

NOTICE OF SALE

\$5,500,000*

CITY OF WATERTOWN, TENNESSEE

GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2024 (ULT) (BQ)

Notice is hereby given that the Mayor of the City of Watertown, Tennessee (the “Issuer”) will accept a written bid or electronic bid for the purchase of all, but not less than all, of the Issuer’s \$5,500,000* General Obligation Public Improvement Bonds, Series 2024 (the “Bonds”) until:

9:30 A.M. Central Time on Wednesday, May 15, 2024.

Written bids must be addressed and delivered to the Issuer to the attention of the Mayor, c/o the office of the Director of Finance/City Recorder, 8630 Sparta Pike, Watertown, Tennessee 37184. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. If any provisions of this Notice of Sale conflict with information provided by BiDCOMP/PARITY® as the approved provider of electronic bidding services, this Notice of Sale shall control. ***The sale of all the Bonds on Wednesday, May 15, 2024 may be postponed prior to the time bids are to be received and as published on I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via I-dealProspectus.com upon forty-eight hours’ notice.***

The Bonds will be dated the date of delivery. The interest rate or rates on the Bonds shall not exceed 5% per annum and shall be payable semi-annually on May 1 and November 1, commencing November 1, 2024. No bid for the Bonds will be considered for less than 99% of par nor greater than 120% of par, as described in the Detailed Notice of Sale. In addition, each maturity of the Bonds must be reoffered at a price of not less than 98% of the par amount of such maturity. The Bonds will mature on May 1 in the years 2025 through 2049, inclusive, with term bonds optional and will be awarded on the sale date by the Mayor to the bidder whose bid results in the lowest true interest cost on the Bonds. The Bonds are subject to redemption prior to maturity at any time on or after May 1, 2030, at a price of par.

After opening the bids, the Issuer reserves the right to increase or decrease the principal amount of each maturity of the Bonds, provided that the aggregate principal amount of the Bonds may not exceed \$5,500,000, all as described in the Detailed Notice of Sale.

In the event that the competitive sale requirements of applicable Treasury Regulations are not met, the Issuer will require bidders to comply with the “hold-the-offering-price rule” for purposes of determining the issue price of the Bonds.

The Bonds will be “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Bonds in book-entry only form (except as otherwise set forth in the Detailed Notice of Sale) and approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, will be furnished at the expense of the Issuer. Additional information, including the Official Statement and Detailed Notice of Sale, may be obtained from the undersigned at the office of the Director of Finance/City Recorder, 8630 Sparta Pike, Watertown, Tennessee 37184 or from Stephens Inc. Attention: Ashley McNulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone: (615) 279-4334; Fax: (615) 279-4351.

Michael R. Jennings
Mayor

DETAILED NOTICE OF SALE

\$5,500,000*

CITY OF WATERTOWN, TENNESSEE

General Obligation Public Improvement Bonds, Series 2024 (ULT) (BQ)

Time and Place of Sale

Notice is hereby given that the Mayor of the City of Watertown, Tennessee (the “Issuer”) will accept a written bid or electronic bid for the purchase of all, but not less than all, of the Issuer’s \$5,500,000* General Obligation Public Improvement Bonds, Series 2024 (the “Bonds”) until:

9:30 A.M. Central Time on Wednesday, May 15, 2024.

The written bids must be addressed and delivered to the Issuer to the attention of the Mayor, c/o the office of the Director of Finance/City Recorder, 8630 Sparta Pike, Watertown, Tennessee 37184. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. If any provisions of this Notice of Sale conflict with information provided by BiDCOMP/PARITY® as the approved provider of electronic bidding services, this Notice of Sale shall control. ***The sale of all the Bonds on Wednesday, May 15, 2024 may be postponed prior to the time bids are to be received and as published on I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via I-dealProspectus.com upon forty-eight hours’ notice.*** The Bonds will be awarded on such date by the Mayor of the Issuer.

Description of Bonds

The Bonds will be issued in fully registered, book-entry form (except as otherwise provided herein), without coupons, be dated the date of delivery, be issued, or reissued upon transfer, in \$5,000 denominations or multiples thereof, as shall be requested by the purchaser or transferor thereof, as appropriate, and will mature and be payable on May 1 of each year as follows:

<u>Maturity (May 1)*</u>	<u>Principal*</u>	<u>Maturity (May 1)*</u>	<u>Principal*</u>
2025	\$125,000	2038	\$220,000
2026	145,000	2039	225,000
2027	150,000	2040	235,000
2028	160,000	2041	245,000
2029	165,000	2042	250,000
2030	170,000	2043	260,000
2031	175,000	2044	270,000
2032	180,000	2045	285,000
2033	185,000	2046	295,000
2034	190,000	2047	305,000
2035	195,000	2048	320,000
2036	205,000	2049	335,000
2037	210,000		

Registration and Depository Participation

The Bonds will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. One Note certificate for each maturity will be issued to The Depository Trust Company, New York, New York (“DTC”), and immobilized in its custody. The book-entry system will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 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 Note certificates with DTC, registered in the name of Cede & Co., nominee of DTC. Interest on the Bonds will be payable semiannually on May 1 and November 1, beginning November 1, 2024, and principal of the Bonds will be payable, at maturity or upon redemption, 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 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 Issuer 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.

In the event that the book-entry only system for the Bonds is discontinued and a successor securities depository is not appointed by the Issuer, Note 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 or integral multiples thereof. In addition, if the successful bidder for the Bonds certifies that it has no present intent to reoffer the Bonds, the Bonds may be issued in fully registered form only. The ownership of Bonds so delivered shall be registered in registration books to be kept by U.S. Bank Trust Company, National Association, Nashville, Tennessee, as registration and paying agent (the “Registration Agent”), at its principal corporate office, and the Issuer 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.

Optional Redemption

The Bonds maturing May 1, 2025 through May 1, 2030, inclusive, shall mature without option of prior redemption, and Bonds maturing May 1, 2031 and thereafter, shall be subject to redemption prior to maturity at the option of the Municipality on May 1, 2030 and thereafter, as a whole or in part, at any time at the redemption price of par plus accrued interest to the redemption date.

Mandatory Redemption

The successful bidder shall have the option to designate certain consecutive serial maturities of the Bonds as one or more Term Bonds, each Term Note bearing a single interest rate. If a successful bidder designates certain consecutive serial maturities to be combined into one or more Term Bonds, each Term Note shall be subject to mandatory sinking fund redemption by the Issuer 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 Bonds 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 Note 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 above for such principal payment date. Term Bonds to be redeemed within a single maturity shall be determined by DTC, or its successor, by lot or such other manner as DTC, or successor, shall determine; or if the Term Bonds are not being held under a Book-Entry System, the Term Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Purpose and Authority for Bonds

The Bonds are being issued to finance the (i) improvement and extension of the sewer system of the Municipality; (ii) acquisition of all property real and personal, appurtenant thereto, or connected with such public works projects; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident thereto; (iv) reimbursement to the

Issuer for funds previously expended for the foregoing projects; and (v) payment of costs incident to the issuance of the Bonds.

The Bonds are being issued under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101 et seq., Tennessee Code Annotated, and pursuant to a resolution adopted by the Board of Mayor and Aldermen of the Issuer on April 16, 2024.

Security and Sources of Payment

The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer. The full faith and credit of the Issuer are irrevocably pledged for the prompt payment of principal of and interest on the Bonds.

Under Tennessee law, the Issuer's legislative body is authorized to levy a tax on all taxable property within the Issuer, or a portion thereof, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount. For a more complete statement of the general covenants and provisions to which the Bonds are issued, reference is hereby made to the resolution authorizing the Bonds.

Submission of Bid

All bids submitted, electronic or otherwise, must be submitted as set forth under the heading **"Time and Place of Sale"**, set forth above.

Written bids must be enclosed in a sealed envelope bearing the name and address of the bidder, clearly and legibly marked on the outside "Bid for Bonds," addressed and delivered to the following address:

Office of the Mayor
c/o Office of the Director of Finance/City Recorder
8630 Sparta Pike
Watertown, Tennessee 37184

Written bids must be submitted on the Bid Form included with the Preliminary Official Statement or on a reasonable facsimile thereof. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. An electronic bid made through the facilities of BiDCOMP/PARITY® shall be deemed an offer to purchase in response to the Notice of Sale and shall be binding upon the bidder as if made by a signed sealed written bid made to the Issuer. To the extent any instructions or directions set forth in BiDCOMP/PARITY® conflict with the terms of the Detailed Notice of Sale, the Detailed Notice of Sale shall prevail. The Issuer shall not be responsible for any malfunction or mistake made by or as a result of the use of electronic bidding facilities. The use of such facilities is at the sole risk of the bidders. Subscription to I-Deal's BiDCOMP/PARITY® Competitive Bidding System by a bidder is required in order to submit an electronic bid. The Issuer will not confirm any subscription or be responsible for the failure of any prospective bidder to subscribe. Both written bids and electronic bids must be unconditional and received by the office of the Mayor and/or BiDCOMP/PARITY®, respectively, before the time stated above. Each bid must be accompanied by a Good Faith Deposit or Financial Surety Bond, if applicable (see below). The Issuer is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid, including, without limitation, the providing of a bid security deposit.

Form of Bids

All bids for the Bonds must be for not less than all of the Bonds. Bidders must bid not less than 99% of par nor greater than 120% of par plus accrued interest, if applicable (the "Purchase Price") for all of the Bonds. Bidders must specify the interest rate or rates the Bonds are to bear in multiples of one-eighth (1/8th) or one-twentieth (1/20th) of one percent (1%), but no rate specified for the Bonds shall be in excess of 5% per annum. There will be no limitation on the number of rates of interest which may be specified for the Bonds, but one rate of interest shall apply to all the Bonds of a maturity. Bidders may designate two or more consecutive serial maturities as one or more Term Note maturities equal in aggregate principal amount to, and with mandatory redemption requirements corresponding to,

such designated serial maturities. Bidders must specify the reoffering prices or yields of each maturity. Each maturity of the Bonds must be reoffered at a price of not less than 98% of the par amount of such maturity.

Revised Maturity Schedule

The aggregate principal amount of the Bonds (the “Preliminary Aggregate Principal Amount”) and the annual principal amounts of Bonds (the “Preliminary Annual Principal Amounts” and collectively, with reference to the Preliminary Aggregate Principal Amounts, the “Preliminary Amounts”) set forth in this Detailed Notice of Sale may be revised before the viewing of bids for the purchase of the Bonds. Any such revisions (the “Revised Aggregate Principal Amount”, the “Revised Annual Principal Amounts” and the “Revised Amounts”) WILL BE GIVEN BY NOTIFICATION PUBLISHED ON www.I-dealProspectus.com NOT LATER THAN 4:00 P.M., CENTRAL TIME ON THE DAY PRECEDING THE RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts and will remain as stated in this Detailed Notice of Sale. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS, IF ANY. Prospective bidders may request notification by facsimile transmission of any revisions in the Preliminary Amounts by so advising and faxing their telecopier number(s) to Stephens Inc., Financial Advisor to the Issuer, at (615) 279-4351 by 12:00 Noon, Central Time, at least one day prior to the date for receipt of the bids.

Changes to Maturity Schedule

The Issuer reserves the right to change the Revised Aggregate Principal Amount of the Bonds and the Revised Annual Principal Amounts of the Bonds after determination of the winning bidder, by increasing or decreasing the Revised Annual Principal Amount of the Bonds may not exceed \$5,500,000. Such changes, if any, will determine the final annual principal amounts of the Bonds (the “Final Annual Principal Amounts”) and the final aggregate principal amount of Bonds (the “Final Aggregate Principal Amount”). The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Final Aggregate Principal Amount of the Bonds. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. The Issuer anticipates that the Final Annual Principal Amounts of the Bonds and the Final Aggregate Principal Amount of Bonds will be communicated to the successful bidder prior to the award of the Bonds. THE DOLLAR AMOUNT BID BY THE SUCCESSFUL BIDDER FOR THE PURCHASE OF THE BONDS WILL BE ADJUSTED TO REFLECT ANY CHANGE IN THE ANNUAL PRINCIPAL AMOUNTS BASED UPON THE ASSUMPTION THAT THE COUPON RATES, REOFFERING PRICES, AND THE UNDERWRITER’S DISCOUNT (EXCLUDING ORIGINAL ISSUE DISCOUNT/PREMIUM) STATED AS A PERCENTAGE OF THE AGGREGATE PRINCIPAL AMOUNT, AS SPECIFIED BY THE SUCCESSFUL BIDDER WILL NOT CHANGE.

Municipal Bond Insurance

The Issuer has provided information to prospective bond insurance companies in order to qualify the Bonds under their respective optional bidding programs. If the successful bidder for the Bonds desires to purchase a municipal bond insurance policy insuring payment of all or a portion of the debt service payable on the Bonds, the successful bidder does so at its own risk and expense and the obligation of the successful bidder to pay for such series Bonds shall not be conditioned on the issuance of a municipal bond insurance policy. The Issuer will cooperate with the successful bidder in obtaining such insurance, but the Issuer will not enter into any additional agreements with a bond insurer. Without limiting the generality of the foregoing, the successful bidder will be responsible for all costs, expenses and charges associated with the issuance of such insurance, including but not limited to the premium for the insurance policy, and excluding only the fees of the rating agency that will be paid by the Issuer.

Basis of Award

If an award is made, the Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the Issuer for the Bonds as determined by reference to the Revised Aggregate Principal Amounts as discussed in the paragraph above. The lowest true interest cost on the Bonds will be calculated as that rate which when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the dated date of such Bonds) produces a yield equal to the purchase price of the Bonds. For the purpose of calculating the true interest cost, the principal amount of Term Bonds scheduled for mandatory sinking fund redemption as part

of a Term Note shall be treated as a serial maturity in each year. Each bidder is required to specify its calculation of the true interest cost resulting from its bid, but such information shall not be treated as part of its proposal.

In the event that two or more of the bidders offer to purchase the Bonds thereof at the same lowest true interest cost, the Mayor shall determine, in the sole discretion of the Mayor, which of the bidders shall be awarded the Bonds.

The Mayor reserves the right to waive any irregularity or informality in any bid, and to reject any or all bids, and notice of rejection of any bid will be made promptly. Unless all bids are rejected, award of Bonds will be made by the Mayor on the sale date specified in the Notice of Sale.

Good Faith Deposit

The successful bidder will be required to submit a good faith deposit (each a “Deposit”) in the amount of \$110,000 for the Bonds. The Deposit may be provided in the form of:

1. **Federal Funds Wire Transfer.** A federal funds wire transfer submitted to the Issuer by the successful bidder by 3:00 p.m. Central Time on the day of the sale provided the Issuer awards the bid by 1:00 p.m. Central Time otherwise the wire shall be received not later than 12:00 noon Central Time on the next business day following the award. The Mayor reserves the right to adjust the time the deposit is to be received if there are problems with electronic transfers of funds or other acceptable reasons.
2. **Surety Bond.** A financial surety bond (a “Surety Bond”) from an insurance company acceptable to the Issuer and licensed to issue such a bond in the State of Tennessee. If a Surety Bond is used, it must be submitted to the Issuer prior to 4:00 p.m. Central Time on the day prior to the date bids are to be received. The Surety Bond must be in the form and substance acceptable to the Issuer, including (without limitation) identifying the bidder whose Deposit is guaranteed by such Surety Bond. If the Bonds are awarded to a bidder utilizing a Surety Bond, then each such successful bidder is required to submit its deposit to the Issuer not later than 12:00 noon Central Time on the next business day following the award by federal funds wire transfer. If such Deposit is not timely received, the Issuer may draw on the Surety Bond to satisfy the Deposit requirement.
3. **Certified Check.** A bank certified check, bank cashier’s check or a treasurer’s check drawn upon an incorporated bank or trust company payable unconditionally to the order of the Issuer. If a check is used, it must accompany a bid and be received by the time and date bids are required. If the successful bidder’s Deposit is by check, the check will be deposited on the date of the sale.

Wire transfer instructions are available from Stephens Inc., Attn: Ashley McNulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone (615) 279-4334; Fax: (615) 279-4351. In the event the successful bidder fails to timely submit the Deposit, the award may be terminated by the Mayor, and the Mayor, in the discretion of the Mayor, may award the Bonds to the bidder whose bid results in the next lowest true interest cost to the Issuer as the lowest complying bidder or hold a subsequent sale of the Bonds. The Issuer shall have no liability to any bidder who fails to properly submit a Deposit.

The Deposit of the successful bidder will be deposited by the Issuer and the proceeds thereof credited with no interest allowed thereon against the total purchase price to be paid for the Bonds upon their delivery or retained as and for full liquidated damages if the successful bidder fails to accept delivery of and pay for the Bonds. Checks and Surety Bonds of unsuccessful bidders will be returned promptly upon the award of the Bonds. If a successful bidder fails to timely make the Deposit for the Bonds, the award may be terminated in the discretion of the Mayor and the Issuer shall be entitled to an amount equal to the Deposit as liquidated damages for failure of the successful bidder to comply with the terms of the award of the Bonds.

Establishment of Issue Price

General. The winning bidder shall assist the Issuer in establishing the issue price of the Bonds as more fully described herein. All actions to be taken by the Issuer under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer's Municipal Advisor identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer's Municipal Advisor.

Anticipated Compliance with Competitive Sale Requirements. The Issuer anticipates 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 Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- the Issuer shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- all bidders shall have an equal opportunity to bid;
- the Issuer expects to receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- the Issuer anticipates awarding 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.

Issuer Intention to Apply the Hold-the-Offering-Price Rule if Competitive Sale Requirements are Not Met. In the event that the competitive sale requirements are not satisfied with respect to the Bonds, the Issuer intends to treat the initial offering prices of the Bonds to the public as the issue price of such Bonds (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity).

Application of the Hold-the-Offering-Price Rule. If the competitive sale requirements are not satisfied, then the successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- the close of the fifth (5th) business day after the sale date; or
- the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Issuer when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

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 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 Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (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 that is a party to a retail 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 retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such

underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

The Issuer acknowledges that, in making the agreements and representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Issuer further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

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

- “public” means any person other than an underwriter or a related party,
- “underwriter” means (A) 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 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 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),
- 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) 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
- “sale date” means the date that the Bonds are awarded by the Issuer to the winning bidder.

Issue Price Certificate. The winning bidder will be required to provide the Issuer, at closing, with an issue price certificate consistent with the foregoing. In the event the winning bidder will not reoffer any maturity of the Bonds for sale to the Public (as defined herein) by the delivery date of the Bonds, the issue price certificate may be modified in a manner approved by the Issuer.

CUSIP

The Issuer’s municipal advisor will request that the CUSIP Service Bureau assign CUSIP identification numbers to the Bonds, which numbers will be printed on the Bonds. The winning bidder will be responsible for the costs of assigning CUSIP numbers to the Bonds. Neither the failure to print a CUSIP number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with this Detailed Notice of Sale.

Official Statement

The Issuer will provide or cause to be provided, to the successful bidder, either in electronic format or printed copies, the final official statement sufficient in quantity to enable the successful bidder to comply with SEC Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board. Said final official statements will be provided to the successful bidder not later than seven (7) business days after the sale, or, if the Issuer, or its Financial Advisor, is

notified that any confirmation requesting payment from any customer will be sent before the expiration of such period and specifying the date such confirmation will be sent, the final official statements will be provided in sufficient time to accompany such confirmation.

Continuing Disclosure

The Issuer will, at the time the Bonds are delivered, execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide audited financial information for the Issuer not later than twelve months after each of the Issuer's fiscal years (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events and notice of failure to provide any required financial information of the Issuer. The Annual Report and notices described above will be filed by the Issuer with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.com and with any State Information Depository established in the State of Tennessee (the "SID").

Legal Opinion and Transcript

The book-entry Bonds and the approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel (which will be delivered with the Bonds), together with the Bond transcript, including a certificate as to no litigation from the Issuer dated as of the date of the delivery of the Bonds, will be furnished to the purchaser at the expense of the Issuer. As set forth in the Official Statement and subject to the limitations set forth therein, bond counsel's opinion will include an opinion that interest on the Bonds will be (i) excluded from gross income for federal income tax purposes as it relates to the Bonds; and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax, except for certain corporations, as more fully described in the official statement. Owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. For a discussion thereof, reference is hereby made to the Official Statement and the forms of opinions contained therein.

Bank Qualification

The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Delivery and Payment

The Bonds are expected to be ready for delivery within forty-five (45) days after the sale thereof, in book-entry form. At least five (5) days' notice will be given to the bidder. Delivery will be made through The Depository Trust Company, New York, New York at the expense of the purchaser. Payment for the Bonds must be made in federal funds or other immediately available funds.

Further Information

Copies of the Preliminary Official Statement may be obtained from the undersigned at the office of the Director of Finance/City Recorder, 8630 Sparta Pike, Watertown, Tennessee 37184, or from Stephens Inc., Attn: Ashley McAnulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone: (615) 279-4334; Fax: (615) 279-4351.

Michael R. Jennings,
Mayor

\$5,500,000*
CITY OF WATERTOWN, TENNESSEE
GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2024
OFFICIAL BID FORM
(ULT) (BQ)

The Honorable Michael R. Jennings
 Mayor
 c/o Office of Director of Finance/City Recorder
 8630 Sparta Pike Watertown
 Tennessee 37184

_____, 2024

For your legally issued, properly executed the City of Watertown, Tennessee (the "Issuer") \$5,500,000* General Obligation Public Improvement Bonds, Series 2024 (the "Bonds") and in all respects to be as more fully outlined in your Detailed Notice of Sale, which by reference is made a part hereof, we will pay you a sum of \$_____.

The Bonds will be dated the date of issuance, will mature on May 1 as shown below, and shall bear interest at the following rates:

<u>Maturity (May 1)*</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Reoffering Price</u>	<u>Maturity (May 1)*</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Reoffering Price</u>
20245	\$125,000	_____ %	_____ %	2038	\$220,000	_____ %	_____ %
2026	145,000	_____	_____	2039	225,000	_____	_____
2027	150,000	_____	_____	2040	235,000	_____	_____
2028	160,000	_____	_____	2041	245,000	_____	_____
2029	165,000	_____	_____	2042	250,000	_____	_____
2030	170,000	_____	_____	2043	260,000	_____	_____
2031	175,000	_____	_____	2044	270,000	_____	_____
2032	180,000	_____	_____	2045	285,000	_____	_____
2033	185,000	_____	_____	2046	295,000	_____	_____
2034	190,000	_____	_____	2047	305,000	_____	_____
2035	195,000	_____	_____	2048	320,000	_____	_____
2036	205,000	_____	_____	2049	335,000	_____	_____
2037	210,000	_____	_____				

Principal of and interest on the Bonds will be payable at the principal corporate trust office of U.S. Bank Trust Company, National Association, Nashville, Tennessee. This bid is made with the understanding that the Issuer will furnish without cost to the successful bidder the unqualified approving opinion of Bass, Berry & Sims PLC, Attorneys, Nashville, Tennessee, and the executed Bonds.

We have exercised the option to designate two or more consecutive serial maturities as Term Bonds as set forth below:

Term Bond 1, due May 1, _____ includes the following maturities: From May 1, _____ to May 1, _____. Term Bond 2, due May 1, _____ includes the following maturities: From May 1, _____ to May 1, _____.	Firm Name
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In accordance with the terms of the Detailed Notice of Sale, there is enclosed herewith a certified check or bank cashier's or treasurer's check for \$110,000 payable to the order of the Issuer or a Financial Surety Bond which guarantees payment of \$110,000, or a wire transfer of \$110,000 to the Issuer as set forth in the Detailed Notice of Sale, which is to be applied in accordance with the Detailed Notice of Sale. If using a Financial Surety Bond or a wire transfer, the good faith deposit may be provided in the form of:

1. **Federal Funds Wire Transfer.** A federal funds wire transfer submitted to the Issuer by the successful bidder by 3:00 p.m. Central Time on the day of the sale provided the Issuer awards the bid by 1:00 p.m. Central Time otherwise the wire shall be received not later than 12:00 noon Central Time on the next business day following the award. The Mayor reserves the right to adjust the time the deposit is to be received if there are problems with electronic transfers of funds or other acceptable reasons.
2. **Surety Bond.** A financial surety bond (a "Surety Bond") from an insurance company acceptable to the Issuer and licensed to issue such a bond in the State of Tennessee. If a Surety Bond is used, it must be submitted to the Issuer prior to 4:00 p.m. Central Time on the day prior to the date bids are to be received. The Surety Bond must be in the form and substance acceptable to the Issuer, including (without limitation) identifying the bidder whose Deposit is guaranteed by such Surety Bond. If the Bonds are awarded to a bidder utilizing a Surety Bond, then each such successful bidder is required to submit its deposit to the Issuer not later than 12:00 noon Central Time on the next business day following the award by federal funds wire transfer. If such Deposit is not timely received, the Issuer may draw on the Surety Bond to satisfy the Deposit requirement.
3. **Certified Check.** A bank certified check, bank cashier's check or a treasurer's check drawn upon an incorporated bank or trust company payable unconditionally to the order of the Issuer. If a check is used, it must accompany a bid and be received by the time and date bids are required. If the successful bidder's Deposit is by check, the check will be deposited on the date of the sale.

Wire transfer instructions are available from Stephens Inc., Attn: Ashley McNulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone (615) 279-4334; Fax: (615) 279-4351. In the event the successful bidder fails to timely submit the Deposit, the award may be terminated by the Mayor, and the Mayor, in the discretion of the Mayor, may award the Bonds to the bidder whose bid results in the next lowest true interest cost to the Issuer as the lowest complying bidder or hold a subsequent sale of the Bonds. The Issuer shall have no liability to any bidder who fails to properly submit a Deposit.

In the event this bid is accepted and should for any reason we fail to comply with the terms of this bid, said deposit will be forfeited by us as full liquidated damages; otherwise, said deposit will be credited against the purchase price of the Bonds at closing. In the event the Mayor fails to deliver the Bonds to us as described in the Detailed Notice of Sale, said deposit will be returned to us.

Accepted _____, 2024

Respectfully submitted,

Mayor

Firm Name

Signature

Title

Telephone Number of Person to Submit Bid

The following is for information purposes only.

Total Interest Cost	
Plus discount or less premium, if any	
Net Interest Cost	
True Interest Rate (TIC)	

(The calculations of Net Interest Costs and True Interest Rate and the Reoffering Prices are for information purposes only and do not constitute a part of this bid.)