

NOTICE OF BOND SALE
\$4,000,000*
CITY OF ST. PETERS, MISSOURI
GENERAL OBLIGATION BONDS, SERIES 2018

Bids to be Accepted

Bids for the purchase of \$4,000,000* principal amount of General Obligation Bonds, Series 2018 (the “Bonds”), of the City of St. Peters, Missouri (the “City”), will be received by the Director of Finance on behalf of the Board of Aldermen at the St. Peters City Hall, One St. Peters Center Blvd., St. Peters, Missouri 63376 until 10:00 o’clock a.m., Central Time, on Thursday,

January 25, 2018

All bids will be publicly opened and read at said time and place and the award of the Bonds will be acted upon at a meeting of the Board of Aldermen to be held at 6:30 p.m. on said date.

Terms of Bonds

The Bonds will consist of fully-registered bonds in the denomination of \$5,000 or any integral multiple thereof. The Bonds will be dated as of the date of original issuance and delivery, which is expected to be February 7, 2018 (and should be considered to be the dated date for purposes of the bid), and will mature serially in the amounts and on the dates as set forth below, subject to adjustment as described under the section “Adjustment of Principal”:

<u>Maturity</u> <u>February 1</u>	<u>Principal</u> <u>Amount*</u>	<u>Maturity</u> <u>February 1</u>	<u>Principal</u> <u>Amount*</u>
2019	\$150,000	2029	\$200,000
2020	150,000	2030	205,000
2021	160,000	2031	210,000
2022	160,000	2032	220,000
2023	165,000	2033	225,000
2024	170,000	2034	230,000
2025	180,000	2035	240,000
2026	180,000	2036	250,000
2027	190,000	2037	255,000
2028	195,000	2038	265,000

The Bonds will bear interest from their date at the rates to be determined when the Bonds are sold as hereinafter provided, which interest will be payable semiannually on February 1 and August 1, commencing on August 1, 2018.

Place of Payment

Interest on the Bonds will be payable to the holders of record at the close of business on the 15th day (whether or not a Business Day) of the calendar month preceding each Payment Date. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made by BOKF, N.A., St. Louis, Missouri, as paying agent and bond registrar (the “Paying Agent”) directly to such Bondowner. Disbursement of such payments to the DTC Participants is the responsibility of DTC. Distribution of such payments to the Beneficial Owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described in “APPENDIX B - BOOK-ENTRY ONLY SYSTEM” in the Preliminary Official Statement.

* Subject to Change

Authority, Purpose and Security

The Bonds are authorized pursuant to the Constitution and statutes of the State of Missouri and an ordinance expected to be adopted by the City on January 25, 2018 (the “Bond Ordinance”).

Proceeds from the Bonds will be used to finance stormwater projects in the City (the “Project”). The Project is described in greater detail in the Preliminary Official Statement under the caption “THE PROJECT.”

The Bonds are general obligations of the City, and the full faith, credit and resources of the City have been irrevocably pledged to the payment of the principal of and interest on the Bonds. The principal of and interest on the Bonds are payable from ad valorem taxes that may be levied without limitation as to rate or amount on all taxable, tangible property within the City.

Redemption

The Bonds maturing on and after February 1, 2026 are subject to redemption and payment prior to maturity, at the option of the City, on February 1, 2025, and thereafter, in whole or in part on any date at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date. When less than all outstanding Bonds are to be redeemed, such Bonds shall be redeemed in such order of maturity as shall be determined by the City, and Bonds of less than a full maturity shall be selected by the Paying Agent in \$5,000 units of principal amount by lot or in such other equitable manner as the Paying Agent may determine.

In the event the City elects to exercise its option to redeem Bonds pursuant to the Bond Ordinance, written notice shall be given by first class mail to the State Auditor of Missouri and to each registered owner of the Bonds to be redeemed at least 30 days but not more than 60 days prior to the redemption date.

Submission of Bids

Bids must be submitted via **PARITY**® in accordance with this Notice of Bond Sale, until 10:00 o’clock a.m. Central Time, on the Sale Date. To the extent any instructions or directions set forth in **PARITY**® conflict with this Notice of Bond Sale, the terms of this Notice of Bond Sale shall control. Further information about the electronic bidding services of **PARITY**® may be obtained from Parity at (212) 849-5021.

Adjustment of Principal

A bidder may designate as term bonds any consecutive maturities of Bonds currently shown as serial bonds. Any bidder electing to designate term bonds shall specify the current serial bonds by year of maturity which are to comprise a term bond. The final year designated shall be deemed the year of maturity of the term bond. Term bonds shall be subject to mandatory sinking fund redemption by lot in the amounts specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

The City reserves the right, in its sole discretion on the date of sale, to increase or decrease the principal amount of each maturity of Bonds or, in the case of term bonds, such amounts that are subject to mandatory sinking fund redemption. The aggregate principal amount of the Bonds shall not exceed \$4,000,000.

If any changes are made to the principal amount of any maturity of Bonds or, in the case of term bonds, any mandatory sinking fund redemption lot, the purchase price will be adjusted to result in the same dollar amount of profit per \$1,000 principal amount of bonds based on the Certification of

Offering Prices (see “Offering Yields and Certification as to Offering Prices” in this Notice of Bond Sale).

The principal amounts and maturity dates shown on the first page of this Notice of Bond Sale shall be used for purposes of computing the TIC (as hereinafter defined) used for awarding the Bonds.

Conditions of Bids

Proposals will be received on Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all Bonds of the same maturity. Each interest rate specified shall be a multiple of 1/8 or 1/100 of 1%. No interest rate shall exceed 4.0% per annum. No supplemental interest payments will be authorized. Bids must be for all of the Bonds at a purchase price of not less than 100.0% nor greater than 110.0% of the principal amount and the purchase price expressed as a dollar amount shall be included in each bid. Each bid shall specify the total interest cost (expressed in dollars) and the true interest cost (expressed as a rate) for the Bonds, which shall be considered as informative only and not binding on either the bidder or the City. Each bidder agrees that, if it is awarded the Bonds, it will provide the City a certificate regarding offering prices of the Bonds as described under the caption “Offering Yields and Certification as to Offering Prices” in this Notice of Bond Sale. By submitting a bid, each bidder represents that it has an established industry reputation for underwriting new issuances of municipal securities.

Good Faith Deposit

A Good Faith Deposit (“Deposit”) in the amount of \$80,000 shall be made by the bidder expected to be awarded the Bonds (the “Successful Bidder”) by federal wire not later than 2:00 o’clock p.m. Central Time on January 25, 2018, according to wire transfer instructions provided by the City or its Municipal Advisor. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. If a bid is accepted, the Deposit shall be held by the City until the Successful Bidder shall have complied with all of the terms and conditions of this Notice of Bond Sale, at which time the Deposit shall be deducted from the purchase price. If a bid is accepted but the City shall fail to deliver the Bonds to the Successful Bidder in accordance with the terms and conditions of this Notice of Bond Sale, said Deposit shall be returned to the Successful Bidder. If a bid is accepted but the Successful Bidder defaults in the performance of any of the terms and conditions of this Notice of Bond Sale, the proceeds of Deposit shall be retained by the City as and for liquidated damages.

Award of the Bonds

If the Bonds are awarded, the award will be to the bidder whose bid will result in the lowest interest cost to the City determined in accordance with the true interest cost (“TIC”) method of calculation by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds to equal the price bid. In the event that two or more bidders offer bids at the same lowest TIC, the City shall determine by lot which bidder shall be awarded the Bonds. Interest will be computed on a 360-day year basis.

The City reserves the right to waive irregularities and to reject any or all bids which could result in the rescheduling of the sale date or the sale of the Bonds through a negotiated process.

Delivery and Payment

The City will pay for printing the Bonds and will deliver the Bonds to DTC or the Paying Agent as DTC’s agent properly prepared, executed and registered, without cost to the Successful Bidder within 30 days after the date of sale at such security depository, bank or trust company as may be specified by the successful bidder. The Successful Bidder will also be furnished with a certified

transcript of the proceedings evidencing the authorization and issuance of the Bonds and customary closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Bonds affecting their validity, and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Bonds shall be made in Federal Reserve funds, immediately available for use by the City.

CUSIP Numbers

CUSIP identification numbers will be assigned to the Bonds, but neither the failure to assign such number to any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Bond Sale. All expenses in relation to the assignment of CUSIP numbers will be paid by the City.

Rating

Moody's Investors Service has assigned the Bonds a "Aa2" rating. The rating is described in greater detail in the Preliminary Official Statement under the caption "RATING."

Legal Opinion

The Bonds will be sold subject to the legal opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel, whose approving legal opinion will be furnished and paid for by the City, and delivered to the Successful Bidder when the Bonds are delivered. Said opinion will also include the opinion that interest on the Bonds is exempt from income taxation by the State of Missouri and is excludable from gross income of the owners thereof for federal income tax purposes.

The opinion will also state that the Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

The opinion of Bond Counsel is described in greater detail in the Preliminary Official Statement under the caption "TAX MATTERS."

Offering Yields and Certification as to Offering Prices

At or before 11:00 o'clock a.m. Central Time on the Sale Date, the Underwriter must provide to the City's Municipal Advisor at jhoward@wmfinancialstrategies.com and to the City at bfrench@stpetersmo.net the reasonably expected initial offering prices to the public of each maturity of the Bonds. In addition, to provide the City with information necessary for compliance with Section 148 of the Code, the Underwriter will be required to complete, execute and deliver to Bond Counsel prior to the date of issuance and delivery of the Bonds, a certificate regarding the "issue price" of the Bonds (as defined in Section 148 of the Code) as described below:

- (1) In the event the City receives 3 bids, the bidder offering the lowest TIC in conformance with the terms of this Notice of Bond Sale will be required to execute and deliver to Bond Counsel prior to the date of issuance and delivery of the Bonds, a certificate regarding the issue price in substantially the form attached hereto as Exhibit A.

or

- (2) In the event the City receives less than 3 bids, the bidder, offering the lowest TIC in conformance with the terms of this Notice of Bond Sale will be promptly notified by the Municipal Advisor of the number of bids received and the bidder shall have until 11:00 o'clock a.m. Central Time to notify the Municipal Advisor of its option to (i) certify that at

least 10% of each maturity of Bonds have been sold to the public at the reasonably expected initial offering prices provided to the Municipal Advisor by 11:00 o'clock a.m. Central Time, and/or (ii) agree that it will neither offer nor sell any Bonds of any maturity, to which option (i) does not 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 5th business day after the Sale Date or the date on which 10% of the Bonds of such maturity are sold to the public at a price that is no higher than the initial offering price to the public. The Underwriter will be required to execute and deliver to Bond Counsel prior to the date of issuance and delivery of the Bonds, a certificate regarding the issue price in substantially the form attached hereto as Exhibit B. Alternatively, the bidder may withdraw its bid at or prior to 11:00 o'clock a.m. Central Time.

Official Statement

The City has prepared a Preliminary Official Statement dated January 11, 2018, copies of which may be obtained from the undersigned or from the Municipal Advisor. The Preliminary Official Statement has been deemed final by the City as of its date, except for the omission of the information permitted to be omitted under Rule 15c2-12 of the Securities and Exchange Commission. The City agrees to deliver to the Successful Bidder, within seven (7) business days after the award of the Bonds, the final Official Statement in Portable Document Format (PDF).

Continuing Disclosure Undertaking

The City will agree in the Continuing Disclosure Undertaking to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule") and as described in greater detail in the Preliminary Official Statement under the caption "CONTINUING DISCLOSURE UNDERTAKING" to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA") (i) on or prior to 180 days after the end of each Fiscal Year commencing with the Fiscal Year ended September 30, 2017, audited financial statements for the preceding fiscal year and certain annual financial information and operating data, (ii) timely notice of the occurrence of certain events with respect to the Bonds, and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in (i) above.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, the Continuing Disclosure Undertaking evidencing that the City has made the continuing disclosure undertaking set forth above for the benefit of the holders of the Bonds.

Additional Information

Additional information regarding the Bonds may be obtained from the undersigned at (636) 477-6600 Ext. 1247 or from the City's Municipal Advisor, Ms. Joy A. Howard, WM Financial Strategies, 11710 Administration Drive, Suite 7, St. Louis, Missouri 63146, (314) 423-2122.

Dated January 11, 2018.

CITY OF ST. PETERS, MISSOURI

By /S/ Beth French
Director of Finance

EXHIBIT A

UNDERWRITER'S RECEIPT FOR BONDS AND CLOSING CERTIFICATE (Competitive Bidding Requirements Met)

\$ _____
City of St. Peters, Missouri
General Obligation Bonds
Series 2018

The undersigned, on behalf of [Name of Underwriter] (the "Underwriter"), as the underwriter of the above-described bonds (the "Bonds"), being issued on the date of this Certificate by the City of St. Peters, Missouri (the "Issuer"), certifies and represents as follows:

1. Receipt for Bonds. The Underwriter acknowledge receipt on the date hereof of all of the Bonds, consisting of fully-registered Bonds in authorized denominations in a form acceptable to the Underwriter.

2. Issue Price.

(a) *Public Offering.* All of the Bonds have been the subject of a *bona fide* initial offering to the public (as defined below).

(b) *Initial Offering Prices.* As of the sale date of the Bonds January 25, 2018 (the "Sale Date"), the reasonably expected initial offering prices of the Bonds to the public by the Underwriter 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 the Underwriter in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by the Underwriter to purchase the Bonds. The Underwriter was not given the opportunity to review other bids prior to submitting its bid. The bid submitted by the Underwriter constituted a firm offer to purchase the Bonds. The Underwriter has an established industry reputation for underwriting new issuances of municipal bonds.

3. Definitions.

(a) The term "public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter (as defined below) or a related party to an underwriter.

(b) The term "underwriter" means, (a) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public, and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (a) 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).

(c) The term "related party" means any person if the Underwriter and said person are subject, directly or indirectly, to (A) 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),

(d) 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.

The representations set forth in this certificate are limited to factual matters only. Nothing in this Certificate represents the 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 certifications contained herein will be relied upon by the Issuer in executing and delivering the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, by WM Financial Strategies, Municipal Advisor to the Issuer in executing the Certificate of Municipal Advisor relating to the Bonds, and by Gilmore & Bell, P.C., Bond Counsel, in rendering its opinion relating to the exclusion from federal gross income of the interest on the Bonds and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: _____, 2018

[UNDERWRITER NAME]

By: _____
Title: _____

Schedule A
Initial Offering Prices
[Attach Pricing Information]

Schedule B

Copy of Underwriter's Bid

[Attach Bid Documentation]

EXHIBIT B

UNDERWRITER'S RECEIPT FOR BONDS AND CLOSING CERTIFICATE (Competitive Bidding Requirements Not Met)

\$ _____
City of St. Peters, Missouri
General Obligation Bonds
Series 2018

The undersigned, on behalf of [Name of Underwriter] (the "Underwriter"), as the underwriter of the above-described bonds (the "Bonds"), being issued on the date of this Certificate by the City of St. Peters, Missouri (the "Issuer"), certifies and represents as follows:

1. Receipt for Bonds. The Underwriter acknowledges receipt on the date hereof of all of the Bonds, consisting of fully-registered Bonds in authorized denominations in a form acceptable to the Underwriter.

2. Issue Price.

(a) *Public Offering.* All of the Bonds have been the subject of a *bona fide* initial offering to the public (as defined below).

(b) *Sale Prices.* As of the date of this Certificate, for each maturity of the Bonds listed on **Schedule A** as the "General Rule Maturities," the first price or prices at which at least 10% of such maturity of the Bonds was sold to the public is the respective price or prices listed in **Schedule A**.

(c) *Hold-the-Offering Prices.*

i. On or before the sale date of the Bonds, for each maturity of the Bonds listed on **Schedule A** as the "Hold-the-Offering-Price Maturities," the Underwriter offered each such maturity of the Bonds to the public for purchase at the respective initial offering prices listed on **Schedule A** (the "Initial Offering Prices"). A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as **Schedule B**.

ii. As set forth in the Notice of Bond Sale, the Underwriter agreed in writing that (A) for each maturity of the Hold-the-Offering-Price Maturities, it 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 (as defined below) for such maturity (the "hold-the-offering-price rule"), and (B) any selling group agreement contains the agreement of each dealer who is a member of the selling group, and any retail distribution agreement contains 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, the Underwriter has not offered or sold any maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that maturity of the Bonds during the holding period.

(d) *Defined Terms.*

(i) The term "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.

(ii) The term “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) 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).

(iii) The term “related party” means any person if the Underwriter and said person are subject, directly or indirectly, to (A) 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), (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).

(iv) The term “holding period” means the period starting on the sale date of the Bonds and ending on the earlier of (A) the close of the fifth business day after such sale date (January 25, 2018), or (B) the date on which the Underwriter has sold at least 10% of such Hold- the-Offering-Price Maturity to the public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

The representations set forth in this certificate are limited to factual matters only. Nothing in this Certificate represents the 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 certifications contained herein will be relied upon by the Issuer in executing and delivering the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Gilmore & Bell, P.C., Bond Counsel, in rendering its opinion relating to the exclusion from federal gross income of the interest on the Bonds and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: _____, 2018

[UNDERWRITER NAME]

By: _____
Title: _____

Schedule A

Sale Prices and Initial Offering Prices

[Attach Sale Price and Initial Offering Price Information]

Schedule B

Pricing Wire or Equivalent Communication

[Attach Documentation]