

# OFFICIAL NOTICE OF SALE

**\$125,000,000\***

## **CITY OF HAYWARD 2025 Wastewater Revenue Bonds**

NOTICE IS HEREBY GIVEN by the City Council of the City of Hayward (the "City"), that that all-or-none bids will be received by a representative of the City for the purchase of \$125,000,000\* principal amount of bonds of the City designated the "City of Hayward 2025 Wastewater Revenue Bonds" (the "Bonds"). All bids must be submitted via BiDCOMP™/Parity® ("Parity®"), the electronic bidding system, up to the time and at the place specified as follows:

**DATE: TUESDAY, MARCH 11, 2025**

**TIME: 9:00 A.M. CALIFORNIA TIME**

Bids for the purchase of the Bonds will be received and considered subject to the terms and conditions described herein.

Please note that the City reserves the right to cancel or reschedule the sale of the Bonds upon notice given through *Bloomberg News* or *Thomson Municipal Market Monitor* ([www.tm3.com](http://www.tm3.com)) at any time before the time for the receipt of bids, and if the sale is rescheduled, notice of the new sale date and time, if any, will be given through *Bloomberg News* or *Thomson Municipal Market Monitor* ([www.tm3.com](http://www.tm3.com)) no later than 10:00 a.m. California time the day prior to the new day bids are to be received, and bids will be received in the manner set forth above at the rescheduled date and time as the City may determine.

### **AUTHORITY FOR THE BONDS**

The Bonds will be issued under the provisions of a Resolution adopted by the City Council of the City on February 25, 2025 (the "Bond Resolution"), and under Sections 3, 5 and 7 of Article XI of the Constitution of the State of California, Section 200 of the Charter of the City, and Chapter 8, Article 22 of the Hayward Municipal Code. The Bonds are more particularly described in the Indenture of Trust under which the Bonds will be issued (which is incorporated herein by reference) and copies thereof will be furnished to the bidder upon request.

### **PURPOSE OF THE BONDS**

The proceeds of the Bonds will be applied by the City for the purpose of financing the acquisition and construction of improvements to the wastewater collection, pumping, transport, treatment, storage, and disposal system (the "Wastewater System"). A portion of the proceeds of the Bonds will also be applied to pay the costs of issuing the Bonds.

### **SECURITY FOR THE BONDS**

The Bonds are revenue bonds of the City, payable from and secured by a pledge of and lien on the net revenues of the Wastewater System on a parity with certain outstanding obligations of the City and additional obligations to be issued by the City in the future. Bidders are referred to the Preliminary Official Statement relating to the Bonds for further details regarding the security and sources of payment for the Bonds.

The City will not establish a debt service reserve fund for the Bonds.

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\* Preliminary; subject to change.

## TERMS OF THE BONDS

**ISSUE; BOOK-ENTRY FORM:** The Bonds will be issued in the form of fully registered Bonds without coupons. The Bonds will be issued in a book-entry only system with no physical distribution of the Bonds made to the public. The Depository Trust Company, New York, New York ("DTC"), will act as depository for the Bonds which will be immobilized in its custody. The Bonds will be registered in the name of Cede & Co., as nominee for DTC, on behalf of the participants in the DTC system and the subsequent beneficial owners of the Bonds.

**DATE OF THE BONDS:** The Bonds will be dated as of their original delivery, and will be issued in minimum denominations of \$5,000.

**MATURITIES:** The Bonds will mature, or be subject to mandatory sinking fund redemption, on March 1 in each of the years, and in the amounts, as set forth in the following table. The final principal amount of the Bonds, and the final amount of each maturity of the Bonds, is subject to increase or decrease as described below under the heading "Adjustment of Principal Amounts". *Each bidder must specify in its bid whether, for any particular year, the Bonds will mature or, alternately, be subject to mandatory sinking fund redemption in such year.*

<u>Maturity Date</u> <u>(March 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Maturity Date</u> <u>(March 1)</u>	<u>Principal</u> <u>Amount</u>
2030	\$2,825,000	2043	\$4,845,000
2031	2,965,000	2044	5,090,000
2032	3,115,000	2045	5,345,000
2033	3,270,000	2046	5,610,000
2034	0	2047	5,890,000
2035	1,000,000	2048	6,185,000
2036	2,000,000	2049	6,495,000
2037	3,000,000	2050	6,820,000
2038	3,795,000	2051	7,160,000
2039	3,985,000	2052	7,520,000
2040	4,185,000	2053	7,895,000
2041	4,395,000	2054	8,290,000
2042	4,615,000	2055	8,705,000

**PAYMENT PROVISIONS:** Interest on the Bonds will be payable on March 1, 2025, and on March 1 and September 1 in each year thereafter (the "Interest Payment Dates"), to the registered owners by check or draft of The Bank of New York Mellon Trust Company, National Association, as trustee for the Bonds (the "Trustee") or, in the case of the owner of Bonds in an aggregate principal amount of at least \$1,000,000, at the written request of such owner by wire transfer. Principal of the Bonds will be paid upon presentation and surrender thereof at the office of the Trustee. The principal of and interest on the Bonds are payable in lawful money of the United States of America.

**OPTIONAL REDEMPTION:** Bonds maturing on or before March 1, 2035, are not subject to redemption prior to their respective stated maturities. Bonds maturing on or after March 1, 2036, are subject to redemption prior to maturity, at the option of the City, in whole or in part among maturities on such basis as shall be designated by the City and by lot within a maturity, from any available source of funds, on March 1, 2035, and on any date thereafter, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed together with accrued interest thereon to the date fixed for redemption, without premium.

**SINKING FUND REDEMPTION:** *Any bidder may, at its option, specify that one or more maturities of the Bonds will consist of term Bonds which are subject to mandatory sinking fund*

*redemption in consecutive years immediately preceding the maturity thereof, as designated in the bid of such bidder. If the bid of the successful bidder specifies that any maturity of Bonds will be term Bonds, such term Bonds will be subject to mandatory sinking fund redemption on March 1 in each year so designated in the bid, in the respective amounts for such years as set forth above under the heading "MATURITIES", at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest to the redemption date, without premium.*

**TAX-EXEMPT STATUS:** In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bonds Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. Bidders are referred to the Preliminary Official Statement for a description of the proposed opinion of Bond Counsel.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986 (the "Tax Code") that must be satisfied subsequent to the issuance of the Bonds in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. The City will covenant to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

**LEGAL OPINION:** The legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, approving the validity of the Bonds, will be furnished to the purchaser of the Bonds without cost. A copy of the legal opinion will be appended to each Bond. Bidders are referred to the Preliminary Official Statement relating to the Bonds for the proposed form of Bond Counsel's legal opinion.

**FURTHER INFORMATION:** A copy of the Preliminary Official Statement describing the Bonds, and any other information concerning the proposed financing, will be furnished upon request to the Municipal Advisor to the City (the "Municipal Advisor"), as follows:

NHA Advisors, LLC  
Mail: 4040 Civic Center Drive, Suite 200, San Rafael, California 94903  
Attn: Christian Sprunger  
Telephone: (415) 785-2025 ext. 2007  
Email: christian@NHAadvisors.com.

## **TERMS OF SALE**

**Important Note:** This notice will be submitted to i-Deal LLC ("i-Deal") for posting at the TM3 website and in the Parity bid delivery system. In the event i-Deal's summary of the terms of sale of the Bonds conflicts with this Notice of Sale in any particulars, the terms of this Notice of Sale (as amended, if necessary, with notice of any amendment hereto to be given as described above) shall control.

**RIGHT TO CANCEL, POSTPONE OR RESCHEDULE SALE:** The City reserves the right to cancel, postpone or reschedule the sale of the Bonds upon notice published on the website of the Municipal Advisor and through the TM3 system, not less than 24 hours before the time for receipt of bids. If the sale is postponed, bids will be received at the above place at such date and hour as set forth in the notice. Failure of any bidder to receive such notice or any other form of notice of canceled, postponed or rescheduled sale will not affect the legality or validity of any sale.

**FORM OF BID.** All bids for the Bonds must be unconditional and for not less than all of the Bonds offered for sale. Each bid must be in accordance with the terms and conditions set forth herein. Bids will only be accepted via *PARITY®* (the “Bid Service” or “Parity®”) pursuant to this Notice the time and date set forth for receipt of bids. To the extent any instructions or directions set forth in *PARITY®* conflict with this Notice, the terms of this Notice shall control. For further information about *PARITY®*, potential bidders may contact the City’s municipal advisor (see the cover page of this Notice of Sale for contact information).

**ELECTRONIC BIDS.** Only electronic bids submitted through Parity will be accepted. For further information about Parity, potential bidders may contact:

IHS Markit  
450 West 33rd Street  
New York, New York 10001  
Phone: (212) 849-5023  
Email: [munis@ihsmarkit.com](mailto:munis@ihsmarkit.com)  
Internet address: <http://www.newissuehome.i-deal.com>

If any provision of this Notice of Sale conflicts with information provided by the Bid Service, this Notice of Sale shall control. Each bidder submitting an electronic bid agrees by doing so that it is solely responsible for all arrangements with (including any charges by) the Bid Service and that the Bid Service is not acting as an agent of the City. Instructions for submitting electronic bids must be obtained from the Bid Service, and the City does not assume any responsibility for ensuring or verifying bidder compliance with the Bid Service’s procedures. The City shall be entitled to assume that any bid received via the Bid Services has been made by a duly authorized agent of the bidder.

If a bidder submits an electronic bid for the Bonds, such bidder thereby agrees to the following terms and conditions:

(i) If any provision in this Notice of Sale with respect to the Bonds conflicts with information or terms provided or required by the Bid Service, this Notice of Sale, including any amendments issued as described herein, shall control;

(ii) each bidder shall be solely responsible for making necessary arrangements to access the Bid Service for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale;

(iii) the City shall not have any duty or obligation to provide or assure access to the Bid Service to any bidder, and the City shall not be responsible for proper operation of, or have any liability for, any delays, interruptions or damages caused by use of the Bid Service or any incomplete, inaccurate or untimely bid submitted by any bidder through the Bid Service;

(iv) the City is using the Bid Service as a communication mechanism, and not as an agent of the City, to conduct the electronic bidding for the Bonds;

(v) the Bid Service is acting as an independent contractor, and is not acting for or on behalf of the City;

(vi) the City is not responsible for ensuring or verifying bidder compliance with any procedures established by the Bid Service;

(vii) the City may regard the electronic transmission of a bid through the Bid Service (including information regarding the purchase price for the Bonds and interest rates for any maturity of the Bonds) as though the information were submitted and executed on the bidder’s behalf by a duly authorized signatory;

(viii) if the bidder's bid is accepted by the City, this Notice of Sale and the information that is transmitted electronically through the Bid Service shall form a contract, and the bidder shall be bound by the terms of such contract; and

(ix) information provided by the Bid Service to bidders shall form no part of any bid or any contract between the winning bidder and the City unless that information is included in this Notice of Sale provided by the City.

**WARNING REGARDING ELECTRONIC BIDS.** THE CITY WILL ACCEPT BIDS IN ELECTRONIC FORM SOLELY THROUGH PARITY®. EACH BIDDER SUBMITTING AN ELECTRONIC BID UNDERSTANDS AND AGREES BY DOING SO THAT IT IS SOLELY RESPONSIBLE FOR ALL ARRANGEMENTS WITH PARITY®, THAT THE CITY NEITHER ENDORSES NOR EXPLICITLY ENCOURAGES THE USE OF 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®, AND THE CITY ASSUMES NO RESPONSIBILITY FOR ENSURING OR VERIFYING BIDDER COMPLIANCE WITH THE PROCEDURES OF PARITY®. THE CITY SHALL ASSUME THAT ANY BID RECEIVED THROUGH PARITY® HAS BEEN MADE BY A DULY AUTHORIZED AGENT OF THE BIDDER.

THE CITY, THE MUNICIPAL ADVISOR AND BOND COUNSEL ASSUME NO RESPONSIBILITY FOR ANY ERROR CONTAINED IN ANY BID SUBMITTED ELECTRONICALLY, OR FOR FAILURE OF ANY BID TO BE TRANSMITTED, RECEIVED OR OPENED AT THE OFFICIAL TIME FOR RECEIPT OF BIDS. THE OFFICIAL TIME FOR RECEIPT OF BIDS WILL BE DETERMINED BY THE CITY AT THE PLACE OF BID OPENING, AND THE CITY SHALL NOT BE REQUIRED TO ACCEPT THE TIME KEPT BY PARITY® AS THE OFFICIAL TIME.

**MINIMUM / MAXIMUM PURCHASE PRICE:** Each proposal must be for not less than all of the Bonds hereby offered for sale. The purchase price for the Bonds shall be not less than 98% of the par amount thereof. Bidders should be aware that the required purchase price is net of purchaser's compensation and bond insurance premium (if bond insurance is obtained), which is required to be paid by the purchaser.

**DESIGNATION OF INTEREST RATES:** Bidders may specify any number of separate interest rates, and any rate may be repeated as often as desired; provided, however, that:

- (i) each interest rate specified must be in a multiple of 1/20 of 1% or 1/8 of 1%;
- (ii) the maximum interest rate bid for any maturity shall not exceed 6% per annum;
- (iii) a zero rate of interest cannot be specified;
- (iv) interest on each Bond shall accrue from its dated date to its stated maturity date at the interest rate specified in the bid;
- (v) all Bonds of the same maturity date shall bear the same rate of interest;
- (vi) bidders may bid to purchase the Bonds from the City at a discount or with a premium; however, no bid will be considered if the bid is to purchase Bonds at an aggregate price less than 98%; and
- (vii) 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.

***Bids that do not conform to the terms of this paragraph will be rejected.***

**BASIS OF AWARD:** Unless all bids are rejected as described in this Notice of Sale, the Bonds will be awarded to the responsible bidder whose bid produces the lowest true interest cost on the Bonds. The true interest cost specified in any bid will be that rate which, when used in computing the present value of principal and interest to be paid on all Bonds from the expected date of delivery (which is assumed for computational purposes to be March 25, 2025), to their respective maturity dates, or mandatory sinking fund prepayment dates in the case of term Bonds,

produces an amount equal to the purchase price (including any premium or original issue discount) specified in such bid. For purposes of computing the true interest cost represented by any bid, the purchase price specified in such bid shall be equal to the par amount of the Bonds plus any premium specified in such bid, less any original issue discount, and the true interest cost shall be calculated by the use of a semiannual interval of compounding interest based on the Interest Payment Dates for the Bonds.

The interest rates used in the true interest computation will be the interest rates stated in the bid.

Bidders are requested to supply a calculation of the true interest cost of the Bonds to the City on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or the City.

**VERIFICATION:** All bids are subject to verification and approval by the City. The City has the absolute right, in its sole discretion, to deem final each bid as reported by Parity to be accurate and binding on the bidder immediately after the deadline for receipt of bids. Information or calculations provided by Parity other than the information required to be provided by the bidder in accordance with this Notice of Sale is for information purposes only and is not binding on either the bidder or the City.

**ALL OR NONE BID.** Any prospective purchaser may submit a bid for the Bonds, provided that if any of the Bonds are bid for, then all of the Bonds must be bid for.

**ADJUSTMENT OF PRINCIPAL MATURITIES:** The City reserves the right to increase or decrease the principal amount of any maturity of the Bonds (or, in the case of the term Bonds, the principal amount thereof which is subject to mandatory sinking fund redemption on March 1 in any year). The City will give notice of any such adjustment to the successful bidder as soon as practicable following the notification of award. No such adjustment will alter the basis upon which the best bid is determined. The winning bidder may not withdraw its bid or change its interest rates bid as a result of any changes made to the principal amounts. The City will attempt to maintain the percentage of bidder compensation when adjusting maturities

**RIGHT OF REJECTION:** The City reserves the right, in its discretion, to reject any and all bids and to the extent not prohibited by law to waive any irregularity or informality in any bid.

**PROMPT AWARD:** A representative of the City has been authorized to accept the best responsible bid for the purchase of the Bonds and to accept such bid, for and in the name of the City, by notice to the successful bidder. If two or more bids setting forth identical interest rates and premium, if any, are received, such officer may exercise discretion and judgment in making the award and may award the Bonds on a pro rata basis in such denominations as he or she determines. Such authorized representative of the City may also reject any and all bids and waive any irregularity or informality in any bid. Sale of the Bonds will be awarded or all bids will be rejected not later than 24 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder; provided, that the award may be made after the expiration of the specified time if the bidder does not notify the City in writing of the withdrawal of its proposal.

**PLACE OF DELIVERY; CANCELLATION FOR LATE DELIVERY:** It is expected that the Bonds will be delivered to DTC for the account of the successful bidder on March 25, 2025. The successful bidder has the right, at the successful bidder's option, to cancel the contract of purchase if the Bonds are not tendered for delivery within 60 days from the date of the sale thereof. In such event, the successful bidder will be entitled to the return of the deposit accompanying the bid (see "GOOD FAITH DEPOSIT" below).

**PAYMENT OF PURCHASE PRICE:** The successful bidder will be required to pay the purchase price (less the amount of the good faith deposit described in "GOOD FAITH DEPOSIT" below) of

the Bonds in funds which are immediately available to the Trustee. Such payment shall be made on the date of original delivery of the Bonds by the City to DTC.

**GOOD FAITH DEPOSIT:** A good faith deposit for the Bonds in the amount of \$500,000 (the "Good Faith Deposit") must be provided by the successful bidder. The Good Faith Deposit must be submitted by wire transfer (as described below). The Bonds will not be officially awarded to a bidder who has not submitted a Good Faith Deposit.

Upon the determination by the City of the successful bidder, the City's municipal advisor will request the successful bidder to (i) immediately wire the Good Faith Deposit to the Trustee, which will be provided to the successful bidder by the City, and (ii) provide, within ninety (90) minutes of such request, the Federal wire reference number of such Good Faith Deposit to the City's municipal advisor by email (Christian@nhaadvisors.com).

In the event that the successful bidder does not wire the Good Faith Deposit as required, or does not provide the Federal wire reference number confirming the wire-transfer of such deposit to the municipal advisor within the time specified above, the City may reject the bid of the successful bidder and may award the Bonds to a responsible bidder that submitted a confirming bid that represents the next lowest true interest cost to the City.

No interest will be paid upon a Good Faith Deposit made by a successful bidder. Upon receipt of the Good Faith Deposit by the City, the Good Faith Deposit will immediately become the property of the City. The Good Faith Deposit will be held and invested for the exclusive benefit of the City. The Good Faith Deposit, without interest thereon, will be credited against the purchase price of the Bonds purchased by the successful bidder at the time of delivery thereof.

If the purchase price is not paid in full upon tender of the Bonds, the City shall retain the Good Faith Deposit and the successful bidder will have no right in or to the Bonds or to the recovery of its Good Faith Deposit, or to any allowance or credit by reason of such deposit, except pursuant to a right of cancellation. See "PLACE OF DELIVERY; CANCELLATION FOR LATE DELIVERY." In the event of nonpayment of the purchase price for the Bonds by the successful bidder, the City reserves any and all rights granted by law to recover the full purchase price of the Bonds and, in addition, any damages suffered by the City.

**CUSIP NUMBERS:** It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms hereof. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the City, except that the CUSIP Service Bureau charge for the assignment of said numbers will be the sole responsibility of and shall be paid for by the purchaser. The purchaser shall also notify the CUSIP Service Bureau as to the final structure of the Bonds awarded to such purchaser.

**QUALIFICATION FOR SALE; BLUE SKY.** Compliance with blue sky laws shall be the sole responsibility of the purchaser. The City will furnish such information and take such action not inconsistent with law as the purchaser may request and the City shall deem necessary or appropriate to qualify the Bonds for offer and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the purchaser; provided, however, that the City shall not execute a general or special consent to service of process or qualify to do business in connection with such qualification or determination in any jurisdiction. The purchaser will not offer to sell or solicit any offer to buy the Bonds in any jurisdiction where it is unlawful for such bidder to make such offer, solicitation or sale, and the bidder shall comply with the blue sky and other securities laws and regulations of the states and jurisdictions in which the bidder sells the Bonds.

**CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION FEES:** All fees payable to the California Debt and Investment Advisory Commission in connection with the issuance of the Bonds are the sole responsibility of the purchaser of the Bonds.

**ESTABLISHMENT OF ISSUE PRICE FOR THE BONDS:** By submitting a bid, the purchaser confirms that each maturity of the Bonds has been or will be offered 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 purchaser.

By submitting a bid, the purchaser agrees to assist the City and Special Counsel in establishing the issue price of the Bonds. Prior to delivery of the Bonds, the purchaser shall be required to provide to the City a reoffering price certification in form and substance similar to either the certificate attached as Appendix A to this Notice of Sale (if the “competitive sale requirements” described below have been met), the certificate attached as Appendix B to this Notice of Sale (if the competitive sale requirements have not been met and the purchaser elects to use the 10% test to determine the issue price), or the certificate attached as Appendix C to this Notice of Sale (if the competitive sale requirements have not been met and the purchaser elects to use the hold-the-offering rule to determine the issue price). The Bonds actually delivered will have such modifications as may be appropriate or necessary, in the reasonable judgment of the purchaser, the City and Special Counsel to accurately reflect, as applicable, the role of the signatory and the sales price or prices or the initial offering price or prices to the public of the Bonds. In addition, based on reasonable requests of Special Counsel, the purchaser will provide information regarding its sales of the Bonds. For purposes of this paragraph, sales of the Bonds to other securities brokers or dealers will not be considered sales to the general public.

**Competitive Sale Requirements Satisfied.** 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 Bonds) will apply to the initial sale of the 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 Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true 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.

Bids will not be subject to cancellation if the competitive sale requirements are not satisfied.

If the competitive sale requirements are not satisfied, the City shall so advise the purchaser. If the competitive sale requirements are not satisfied, the purchaser shall advise the City if any maturity of the Bonds satisfies the 10% test (as defined below) as of the date and time of the award of the Bonds, and if the purchaser has elected to apply the hold-the-offering-price rule (as defined below), the purchaser shall notify the City, within one hour of the time of award of the Bonds, which maturities of the Bonds satisfy the 10% test and which maturities shall be subject to the hold-the-offering-price rule.



**Competitive Sale Requirements Not Satisfied – 10% Test.** If the competitive sale requirements are not satisfied, and the purchaser does not elect to use the hold-the-offering-price rule, then 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. Until the 10% test has been satisfied as to each maturity of the Bonds to which the 10% test shall apply, the purchaser agrees to promptly report to the City the prices at which such unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

**Competitive Sale Requirements Not Satisfied – Hold-the-Offering-Price Rule.** If the competitive sale requirements are not satisfied, and the purchaser has elected to use the hold-the-offering-price rule, the purchaser agrees, 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 which the hold-the-offering-price rule applies 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:

- (1) the close of the 5th business day after the sale date; or
- (2) 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 purchaser shall promptly advise the City 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 5th business day after the sale date.

The City acknowledges that, if the purchaser has elected to use the hold-the-offering-price rule, in making the representation set forth above, the purchaser 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) if 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) if 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 City 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.

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 (A) 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 purchaser 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 and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the purchaser 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 (A) 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 purchaser 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 and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the purchaser or such underwriter and as set forth in the related pricing wires.

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:

(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 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),

(iii) 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 (A) 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), (B) 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 (C) 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 Bonds are awarded by the City to the purchaser.

**OFFICIAL STATEMENT:** The City has approved a Preliminary Official Statement relating to the Bonds. Copies of such Preliminary Official Statement will be distributed to any bidder, upon request, prior to the sale in a form “deemed final” by the City for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”). Within seven business days from the sale date, the City will deliver to the purchaser copies of the final Official Statement, executed by an authorized representative of the City and the City and dated the date of delivery thereof to the purchaser, in sufficient number to allow the purchaser to comply with paragraph (b)(4) of the Rule and to satisfy the Municipal Securities Rulemaking Board (the “MSRB”) Rule G-32 or any other rules adopted by the MSRB, which shall include information permitted to be omitted by paragraph (b)(1) of the Rule and such other amendments or supplements as are approved by the City (the “Final Official Statement”). The purchaser agrees that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Final Official Statement.

**CERTIFICATE REGARDING OFFICIAL STATEMENT:** A responsible officer of the City will certify to the original purchaser of the Bonds, as a condition of closing, that based on such officer’s participation in the preparation of the Official Statement, nothing has come to his or her attention to lead him or her to believe that the Official Statement (except for certain financial statements,

statistical data and other information) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

**DISCLOSURE COUNSEL NEGATIVE ASSURANCE LETTER:** The firm of Jones Hall, A Professional Law Corporation, as Disclosure Counsel to the City, will provide a letter to the original purchaser of the Bonds regarding the Official Statement. Such letter will be to the effect that during the course of Disclosure Counsel's work with regard to the Bonds, no facts have come to their attention that cause them to believe that the Official Statement (except for any financial and statistical data and forecasts, numbers, estimates, assumptions and expressions of opinion, and information concerning the Depository Trust Company and the book-entry system) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

**NO LITIGATION CERTIFICATE:** At the time of issuance of the Bonds, the City will certify there is no litigation pending concerning the validity of the Bonds, the corporate existence of the City, or the entitlement of the City officers to their respective offices, and the purchaser will be furnished a no-litigation certificate certifying to the foregoing as of and at the time of delivery of the Bonds.

**CONTINUING DISCLOSURE.** In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the City has committed to undertake, under the Bond Resolution and a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. Such Continuing Disclosure Certificate will be a document required to be delivered at closing by the City, and the failure by the City to deliver such document in form and substance acceptable to Bond Counsel and the successful bidder will relieve the successful bidder of its obligation to purchase the Bonds.

GIVEN by order of the City Council of the City of Hayward by resolution adopted February 25, 2025.

**APPENDIX A**  
**FORM OF REOFFERING PRICE CERTIFICATE\***

TO BE DELIVERED IF COMPETITIVE SALE REQUIREMENTS ARE MET (I.E., 3 BIDS FROM COMPETITIVE PROVIDERS ARE RECEIVED)

\$ \_\_\_\_\_  
**CITY OF HAYWARD**  
**2025 Wastewater Revenue Bonds**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of **[NAME OF UNDERWRITER]** (“**[SHORT NAME OF UNDERWRITER]**”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

**1. Reasonably Expected Initial Offering Price.**

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by **[SHORT NAME OF UNDERWRITER]** are the prices listed in Schedule 1 (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by **[SHORT NAME OF UNDERWRITER]** in formulating its bid to purchase the Bonds. Attached as Schedule 1 is a true and correct copy of the bid provided by **[SHORT NAME OF UNDERWRITER]** to purchase the 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 Bonds.

**2. Defined Terms.**

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *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.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is **[DATE]**.

(d) *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 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 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).

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 Certificate as to Arbitrage and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the 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 Bonds.

Dated: [**ISSUE DATE**]

[**UNDERWRITER**]

By: \_\_\_\_\_  
Name and Title

**SCHEDULE 1**  
**BIDDING DOCUMENTATION AND INITIAL OFFERING PRICES**

**APPENDIX B**  
**FORM OF REOFFERING PRICE CERTIFICATE**

TO BE DELIVERED IF COMPETITIVE SALE REQUIREMENTS ARE NOT MET (3  
COMPETITIVE BIDS ARE NOT RECEIVED) AND 10% TEST IS USED FOR ISSUE PRICE

\$ \_\_\_\_\_  
**CITY OF HAYWARD**  
**2025 Wastewater Revenue Bonds**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE]  
(["[SHORT NAME OF UNDERWRITER]" ] [the "Representative" ]), on behalf of itself and  
[NAMES OF OTHER UNDERWRITERS] (together, the "Underwriting Group"), hereby  
certifies as set forth below with respect to the sale and issuance of the above-captioned  
obligations (the "Bonds").

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each  
Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was  
sold to the Public is the respective price listed in Schedule 1.

2. ***Defined Terms.***

(a) *Issuer* means the City of Hayward, California.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with  
different maturity dates, or Bonds with the same maturity date 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 Bonds. The Sale Date of the Bonds is [DATE].

(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 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 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).

The representations set forth in this certificate are limited to factual matters only. Nothing  
in this certificate represents [NAME OF UNDERWRITING FIRM] [the Representative'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 Certificate as to Arbitrage and with respect to compliance

with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the 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 Bonds.

Dated: **[ISSUE DATE]**

**[UNDERWRITER]**

By: \_\_\_\_\_  
Name and Title



**SCHEDULE 1**

**SALE PRICES**

**APPENDIX C**  
**FORM OF REOFFERING PRICE CERTIFICATE**

TO BE DELIVERED IF COMPETITIVE SALE REQUIREMENTS ARE NOT MET (3  
COMPETITIVE BIDS ARE NOT RECEIVED) AND PURCHASER ELECTS TO USE  
HOLD-THE-OFFERING-PRICE FOR ISSUE PRICE

\$ \_\_\_\_\_  
**CITY OF HAYWARD**  
**2025 Wastewater Revenue Bonds**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of **[NAME OF UNDERWRITER/REPRESENTATIVE]**  
(**[“[SHORT NAME OF UNDERWRITER]”]**)(**[the “Representative”]**), on behalf of itself  
and **[NAMES OF OTHER UNDERWRITERS]** (together, the **“Underwriting Group”**),  
hereby certifies as set forth below with respect to the sale and issuance of the above-  
captioned obligations (the **“Bonds”**).

**1. Initial Offering Price of the Bonds.**

(a) **[SHORT NAME OF UNDERWRITER]****[The Underwriting Group]** offered  
each Maturity of the Bonds to the Public for purchase at the respective initial offering prices  
listed in Schedule 1 (the **“Initial Offering Prices”**) on or before the Sale Date. A copy of  
the pricing wire or equivalent communication for the Bonds is attached to this certificate  
as Schedule 1.

(b) As set forth in the **[Bond Purchase Agreement]****[Notice of Sale and bid  
award]**, **[SHORT NAME OF UNDERWRITER]****[the members of the Underwriting  
Group]** **[has][have]** agreed in writing that, (i) for each Maturity of the Bonds, **[it][they]**  
would neither offer nor sell any of the Bonds of such Maturity to any person at a price that  
is higher than the Initial Offering Price for such Maturity during the Holding Period for such  
Maturity (the **“hold-the-offering-price rule”**), and (ii) any selling group agreement shall  
contain the agreement of each dealer who is a member of the selling group, and any retail  
distribution agreement shall contain the agreement of each broker-dealer who is a party  
to the retail distribution agreement, to comply with the hold-the-offering-price rule.  
Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any  
Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for  
that Maturity of the Bonds during the Holding Period.

**2. Defined Terms.**

(a) **Holding Period** means, for each Maturity of the Bonds, the period starting  
on the Sale Date and ending on the earlier of (i) the close of the fifth business day after  
the Sale Date (**[DATE]**), or (ii) the date on which **[SHORT NAME OF THE  
UNDERWRITER]****[the Underwriters]** **[has][have]** sold at least 10% of such Maturity of the  
Bonds to the Public at prices that are no higher than the Initial Offering Price for such  
Maturity.

(b) **Issuer** means the City of Hayward, California.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) *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% common ownership, directly or indirectly.

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is **[DATE]**.

(f) *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 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 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).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents **[NAME OF UNDEWRITING FIRM][the Representative'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 Certificate as to Arbitrage and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the 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 Bonds.

Dated: **[ISSUE DATE]**

**[UNDERWRITER]**

By: \_\_\_\_\_  
Name and Title

**SCHEDULE 1**  
**LISTING OF HOLD-THE-PRICE MATURITIES, INITIAL OFFERING PRICES AND**  
**PRICING WIRE**