC is the discount rate which, when used to discount all debt service payments on the Bonds back to the date of such Bonds, results in an amount equal to the price bid for the Bonds. For the purpose of calculating the TIC, the mandatory sinking fund payments, if any (*see* "TERMS OF THE BONDS—Serial Bonds and/or Term Bonds" herein), shall be treated as serial maturities in such years. The determination of the bid representing the lowest TIC will be made without regard to any adjustments made or contemplated to be made after the award by the Director of Finance, as described herein under "TERMS OF THE BONDS—Adjustment of Principal Amounts," even if such adjustments have the effect of raising the TIC of the successful bid to a level higher than the bid containing the next lowest TIC prior to adjustment.

**PROMPT AWARD:** The Director of Finance of the City will take action awarding a series of Bonds or rejecting all bids for the applicable series of Bonds not later than twenty-four (24) hours after the expiration of the time herein prescribed for the sale of the Bonds, unless such time of award is waived by the successful bidder. Notice of award will be given promptly to the successful bidder.

**REOFFERING PRICE: 2017A-1 Bonds.** The successful bidder shall assist the City in establishing the issue price of the 2017A-1 Bonds 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 2017A-1 Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the City and Bond Counsel.

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 2017A-1 Bonds) will apply to the initial sale of the 2017A-1 Bonds (the “competitive sale requirements”) because:

- (1) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive 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 2017A-1 Bonds to the bidder who submits a firm offer to purchase the 2017A-1 Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the 2017A-1 Bonds, on the terms set forth in the bid form and this Notice of Sale, and is not subject to any conditions, except as permitted by this Notice of Sale. By submitting a bid, each bidder confirms that it has an established industry reputation for underwriting new issuances of municipal bonds.

In the event that the competitive sale requirements are not satisfied, the City shall so advise the successful bidder. The City shall treat the first price at which 10% of each maturity (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis. The successful bidder shall advise the City if any maturity satisfies the 10% test as of the date and time of the award of the 2017A-1 Bonds. **The City will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity as the issue price of that maturity. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.** Bidders should prepare their bids on the assumption that all of the maturities will be subject to the 10% test in order to establish the issue price of the 2017A-1 Bonds.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity, the successful bidder agrees to promptly report to the City the prices at which the unsold 2017A-1 Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing has occurred, until the 10% test has been satisfied as to the 2017A-1 Bonds of that maturity or until all 2017A-1 Bonds of that maturity have been sold.

By submitting a bid, each bidder confirms that: (i) 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 2017A-1 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 report the prices at which it sells to the public the unsold 2017A-1 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 the 2017A-1 Bonds of that maturity or all 2017A-1 Bonds of that maturity have been sold to the public, if and for so long as directed by the successful bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial

sale of the 2017A-1 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the 2017A-1 Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold 2017A-1 Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the 2017A-1 Bonds of that maturity or all 2017A-1 Bonds of that maturity have been sold to the public, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any 2017A-1 Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “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 2017A-1 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 2017A-1 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 2017A-1 Bonds to the public),
- (iii) a purchaser of any of the 2017A-1 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
- (iv) “sale date” means the date that the 2017A-1 Bonds are awarded by the City to the successful bidder

**2017A-2 Bonds.** The winning bidder of the 2017 A-2 Bonds shall, within one (1) hour after being notified of the award of the Bonds, advise the Municipal Advisor by electronic transmission or writing by facsimile transmission of the initial public offering price of the Bonds.

**DEPOSIT:** Each winning bidder shall deliver a good faith deposit (the “Deposit”) in the form of a federal funds wire transfer payable in immediately available funds in the amount of \$599,000 for the Series 2017A-1 Bonds and \$562,000 for the Series 2017A-2 Bonds to secure the City from any loss resulting from the failure of the winning bidder to comply with the terms of its bid. Each bidder shall acknowledge as a condition precedent to the submission of its bid that the winning bidder is required to submit its Deposit to the City in the form of a federal funds wire transfer as instructed by the City not later than 12:00 p.m. (Pacific Time) on the same business day following the City’s acceptance of the bid of the winning bidder.



Each winning bidder shall use the following wiring instructions in connection with the Deposit:

The Bank of New York Mellon  
ABA# 021000018  
Account Number: 9938748400  
Account Name: Oakland GO Meas KK 17A Good Faith

In the event a winning bidder fails to honor its accepted bid, the Deposit will be retained by the City. If a winning bidder completes its purchase of the Bonds on the terms stated in its bid, its Deposit will be applied to the purchase of the Bonds on the date of delivery of the Bonds. No interest will be paid upon the Deposit made by any bidder.

In the event of the City's inability to deliver the Bonds at the closing, the City shall forthwith return the amount of the Deposit to a winning bidder immediately and such return shall constitute a full release and discharge of all claims by the winning bidder against the City arising out of the transactions contemplated by this Official Notice of Sale.

**CUSIP NUMBER:** It is anticipated that a CUSIP number will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for said Bonds in accordance herewith. All charges of the CUSIP Service Bureau for the assignment of CUSIP numbers for the Bonds shall be paid by the successful bidder.

**LITIGATION:** Other than disclosed in the Preliminary Official Statement, no litigation is pending, or, to the knowledge of the City, threatened concerning the validity of the Bonds, and an opinion of the City Attorney to that effect will be furnished at the time of the original delivery of the Bonds. Other than disclosed in the Preliminary Official Statement, the City is not aware of any litigation pending or threatened questioning the political existence of the City or contesting the City's ability to levy and collect ad valorem taxes or contesting the City's ability to issue the Bonds.

**OFFICIAL STATEMENT:** The City has approved a Preliminary Official Statement dated July 17, 2017 (the "Preliminary Official Statement"), which the City prepared with the assistance of Curls Bartling P.C., Disclosure Counsel to the City. The City has "deemed final" said Preliminary Official Statement for purposes of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission although it is subject to revision, amendment and completion in the form of a Final Official Statement in conformance with such Rule. Up to 25 copies of the Final Official Statement will be supplied to a successful bidder without charge.

**An electronic copy of the Preliminary Official Statement will be made available to bidders.**

**EACH BIDDER IS DEEMED TO HAVE OBTAINED AND REVIEWED THE PRELIMINARY OFFICIAL STATEMENT PRIOR TO BIDDING FOR THE BONDS. THE DESCRIPTION OF THE BONDS CONTAINED IN THIS OFFICIAL NOTICE OF SALE IS QUALIFIED IN ALL RESPECTS BY THE DESCRIPTION CONTAINED IN THE PRELIMINARY OFFICIAL STATEMENT.**

**BLUE SKY:** The City has not taken any action relating to the requirements of the securities or "blue sky" laws of any jurisdiction with respect to the offer and sale of the Bonds. Certain jurisdictions may have filing requirements which must be satisfied prior to any offer or sale of the Bonds.

**TAX EXEMPT STATUS:** In the event that prior to the delivery of the Series 2017A-1 Bonds (a) the income received by any private holder from bonds of the same type and character as the Series 2017A-1 Bonds shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is enacted which will have a substantial adverse tax effect on holders of the Series 2017A-1 Bonds as such, the successful bidder may, at its option, prior to the tender of the Series 2017A-1 Bonds by the City, be relieved of its obligation to purchase the Series 2017A-1 Bonds and in such case its Deposit will be returned.

**DELIVERY AND PAYMENT:** Delivery of the Bonds is expected to occur on, but not before, August 30, 2017. The Bonds will be delivered to DTC through the Fast Automated Securities Transfer service. The successful bidder shall pay for the Bonds on the date of delivery in Federal Reserve Bank funds or equivalent immediately available funds in Oakland, California. Payment on the delivery date shall be made in an amount equal to the price bid for the Bonds, less the amount of the Deposit.

**ADDITIONAL INFORMATION:** Copies of the Official Notice of Sale and Official Form of Bid for Bonds will be furnished to any potential bidder upon request made to the Municipal Advisor, Backstrom McCarley Berry & Co., LLC, 115 Sansome Street, Mez. A, San Francisco, California 94104; telephone: (415) 857-6101 (office), Attention: Vincent McCarley (email: vmccarley@bmcbco.com).

Dated: July 17, 2017

Ms. Katano Kasaine  
Director of Finance  
City of Oakland

**APPENDIX A-1  
OFFICIAL FORM OF BID FOR BONDS**

**CITY OF OAKLAND  
GENERAL OBLIGATION BONDS  
(MEASURE KK) SERIES 2017A-1 (TAX-EXEMPT)**

We hereby certify that we are an eligible bidder and submit our bid and commit to purchase not less than all of the City of Oakland General Obligation Bonds (Measure KK) Series 2017A-1 (Tax-Exempt) (the "2017A-1 Bonds") subject to all the terms and conditions stated in the Official Notice of Sale.

We hereby pay \$\_\_\_\_\_ which is not less than 100%, or more than 115%, of par for the 2017A-1 Bonds, with principal and interest to be payable in the amounts and at the interest rates set forth below. The Purchase Price equals the principal amount of the 2017A-1 Bonds of \$59,925,000\* [plus a Premium of \$\_\_\_\_\_].

**Schedule of Maturity Dates, Principal Amounts \*\*, and Interest Rates**

(Check One)				
<b>Principal Payment Date* (January 15)</b>	<b>Principal* Amount</b>	<b>Serial** Maturity</b>	<b>Mandatory** Sinking Fund Redemption</b>	<b>Interest Rate</b>
2035	\$30,000	_____	_____	_____
2036	3,950,000	_____	_____	_____
2037	4,150,000	_____	_____	_____
2038	4,315,000	_____	_____	_____
2039	4,485,000	_____	_____	_____
2040	4,665,000	_____	_____	_____
2041	4,855,000	_____	_____	_____
2042	5,045,000	_____	_____	_____
2043	5,250,000	_____	_____	_____
2044	5,460,000	_____	_____	_____
2045	5,675,000	_____	_____	_____
2046	5,905,000	_____	_____	_____
2047	6,140,000	_____	_____	_____
TOTAL	\$59,925,000	_____	_____	_____

\* Subject to adjustment as described in Official Notice of Sale.

\*\* Place a check in the appropriate column indicating whether the principal component is a serial maturity or mandatory sinking fund redemption.  
Circle the final maturity of each term Bond specified.

Our calculation of the true interest cost (determined as described in the section of the Official Notice of Sale entitled "True Interest Cost Calculation"), which is considered to be informative only and not a part of the proposal, is as follows:

True Interest Cost: \_\_\_\_\_ %

The submission of this bid is a representation that the bidder, with the intent of acting as Underwriter for the 2017A-1 Bonds, did not consult with any other potential underwriter, or agent thereof,

about this bid and that the bid was determined without regard to any other formal or informal agreement that the bidder may have with the City of Oakland or any other person (whether or not in connection with the subject Bond issue).

Date: \_\_\_\_\_, 2017

Firm/Syndicate: \_\_\_\_\_

By \_\_\_\_\_  
Authorized Representative

Accepted:

CITY OF OAKLAND

By \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 2017

**APPENDIX A-2  
OFFICIAL FORM OF BID FOR BONDS**

**CITY OF OAKLAND  
GENERAL OBLIGATION BONDS  
(MEASURE KK) SERIES 2017A-2 (TAXABLE)**

We hereby certify that we are an eligible bidder and submit our bid and commit to purchase not less than all of the City of Oakland General Obligation Bonds (Measure KK) Series 2017A-2 (Taxable) (the “2017A-2 Bonds”) subject to all the terms and conditions stated in the Official Notice of Sale.

We hereby pay \$\_\_\_\_\_ which is not less than 100%, or more than 115%, of par for the 2017A-2 Bonds, with principal and interest to be payable in the amounts and at the interest rates set forth below. The Purchase Price equals the principal amount of the 2017A-2 Bonds of \$56,155,000\* [plus a Premium of \$\_\_\_\_\_].

**Schedule of Maturity Dates, Principal Amounts \*\*, and Interest Rates**

(Check One)				
<b>Principal Payment Date* (January 15)</b>	<b>Principal* Amount</b>	<b>Serial** Maturity</b>	<b>Mandatory** Sinking Fund Redemption</b>	<b>Interest Rate</b>
2018	\$4,890,000	_____		_____ %
2019	2,455,000	_____		_____
2020	2,495,000	_____		_____
2021	2,540,000	_____		_____
2022	2,590,000	_____		_____
2023	2,650,000	_____		_____
2024	2,715,000	_____		_____
2025	2,790,000	_____		_____
2026	2,865,000	_____		_____
2027	2,945,000	_____		_____
2028	3,040,000	_____	\$ _____	_____
2029	3,130,000	_____	_____	_____
2030	3,230,000	_____	_____	_____
2031	3,335,000	_____	_____	_____
2032	3,450,000	_____	_____	_____
2033	3,565,000	_____	_____	_____
2034	3,685,000	_____	_____	_____
2035	3,785,000	_____	_____	_____
<b>TOTAL:</b>	<b>\$56,155,000</b>	_____	_____	_____

\* Subject to adjustment as described in Official Notice of Sale.

\*\* Place a check in the appropriate column indicating whether the principal component is a serial maturity or mandatory sinking fund redemption. Circle the final maturity of each term Bond specified. No mandatory sinking fund redemption prior to January 15, 2027.

Our calculation of the true interest cost (determined as described in the section of the Official Notice of Sale entitled “True Interest Cost Calculation”), which is considered to be informative only and not a part of the proposal, is as follows:

True Interest Cost: \_\_\_\_\_ %

The submission of this bid is a representation that the bidder, with the intent of acting as Underwriter for the 2017A-2 Bonds, did not consult with any other potential underwriter, or agent thereof, about this bid and that the bid was determined without regard to any other formal or informal agreement that the bidder may have with the City of Oakland or any other person (whether or not in connection with the subject Bond issue).

Date: \_\_\_\_\_, 2017

Firm/Syndicate: \_\_\_\_\_

By \_\_\_\_\_  
Authorized Representative

Accepted:

CITY OF OAKLAND

By \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 2017

## APPENDIX B

### ISSUE PRICE CERTIFICATE (IF 3 BIDS FROM COMPETITIVE PROVIDERS ARE RECEIVED)

#### (TO BE DELIVERED BY THE PURCHASER AS DESCRIBED IN THE OFFICIAL NOTICE OF SALE)

This certificate is being delivered by \_\_\_\_\_, the purchaser (the “Purchaser”) in connection with the issuance of the City of Oakland General Obligation Bonds (Measure KK) Series 2017A-1 (Tax-Exempt) (the “2017A-1 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 2017A-1 Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed on the [inside] cover page of the Official Statement in respect of such 2017A-1 Bonds dated July 17, 2017 (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the 2017A-1 Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the 2017A-1 Bonds. Attached as Schedule A is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the 2017A-1 Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the 2017A-1 Bonds on the terms set forth in the bid form and the Official Notice of Sale, and was not subject to any conditions, except as permitted by the Official Notice of Sale. We confirm that we have an established industry reputation for underwriting new issuances of municipal bonds.

2. ***Defined Terms.***

(a) *Issuer* means the City of Oakland.

(b) *Maturity* means principal payment dates with the same credit and payment terms. 2017A-1 Bonds with different maturities, or 2017A-1 Bonds with the same Maturity but different stated interest rates, 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 2017A-1 Bonds. The Sale Date of the 2017A-1 Bonds is August \_\_, 2017.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2017A-1 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 2017A-1 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 2017A-1 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'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 Issuer 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 2017A-1 Bonds, and by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, in connection with rendering its opinion that the interest on the 2017A-1 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 Issuer from time to time relating to the 2017A-1 Bonds.

[UNDERWRITER]

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

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

Dated: [ISSUE DATE]



**ISSUE PRICE CERTIFICATE  
(IF LESS THAN 3 BIDS FROM COMPETITIVE PROVIDERS ARE RECEIVED)**

**(TO BE DELIVERED BY THE PURCHASER AS DESCRIBED IN THE OFFICIAL NOTICE OF SALE)**

This certificate is being delivered by \_\_\_\_\_, the purchaser (the “Purchaser”) in connection with the execution and delivery of the City of Oakland General Obligation Bonds (Measure KK) Series 2017A-1 (Tax-Exempt) (the “2017A-1 Bonds”). The Purchaser hereby certifies and represents that:

1. As of the date hereof, other than the 2017A-1 Bonds listed on Schedule 1 hereto as undersold maturities (the “Undersold Maturities”), the first price or yield at which at least 10% of each Maturity of the 2017A-1 Bonds was sold by the Purchaser to the Public was the price set forth on Schedule 1 hereto.

2. With respect to the Undersold Maturities, the Purchaser agrees to notify the Issuer in writing of the first 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 Issuer 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) *Issuer* means the City of Oakland.

(b) *Maturity* means principal payment dates with the same credit and payment terms. 2017A-1 Bonds with different maturities, or 2017A-1 Bonds with the same Maturity but different stated interest rates, 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 2017A-1 Bonds. The Sale Date of the 2017A-1 Bonds is August \_\_, 2017.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2017A-1 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 2017A-1 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 2017A-1 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’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 Issuer 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 2017A-1 Bonds, and by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, in connection with rendering its opinion that the interest on the 2017A-1 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 Issuer from time to time relating to the 2017A-1 Bonds.

[UNDERWRITER]

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

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

Dated: [ISSUE DATE]

## Schedule A to Exhibit B

[illegible]

\* Principal components evidenced by the 2017A-1 Bonds were priced to call on January 15, 202\_ at 100% of par.