

NOTICE OF SALE DATED JULY 31, 2020

CITY OF WATERVILLE, MAINE \$4,665,000 2020 GENERAL OBLIGATION BONDS

Notice is hereby given that electronic proposals for the purchase of all of the \$4,665,000 2020 General Obligation Bonds (the “Bonds”) will be received by the City of Waterville, Maine (the “City”) via **PARITY**[®], in the manner described below, until 11:00 am, local time, on Thursday, August 13, 2020. Bids must be submitted electronically via **PARITY**[®] pursuant to this Notice of Sale 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 of Sale, the terms of this Notice of Sale 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, AUGUST 13, 2020

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

\$4,665,000 2020 General Obligation Bonds

MATURITY SCHEDULE

<u>August 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield/Price</u>	<u>CUSIP</u>	<u>August 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield/Price</u>	<u>CUSIP</u>
2021	\$265,000				2031	\$260,000			
2022	270,000				2032	260,000			
2023	270,000				2033	260,000			
2024	270,000				2034	260,000			
2025	270,000				2035	255,000			
2026	260,000				2036	145,000			
2027	260,000				2037	145,000			
2028	260,000				2038	145,000			
2029	260,000				2039	145,000			
2030	260,000				2040	145,000			

The Bonds will be dated as of the date of their delivery. Interest will be payable on February 1, 2021 and semi-annually on each August 1st and February 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 successful bidder of its contractual obligations arising from the City's acceptance of its 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 will assist the City in establishing the issue price of the Bonds and will, as of the date of delivery of the Bonds and as a condition precedent to the delivery of the Bonds by the City, furnish to the City a certificate (the "Issue Price Certificate") in a form provided by and acceptable to Bernstein, Shur, Sawyer and Nelson, bond counsel to the City ("Bond Counsel"). Among other things, the successful bidder will certify to the City in the Issue Price Certificate the following:

- (i) The reasonably expected initial offering price to the public or the sales price of the Bonds as of the sale date upon which the price in the winning bid is based, together with the supporting pricing wires or equivalent communications;
- (ii) The "issue price" of the Bonds as defined in Treasury Regulation Section 1.148-1(f);
- (iii) The weighted average maturity of the Bonds as defined in the Internal Revenue Service's "Instructions for Form 8038-G" for Line 21(d);
- (iv) The yield of the Bonds (sometimes referred to as the arbitrage yield) as defined in the Internal Revenue Service's "Instructions for Form 8038-G" for Line 21(e);
- (v) That the issue price of the Bonds does not exceed the fair market value of the Bonds as of such sale date; and
- (vi) If a municipal bond insurance policy or similar credit enhancement is obtained with respect to the Bonds by the successful bidder, such bidder will also be required to certify as to the net present value savings on the Bonds resulting from payment of insurance premiums or other credit enhancement fees.

Competitive Sale Requirements Met. If the competitive sale requirements set forth in Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) are satisfied, the Issue Price Certificate will establish the issue price of the Bonds under Treasury Regulation Section 1.148-1(f)(2)(iii). To that end, the Municipal Advisor (identified below under "Terms") will certify to the successful bidder that the following conditions are true:

- (1) The City has disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) All bidders had an equal opportunity to bid within the meaning of Treasury Regulation Section 1.148-5(d)(6)(iii)(A)(6);
- (3) The City received 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 awarded the sale of the Bonds to the bidder who submits a firm offer to purchase the 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 Bonds, as specified in the bid and each bidder, by submitting its bid, agrees that it shall be deemed to confirm that it has an established industry reputation for underwriting new issuances of municipal bonds and that it is an “underwriter” that intends to reoffer the Bonds to the public.

Competitive Sale Requirements Not Met. If the competitive sale requirements set forth in Treasury Regulation Section 1.148-1(f)(3)(i) are not satisfied, the City shall so advise the successful bidder. If such competitive sale requirements are not met, the Issue Price Certificate will establish the issue price of the Bonds under Treasury Regulation Section 1.148-1(f)(2)(i), as follows:

- (i) The City shall treat the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The successful bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the 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 of the Bonds 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 of the Bonds will be subject to the 10% test in order to establish the issue price of the Bonds.
- (ii) Until the 10% test has been satisfied as to each maturity of the Bonds, the successful bidder agrees to promptly report to the City and the Municipal Advisor the prices at which the unsold 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 all Bonds. The successful bidder shall be obligated to report each sale of Bonds to the Municipal Advisor until notified in writing by the City or the Municipal Advisor that it no longer needs to do so.

By submitting a bid, each bidder confirms that:

- (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the 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 third-party distribution agreement, as applicable, to:
 - (A) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the successful bidder that the 10% test has been satisfied as to the Bonds of that maturity,
 - (B) to promptly notify the successful bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and
 - (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the successful bidder will assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

- (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the closing date has occurred, until either Bonds of that maturity allocated to it have been sold or it is notified by the successful bidder or such underwriter that the 10% test has been satisfied as to the Bonds of that maturity.
- (iii) sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:
 - (A) “public” means any person other than an underwriter or a related party,
 - (B) “underwriter” means (1) 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 (2) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1) 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),
 - (C) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 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
 - (D) “sale date” means the date that the Bonds are awarded by the City to the successful bidder.

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 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 sale date 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 6% 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 5% 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 **August 28, 2020**, 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 this 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.

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 successful bidder will be furnished 10 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 Official Statement printer. The successful bidder 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 Municipal 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 August 28, 2020 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 sale date 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: July 31, 2020

CITY OF WATERVILLE, MAINE

By: _____
Aaron Berls
Director of Finance

TERMS

ISSUER:	City of Waterville, Maine (referred to herein as the “City”)
ISSUE:	2020 General Obligation Bonds
RATING:	S&P Global Ratings: A+ (Stable Outlook)
PRINCIPAL AMOUNT:	\$4,665,000
TRUE INTEREST COST RATE (TIC):	____.____%
DATED DATE:	On or about August 28, 2020
DUE DATES:	August 1, 2021-2040 serial bonds
CALL FEATURES:	Bonds are subject to redemption prior to maturity. <u>See</u> Preliminary Official Statement dated July 31, 2020 for details.
INTEREST DUE:	Semi-Annually, August 1 and February 1 beginning February 1, 2021
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 August 28, 2020
PAYING AGENT:	U.S. Bank National Association
LEGAL OPINION:	Bernstein, Shur, Sawyer and Nelson, Augusta, Maine
MUNICIPAL ADVISOR:	Northeast Municipal Advisors LLC, Portland, Maine