

**NOTICE INVITING PROPOSALS FOR PURCHASE OF BONDS**

\$22,230,000\*

**BELMONT JOINT POWERS FINANCING AUTHORITY  
SEWER TREATMENT FACILITY REVENUE BONDS  
SERIES 2018**

**NOTICE IS HEREBY GIVEN** that sealed unconditioned proposals will be received to and including the hour of 9:00 a.m., Pacific Daylight Time, on December 4, 2018, at the offices of PFM Financial Advisors LLC, 50 California Street, Suite 2300, San Francisco, California 94111 (the “Municipal Advisor”), in the manner described below, for the purchase of all, but not less than all, of one hundred percent (100%) of the principal amount of Belmont Joint Powers Financing Authority Sewer Treatment Facility Revenues Bonds Series 2018 (the “Bonds”). Proposals must be submitted electronically via i-Deal LLC’s (“i-Deal”) Parity Electronic Bid Submission System (“PARITY”), a division of Thomson Information Services, Inc., in the manner described below, for the purchase of all, but not less than all, of one hundred percent (100%) of the principal amount of the Bonds. In the event that the sale has not been awarded by the designated time, bids will be received at a subsequent time and date to be determined by the City of Belmont (the “City”) and publicized via the Bond Buyer or the Bond Buyer Wire or Thomson Municipal Market Monitor (www.tm3.com).

**I. Issue:**

The Bonds will be dated the date of delivery, will be in the denomination of \$5,000 each, or integral multiples thereof, and will bear interest from the date of delivery of the Bonds to the maturity of each of the Bonds at the rate such that the true interest cost (the “TIC”) shall not exceed 5%, with interest payable semiannually on February 1 and August 1 of each year during the term of each of the Bonds, commencing August 1, 2019. The Bonds will mature on August 1 in each of the years set forth in the following schedule:

<u>Maturity Date</u> <u>(Aug 1)</u>	<u>Principal Amount*</u>	<u>Maturity Date</u> <u>(Aug 1)</u>	<u>Principal Amount*</u>
2019	\$190,000	2034	\$695,000
2020	345,000	2035	735,000
2021	365,000	2036	770,000
2022	385,000	2037	810,000
2023	400,000	2038	850,000
2024	425,000	2039	895,000
2025	445,000	2040	940,000
2026	470,000	2041	990,000
2027	490,000	2042	1,040,000
2028	515,000	2043	1,095,000
2029	545,000	2044	1,150,000
2030	570,000	2045	1,210,000
2031	600,000	2046	1,270,000
2032	630,000	2047	1,335,000
2033	665,000	2048	1,405,000

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\* Preliminary, subject to change.

## **II. Option to Elect Term Bonds:**

The purchaser may elect to combine any number of consecutive maturities of Bonds for which an identical interest rate has been specified to comprise term bonds by indicating such an election in their bid. The election to create term bonds in such manner will require the creation of a mandatory sinking fund so that the sinking fund redemption payments shall equal the corresponding serial bond maturity amounts.

## **III. Adjustment of Principal Amounts:**

The estimated principal amount of each maturity of Bonds set forth above reflect certain assumptions of the City and the Municipal Advisor with respect to the likely interest rates of the winning bid or bids. Following the determination of the successful bidder or bidders, the City reserves the right to increase or decrease the principal amount of each maturity of the Bonds, in \$5,000 increments of principal amount or eliminate maturities in their entirety. Such adjustment shall be made within 26 hours of the bid opening and in the sole discretion of the City, upon recommendation of the Municipal Advisor. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted and the successful bid or bids may not be withdrawn, and the successful bidder will not be permitted to change the interest rate(s) in its bid for the Bonds. The percentage compensation to be paid to the successful bidder will not change if the maturity schedule is adjusted.

## **IV. Interest Rates:**

All bids for the purchase of the Bonds must state the rate of interest to be paid for each maturity of Bonds offered and bid price for such Bonds. All Bonds of the same maturity must bear the same rate of interest and no Bond may bear more than one rate. The maximum interest rate bid for each maturity may not exceed ten percent (10%), and the TIC may not exceed five (5%). Bidders may specify any number of different rates to be borne on the Bonds; however, interest rates of each maturity after the call date of the bonds, as stated in the following paragraph, cannot be below five percent (5%). All interest rates must be in multiples of 1/8 or 1/20 of one percent and a zero rate of interest cannot be specified. Interest will be computed on the basis of a 360-day year consisting of twelve, 30-day months.

## **V. Redemption:**

The Bonds maturing on or before August 1, 2028 are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after August 1, 2029 are subject to optional redemption prior to their respective stated maturity dates at the option of the City, from any source of available funds, as a whole or in part, on any date on or after August 1, 2028, at a redemption price equal to the principal amount of the Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

## **VI. Notice of Redemption:**

Notice of redemption of any Bond will be mailed to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the bond registration books maintained by The Bank of New York Mellon Trust Company, N.A., as the trustee for the Bonds (the "Trustee"); such mailing to be not more than 60 nor less than 30 days prior to the date set for redemption. Neither

failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of Bonds.

**VII. Costs of Issuance:**

By submission of its bid pursuant to the provisions hereof, each bidder will be deemed to have represented that its underwriting discount shall not exceed 2% of the principal amount of the Bonds.

**VIII. Premium/Discount Bonds:**

Bidders may not bid a purchase price (calculated as principal plus premium minus the bidder's compensation) of more than 120% or less than 90% of the aggregate principal amount of the Bonds.

**IX. Registration of Bonds as to Principal and Interest and Place of Payment:**

The Bonds, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases will be made in book-entry form only, in the denominations of \$5,000 and integral multiples thereof. Purchasers will not receive physical certificates representing their interest in the Bonds purchased. Principal and interest are payable in lawful money of the United States of America and will be paid to DTC which in turn will remit such amounts to the beneficial owners of the Bonds through DTC's Participants, as described in the Preliminary Official Statement.

**X. Authority:**

The Bonds will be issued the Belmont Joint Powers Financing Authority (the "Authority") pursuant to and Indenture by and between the Authority and the Trustee.

**XI. Security:**

The Bonds are special obligations of the Authority payable solely from revenues ("Revenues"), which consist primarily of Installment Payments to be received by the Authority from the City under and Installment Purchase Agreement dated as of October 1, 2018 (the "Agreement") by and between the Authority and the City, and amounts on hand from time to time in the funds established under the Indenture. The Installment Payments are payable by the City from Sewer Treatment Facilities Revenues of the City's Sewer System. The City has pledged all of its Sewer Treatment Facilities Revenues and all amounts on deposit in the Sewer Treatment Facility Revenue Fund as the source of funds to make its payments due under the Agreement. The Bonds are not secured by a legal or equitable pledge of, or charge or lien upon, any property of the Authority or any of its income or receipts, except the Revenues. Neither the full faith nor credit of the Authority or the City is pledged for the payment of the interest on or the principal of the Bonds nor for the payment of Installment Payments. Neither the payment of the principal of or interest on the Bonds nor the obligation of the City to make Installment Payments constitutes as debt, liability or obligation of the Authority or the City for which either entity is obligated to levy or pledge any form of taxation or for which either entity has levied or pledged any form of taxation. The Authority has no taxing power

**XII. Form of Bid:**

All bids must be submitted electronically via PARITY, pursuant to the procedures described below, and all such bids shall be deemed to constitute a Bid for Purchase of the Bonds and shall be

deemed to incorporate by reference all of the terms and conditions of this Notice Inviting Proposals for Purchase of Bonds. The submission of a bid electronically via PARITY shall constitute and be deemed the bidder's signature on the Bid for Purchase of the Bonds.

### **XIII. Procedures Regarding Electronic Bidding:**

Bids must be submitted electronically via PARITY in accordance with this Notice Inviting Proposals for Purchase of Bonds, until 9:00 a.m., Pacific Daylight Time, on December 4, 2018, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice Inviting Proposals for Purchase of Bonds, the terms of this Notice Inviting Proposals for Purchase of Bonds shall control. For further information about PARITY, potential bidders may contact the City's Municipal Advisor, Robert Gamble of PFM Financial Advisors LLC at 415-982-5544 or [gambler@pfm.com](mailto:gambler@pfm.com), or PARITY at i-Deal at (212) 849-5021. In the event that a bid for the Bonds is submitted via PARITY, the bidder further agrees that:

1. Once the bids are communicated electronically via PARITY to the City as described herein, each bid will constitute a Bid for Purchase of the Bonds and shall be deemed to be an irrevocable offer to purchase the Bonds on the terms provided in this Notice Inviting Proposals for Purchase of Bonds. If a bid submitted electronically via PARITY is accepted by the City, the terms of the Bid for Purchase of the Bonds and the Notice Inviting Proposals for Purchase of Bonds and the information that is electronically transmitted through PARITY (including information about the purchase price of the Bonds, the coupon interest rate or rates to be borne by the various maturities of the Bonds, the initial public offering price of each maturity and any other information included in such transmission) shall form a contract and the successful bidder shall be bound by the terms of such contract.

2. PARITY is not an agent of the City, and the City shall have no liability whatsoever based on any bidder's use of PARITY, including but not limited to any failure by PARITY to correctly or timely transmit information provided by the City or information provided by the bidder.

3. The City may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via PARITY's internet site ([www.tm3.com](http://www.tm3.com)) no later than 1:00 P.M. (Pacific Daylight Time) on the last business day prior to the date of sale. In such case, a substitute bidding arrangement will be described in an amended Notice Inviting Proposals for Purchase of Bonds.

4. For purposes of submitting all Bids for Purchase of the Bonds, the time as maintained on PARITY shall constitute the official time. No bid received after the deadline shall be considered. In any case, each bid must be in accordance with the terms and conditions set forth in this official Notice Inviting Proposals for Purchase of Bonds.

5. Each bidder shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with this Notice Inviting Proposals for Purchase of Bonds. Neither the City nor i-Deal shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the City nor i-Deal shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY. The City is using PARITY as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Bonds. By using PARITY, each

bidder agrees to hold the City harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

**XIV. Estimate of True Interest Cost:**

Bidders are requested (but not required) to supply an estimate of the total TIC 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 Board of Trustees of the city.

**XV. Deposit:**

The successful bidder will be required to provide a good faith deposit (the “Deposit”) in the form of a wire transfer, made payable to

The City of Belmont  
in the amount of  
\$222,300

prior to the official award. The wire transfer must be transmitted in immediately available funds and sent to the account of the City at the Trustee at the wire address specified in section XXIII herein, but with the following reference: Belmont Joint Powers Financing Authority Sewer Treatment Facility Revenue Bonds Series 2018 Good Faith Deposit. The Municipal Advisor will request the apparent winning bidder to immediately wire the Deposit (as provided in Section XXIII herein) and provide the Federal wire reference number of such Deposit to the Municipal Advisor within 90 minutes of such request by the Municipal Advisor. The Bonds will not be officially awarded to a bidder who has not submitted a Deposit in the form of a wire transfer, together with its Federal wire reference number, as provided above.

No interest on the Deposit will accrue to any bidder. The Deposit (without accruing interest) of the winning bidder will be applied to the purchase price of the Bonds. In the event the winning bidder fails to honor its accepted bid, the Deposit plus any interest accrued on the Deposit will be retained by the City. Any investment income earned on the Deposit will be paid to the successful bidder in the event the City is unable to deliver the Bonds. Deposits accompanying bids other than the bid which is accepted will be returned promptly upon the determination of the best bidder.

**XVI. Qualification for Sale; Blue Sky:**

The purchaser will assume responsibility for taking any action necessary to qualify the Bonds for offer and sale in jurisdictions other than California, and for complying with the laws of all jurisdictions on resale of the Bonds, and shall indemnify, defend and hold harmless the City and their respective officers and officials from any loss or damage resulting from any failure to comply with any such law. Compliance with Blue Sky Laws shall be the sole responsibility of the purchaser, and the purchaser shall pay all fees and disbursements related to the qualification of the bonds for sale under the securities or Blue Sky laws of various jurisdictions. 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 purchaser to make such offer, solicitation or sale, and the purchaser shall comply with the Blue Sky and other securities laws and regulations of the states and jurisdictions.

**XVII. CUSIP Numbers and Other Fees:**

CUSIP numbers will be applied for and will be printed on the Bonds and the cost of printing thereof and service bureau assignment will be the Municipal Advisor's responsibility. Any delay, error or omission with respect thereto will not constitute cause for the purchaser to refuse to accept delivery of and pay for the Bonds. The successful bidder shall be required to pay all fees required by The Depository Trust Company, Bond Market Association, Municipal Securities Rulemaking Board, and any other similar entity imposing a fee in connection with the issuance of the Bonds (see, "—California Debt and Investment Advisory Commission" below).

**XVIII. Legal Opinion:**

The Bonds are sold with the understanding that the purchaser will be furnished with the approving opinion of Bond Counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation. A copy of the opinion will be attached to the Bonds. Said attorneys have been retained by the City as Bond Counsel and in such capacity are to render their opinion only upon the legality of the Bonds under State of California law and on the exemption of the interest income on such Bonds from federal and State of California income taxes. Fees of Bond Counsel will be paid by the City from the costs of issuance.

**XIX. Tax-Exempt Status:**

In the opinion of Bond Counsel, under existing laws, interest on the Bonds is exempt from all present State of California personal income taxes, and assuming compliance with certain covenants made by the City, interest on the Bonds is not includable in the gross income of the Owners of the Bonds for federal income tax purposes, provided that such interest may be included in the calculation for certain taxes.

Should changes in the law cause Bond Counsel's opinion to change prior to delivery of the Bonds to the purchaser, the purchaser will be relieved of its responsibility to pick up and pay for the Bonds, and in that event its Deposit will be returned.

**XX. Establishment of Issue Price**

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel. All actions to be taken by the City under this Notice Inviting Proposals for Purchase of Bonds to establish the issue price of the Bonds may be taken on behalf of the City by the City's Municipal Advisor identified herein and any notice or report to be provided to the City may be provided to the City's Municipal Advisor.

(b) 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 Inviting Proposals for Purchase of Bonds 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 highest price (or lowest interest cost), as set forth in this Notice Inviting Proposals for Purchase of Bonds.

Any bid submitted pursuant to this Notice Inviting Proposals for Purchase of Bonds shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. The City may determine to treat (i) 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 and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (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). The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The City shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.

(d) By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer 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 which the hold-the-offering-price rule shall apply 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 fifth (5<sup>th</sup>) 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 winning bidder 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 fifth (5th) business day after the sale date.

(e) If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

(f) The City acknowledges that, in making the representation 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 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.

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



(h) 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 Inviting Proposals for Purchase of Bonds. Further, for purposes of this Notice Inviting Proposals for Purchase of Bonds:

- (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),
- (ii) 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
- (iv) “sale date” means the date that the Bonds are awarded by the City to the winning bidder.

**XXI. Award:**

If the Bonds are awarded on the date of sale, the Bonds will be awarded to the responsible bidder submitting the best responsive bid, considering the coupon interest rate or rates and the purchase price specified in the bid. The best bid will be the bid that conforms with the provisions of this Notice Inviting Proposals for Purchase of Bonds and represents the lowest TIC to the City for the Bonds, taking into consideration the interest rate specified, and premium thereon, if any. The TIC is the discount rate that, when compounded semiannually and used to discount all debt service payments on the Bonds back to the date of delivery of such Bonds, results in an amount equal to the purchase price bid for said Bonds. In the event that two or more bidders offer bids for the Bonds at the same lowest TIC, the City will determine by lottery which bidder will be awarded the Bonds. For the purpose of calculating the TIC, the mandatory sinking fund payments, if any, shall be treated as serial maturities in such years. The determination of the bid representing the lowest TIC will be made without regard to any adjustments made or contemplated to be made after the award by the Municipal Advisor on behalf of the City, as described herein under “Adjustment of Principal Amounts,” even if such adjustments have the effect of raising the TIC of the successful bid to a level higher than the bid containing the next lowest TIC prior to adjustment.

**XXII. Prompt Award:**

The City will take action awarding the Bonds or rejecting all bids not later than twenty six (26) hours after the expiration of the time herein prescribed for the receipt of bid proposals, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

**XXIII. Delivery:**

Delivery of the Bonds will be made to the purchaser through DTC upon payment of the purchase price in federal funds payable to or for the account of the City, per the wire instructions below. Wire Transfer to:

Bank:	Bank of New York Mellon
ABA#:	021000018
Account Number:	4282088400
Reference:	Belmont JPFA Sewer 18 Revenue Fd
Attn:	Fanny Chen (213) 630-6407

The Closing will take place at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation, 44 Montgomery Street, Suite 4200, San Francisco, California 94104, or at the purchaser's request and expense, at any other place mutually agreeable to both the City and the purchaser, on or about December 21, 2018.

**XXIV. California Debt and Investment Advisory Commission:**

The successful bidder will be required, pursuant to State of California law, to pay any fees to the California Debt and Investment Advisory Commission ("CDIAC"). CDIAC will invoice the successful bidder after the closing of the Bonds.

**XXV. No Litigation and Non-Arbitrage:**

The City will deliver a certificate stating that no litigation is pending affecting the issuance and sale of the Bonds. The City will also deliver an arbitrage certificate covering its reasonable expectations concerning the Bonds and the use of proceeds thereof.

**XXVI. Official Statement:**

The City will make available a Preliminary Official Statement relating to the Bonds, a copy of which, along with related documents, will be furnished upon request made to PFM Financial Advisors LLC, 50 California Street, Suite 2300, San Francisco, California 94111, Attn: Robert Gamble, gambler@pfm.com, the City's Municipal Advisor, or telephoned to said Municipal Advisor at (415) 982-5544. Such Preliminary Official Statement, together with any supplements thereto, shall be in a form "deemed final" by the City for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final version thereof (the "Official Statement").

Each bidder must read the entire Preliminary Official Statement prior to bidding on the Bonds, to obtain information essential to the making of an informed decision to bid. This Notice Inviting Proposals for Purchase of Bonds contains certain information for general reference only, and

is not a complete summary of the issue. The Internet posting of the Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the securities described in the Preliminary Official Statement, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Copies of the Official Statement will be made available to the purchaser without charge, up to an amount of 10 copies, within seven business days of the date of sale and additional copies will be made available upon request at the purchaser's expense.

The City will deliver, at the closing, a certificate executed by an authorized officer of the City, acting in their official capacity, to the effect that the Official Statement does not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

The City undertakes that for a certain period of up to twenty-five (25) days following the end of the "underwriting period" as defined in Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934 (the "Rule"), it will (i) apprise the winning bidder if any event shall occur, or information comes to the attention of the City that, in the reasonable judgment of the City, is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (ii) if requested by the winning bidder, prepare a supplement to the final Official Statement with respect to such event or information. The City will presume, unless notified in writing by the winning bidder, that the end of the underwriting period will occur on the date of the delivery of the Bonds. By making a bid on the Bonds, the winning bidder agrees (i) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any supplements prepared by the City, and to file a copy of the final Official Statement, including any supplements prepared by the City, with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system (as provided by the Rule) within one business day after receipt thereof from the City or its designee, but in any event, no later than the date of closing and (ii) to take any and all other actions necessary to comply with the applicable rules of the Securities and Exchange Commission and the MSRB governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

## **XXVII. Continuing Disclosure:**

In order to assist bidders in complying with the Rule, the City will undertake in a Continuing Disclosure Certificate to provide certain annual financial information and notices of the occurrence of events enumerated therein. A description of this undertaking and a form of the Continuing Disclosure Certificate are included in the Preliminary Official Statement.

## **XXVIII. Rating:**

S&P Global Ratings has assigned to the Bonds the rating shown on the cover page of the Preliminary Official Statement or, if not so indicated, will be available upon request from the Municipal Advisor. Such rating reflects only the views of such organization and an explanation of the significance of such rating may be obtained from such agency as follows: S&P Global Ratings, 55 Water Street, 45<sup>th</sup> Floor, New York, New York 10041. There is no assurance that the rating will

continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

**XXIX. Right to Cancel, Postpone, or Reschedule Sale:**

The City reserves the right to cancel, postpone or reschedule the sale of the Bonds upon notice given through the Bloomberg News Service, Thomson Municipal Market Monitor ([www.tm3.com](http://www.tm3.com)) or *The Bond Buyer* not later than 1:00 p.m. (Pacific Daylight Time) on the day prior to the date bids are to be received. If the sale is postponed, bids will be received at the place set forth above, at the date and time as the City shall determine. Notice of the new sale date and time, if any, will be given through Bloomberg News Service, Thomson Municipal Market Monitor ([www.tm3.com](http://www.tm3.com)) or *The Bond Buyer* no later than twenty-three (23) hours prior to the new time bids are to be received. As an accommodation to bidders, telephone or fax notice of the postponement of the sale date and of the new sale date will be given to any bidder requesting such notice from the Municipal Advisor. Failure of any bidders to receive such notice shall not affect the legality of the sale.

**XXX. Additional Information:**

Copies of the Notice Inviting Proposals for Purchase of Bonds, and the Preliminary Official Statement relating to the Bonds will be furnished to any bidder upon request made to PFM Financial Advisors LLC, Attn: Robert Gamble, phone: (415) 982-5544, [gambler@pfm.com](mailto:gambler@pfm.com), the Municipal Advisor to the City.

Dated: November 26, 2018

BELMONT JOINT POWERS FINANCING  
AUTHORITY

By: \_\_\_\_\_ /s/ Thomas Fil  
Controller

EXHIBIT A

\$ \_\_\_\_\_  
BELMONT JOINT POWERS FINANCING AUTHORITY  
SEWER TREATMENT FACILITY REVENUE BONDS  
SERIES 2018

CERTIFICATE OF THE PURCHASER

The undersigned, on behalf of \_\_\_\_\_, 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 \_\_\_\_\_ are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by \_\_\_\_\_ in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by \_\_\_\_\_ to purchase the Bonds.

(b) \_\_\_\_\_ was not given the opportunity to review other bids prior to submitting its bid.<sup>1</sup>

(c) The bid submitted by \_\_\_\_\_ 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 \_\_\_\_\_, 2018

(d) *Underwriter* means (i) 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 (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

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<sup>1</sup> Treas. Reg. §1.148-1(f)(3)(i)(B) requires that all bidders have an equal opportunity to bid to purchase bonds. If the bidding process affords an equal opportunity for bidders to review other bids prior to submitting their bids, then this representation should be modified to describe the bidding process.

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 \_\_\_\_\_'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 Belmont Joint Powers Financing Authority (the "Authority") with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling, Yocca, Carlson & Rauth, Bond Counsel, 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 Authority from time to time relating to the Bonds.

\_\_\_\_\_, as Underwriter

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

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

Dated: December \_\_, 2018

**SCHEDULE A**  
**EXPECTED OFFERING PRICES**  
*(Attached)*

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**SCHEDULE B**  
**COPY OF UNDERWRITER'S BID**  
*(Attached)*