

## OFFICIAL NOTICE OF SALE

**\$18,955,000\***  
**CITY OF REDWOOD CITY PUBLIC FINANCING AUTHORITY**  
**WATER REVENUE REFUNDING BONDS,**  
**SERIES 2015**

NOTICE IS HEREBY GIVEN that electronic bids only will be received by representatives of the City of Redwood City Public Financing Authority (the "Authority") for the purchase of \$18,955,000\* aggregate principal amount of the bonds of the Authority designated the "City of Redwood City Public Financing Authority Water Revenue Refunding Bonds, Series 2015" (the "Bonds").

The Bonds will be issued pursuant to the provisions of Article 4 (commencing with section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Law"), an indenture of trust, dated as of May 1, 2015 (the "Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), and a resolution of the Authority adopted on April 13, 2015.

**DATE AND TIME:** THURSDAY, APRIL 30, 2015, until 8:30 A.M. (Pacific Daylight time).

Bidders are referred to the preliminary official statement of the Authority with respect to the Bonds (the "Preliminary Official Statement") for additional information regarding the Bonds and the security therefor, and other matters. See "TERMS OF-SALE—Official Statement" below.

This Official Notice of Sale will be submitted to Ipreo for posting on its i-deal Prospectus website ([www.i-dealprospectus.com](http://www.i-dealprospectus.com)) and on its Ipreo's I-Deal LLC BIDCOMP/PARITY® ("Parity") bid delivery system. If any summary of the terms of the sale of the Bonds posted by Ipreo or Parity conflicts with this Official Notice of Sale in any respect, the terms of this Official Notice of Sale shall control, unless a notice of an amendment is given as described herein. For further information about Parity, potential bidders may contact: William Euphrat Municipal Finance, Inc., 3100 Clay St., San Francisco, CA 94115-1626, telephone (415) 929-1564, email [weuphrat@WEMuniFinance.com](mailto:weuphrat@WEMuniFinance.com), attention William Euphrat (the "Municipal Advisor"), or Parity at (212) 849-5021.

**PURPOSE:** The Bonds are being issued to (a) refinance the acquisition and construction of certain improvements and facilities which constitute part of the City of Redwood City's (the "City") municipal water enterprise (the "Enterprise") and, in particular, to provide for the refunding of the City's obligations with respect to the Authority's Water Revenue Bonds, Series 2006A, in the original principal amount of \$26,000,000, of which \$20,705,000 remains outstanding (the "Refunded Bonds"); (b) initially fund a reserve fund for the Bonds; and (c) pay the costs of issuing the Bonds.

**SECURITY:** The Bonds are secured by Revenues as defined in the Indenture, primarily consisting of installment payments (the "Installment Payments") made by the City under an installment purchase contract, dated as of May 1, 2015 (the "Installment Purchase Contract"), between the Authority, as seller, and the City, as purchaser. The Installment Payments are

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\* Preliminary; subject to change.

secured by a pledge of and lien on the net revenues of the Enterprise (the “Net Revenues”) on parity with certain other outstanding obligations of the City. The Installment Purchase Contract further provides that the City may incur Parity Obligations payable on a parity basis with the Installment Payments only upon the satisfaction of certain conditions as described therein. Pursuant to the Installment Purchase Contract, the City has consented to fix, prescribe and collect certain rates and charges for service provided by the Enterprise. The Bonds are not obligations of the City. Bidders should be aware of certain factors affecting the availability and amount of the Net Revenues in amounts and at times necessary to pay debt service on the Bonds.

**RESERVE FUND:** A Reserve Fund for the Bonds will initially be established and maintained in the amount of the Reserve Requirement being, as of the date of calculation, an amount equal to the least of (i) maximum annual debt service on the outstanding Bonds, (ii) 125% of average annual debt service on the outstanding Bonds, and (iii) 10% of the original principal amount of the Bonds. **However, the Indenture sets forth certain conditions upon which the requirement of maintaining the Reserve Fund may be terminated by the Authority.**

**SUBMISSION OF BIDS:** Bids may be submitted (for receipt not later than the time set forth above) *electronically only* through Parity. See “FORM OF BID” herein.

**Bidders should be aware that the par amount of the Bonds may be increased or reduced to fit the City’s refunding requirements. See “ADJUSTMENT OF PRINCIPAL AMOUNTS AND OF MATURITIES” below.**

**ISSUE; BOOK ENTRY:** The Bonds will be dated as of their date of delivery and will be issued and delivered in fully registered form, without coupons, in the denomination of \$5,000 each or any whole multiple thereof. The Bonds will be issued and delivered 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. 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. Reference is made to the Indenture for further details regarding the terms and provisions of the Bonds.

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**MATURITIES:** The Bonds will mature on February 1 in each of the years, and in the approximate amounts, in accordance with the following schedule. *Each bidder is required to 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>Year</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Year</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount*</u>
2016	\$650,000	2026	\$950,000
2017	665,000	2027	980,000
2018	690,000	2028	1,025,000
2019	710,000	2029	1,080,000
2020	730,000	2030	1,110,000
2021	760,000	2031	1,145,000
2022	790,000	2032	1,180,000
2023	820,000	2033	1,240,000
2024	860,000	2034	1,300,000
2025	905,000	2035	1,365,000

**ADJUSTMENT OF PRINCIPAL AMOUNTS AND OF MATURITIES:** The principal amounts of each maturity of Bonds set forth above reflect certain estimates of the Authority and the Municipal Advisor with respect to the likely interest rates of the winning bid and the premium contained in the winning bid. Potential bidders will be notified via Parity not later than 1:00 p.m. (California time) on the business day preceding the date then prescribed for the receipt of bids of any change to the principal payment schedule for the Bonds to be utilized for the bidding process. Following the determination of the successful bidder, the designated maturity amounts set forth for the Bonds prior to the receipt of bids may be adjusted either upward or downward in order to achieve approximately equal annual savings after award of the Bonds has been made to the successful bidder. Any increase or decrease will be in \$5,000 increments of principal amounts. Such adjustment shall be made within 6 hours of the receipt of bids, in the sole discretion of the Authority and without consulting the successful bidder, upon a recommendation of the Municipal Advisor. The aggregate price bid by the successful bidder will be adjusted by the Authority proportionate to any increase or decrease in the aggregate principal amount of the Bonds and without consideration for the reoffering price by the successful bidder to the public of any individual maturity of the Bonds. IN THE EVENT OF ANY SUCH ADJUSTMENT, NO REBIDDING OR RECALCULATION OF THE BIDS SUBMITTED WILL BE REQUIRED OR PERMITTED, AND THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR ANY INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE STATED PRINCIPAL AMOUNTS IN ACCORDANCE WITH THIS OFFICIAL NOTICE OF SALE OR AMENDMENTS MADE THERETO. FURTHER, IF THE AUTHORITY ADJUSTS THE PRINCIPAL PAYMENT SCHEDULE FOR THE BONDS AFTER THE RECEIPT OF BIDS, THE UNDERWRITER'S DISCOUNT, EXPRESSED IN DOLLARS PER THOUSAND DOLLARS OF BONDS, WILL BE HELD CONSTANT. THE AUTHORITY WILL NOT BE RESPONSIBLE IF AND TO THE EXTENT THAT ANY ADJUSTMENT AFFECTS (i) THE NET COMPENSATION TO BE REALIZED BY THE BIDDER OR (ii) THE TRUE INTEREST COST OF THE WINNING BID OR THE RANKING OF ANY BID RELATIVE TO OTHER BIDS.

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\* Preliminary; subject to change.

**INTEREST:** Interest on the Bonds, calculated on a 30/360 day basis, at a rate or rates to be fixed upon the sale thereof but not to exceed 6% per annum, will be payable semiannually on each February 1 and August 1, commencing August 1, 2015 from the date of the Bonds. Each Bond shall bear interest at the specified rate from its date to its stated maturity date.

**PAYMENT:** Principal of the Bonds will be payable upon surrender to the Trustee at the principal corporate trust office of the Trustee in St. Paul, Minnesota. Interest with respect to the Bonds will be payable by check or draft mailed by first class mail to the owners at the addresses listed on the registration books maintained by the Trustee for such purpose.

**EXTRAORDINARY CASUALTY REDEMPTION:** The Bonds are subject to redemption, in whole or in part on any date, from the Net Proceeds (as defined in the Indenture) of insurance or condemnation with respect to the Enterprise, which Net Proceeds are credited towards the prepayment of the Installment Payments made by the City pursuant to the Installment Purchase Contract, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

**OPTIONAL REDEMPTION:** The Bonds maturing on or before February 1, 2025, are not subject to optional redemption prior to their respective stated maturities. The Bonds maturing on or after February 1, 2026, are subject to optional redemption on any date on or after February 1, 2025, in whole or in part, from prepayments of the Installment Payments made at the option of the City pursuant to the Installment Purchase Contract, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest to the redemption date, without a 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. In the event that 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 February 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 thereon to the redemption date, without premium.

**RATINGS:** Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, and Moody's Investor's Service ("Moody's), have assigned the ratings of "AA-" and "Aa3," respectively, to the Bonds. The cost of obtaining such ratings will be borne entirely by the Authority and not by the successful bidder.

## **TERMS OF SALE**

**INTEREST RATE:** Each rate of interest bid must be greater than zero and no rate of interest bid may exceed 6% per annum. Each rate bid must be a multiple of one-twentieth of one percent (1/20%) or one-eighth of one percent (1/8%). No Bond shall bear more than one interest rate, and all Bonds of the same maturity shall bear the same rate. Each Bond must bear interest at the rate specified in the bid from its date to its fixed maturity date.

**FORM OF BID; MAXIMUM DISCOUNT:** All bids must be for not less than all of the Bonds hereby offered for sale and for not less than 99% of the aggregate par amount thereof.

**ELECTRONIC BIDS:** To the extent any instructions or directions set forth in Parity conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control.

THE AUTHORITY RETAINS ABSOLUTE DISCRETION TO DETERMINE WHETHER ANY BID IS TIMELY, LEGIBLE AND COMPLETE. NONE OF THE AUTHORITY, THE CITY, THE MUNICIPAL ADVISOR, OR JONES HALL, A PROFESSIONAL LAW CORPORATION (“BOND COUNSEL”) TAKE ANY RESPONSIBILITY FOR INFORMING ANY BIDDER PRIOR TO THE TIME FOR RECEIVING BIDS THAT ITS BID IS INCOMPLETE, ILLEGIBLE OR NOT RECEIVED.

EACH BIDDER SUBMITTING AN ELECTRONIC BID UNDERSTANDS AND AGREES BY DOING SO THAT IT IS SOLELY RESPONSIBLE FOR ALL ARRANGEMENTS WITH PARITY AND THAT PARITY IS NOT ACTING AS AN AGENT OF THE AUTHORITY OR THE CITY. INSTRUCTIONS AND FORMS FOR SUBMITTING ELECTRONIC BIDS MUST BE OBTAINED FROM PARITY AND NEITHER THE AUTHORITY NOR THE CITY ASSUMES ANY RESPONSIBILITY FOR ENSURING OR VERIFYING BIDDER COMPLIANCE WITH THE PROCEDURES OF PARITY. THE AUTHORITY SHALL ASSUME THAT ANY BID RECEIVED THROUGH PARITY HAS BEEN MADE BY A DULY AUTHORIZED AGENT OF THE BIDDER.

THE AUTHORITY WILL MAKE ITS BEST EFFORTS TO ACCOMMODATE ELECTRONIC BIDS; HOWEVER THE AUTHORITY, 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 ACCEPTED AT THE OFFICIAL TIME FOR RECEIPT OF BIDS.

**ADDITIONAL TERMS AND CONDITIONS:** By submitting a bid, each bidder agrees to the following terms and conditions:

- (1) the Authority shall not have any duty or obligation to provide or assure access to Parity to any bidder;
- (2) the Authority may regard the electronic transmission of a bid through Parity (including information regarding the purchase price for the Bonds or the interest rates for any maturity of the Bonds) as though the information were physically submitted and executed on the bidder’s behalf by a duly authorized signatory;
- (3) If a bidder’s bid is accepted by the Authority, such bid, this Official Notice of Sale and the information that is transmitted electronically through Parity will form a contract, and the bidder will be bound by the terms of such contract; and
- (4) information provided by Parity to bidders will form no part of any bid or of any contract between the purchaser and the Authority unless that information is included in this Official Notice of Sale.

By submission of its bid, each bidder shall be deemed to have made the following representations:

- (1) The bidder has received and reviewed the Preliminary Official Statement and as a condition to bidding on the Bonds, has determined that it can comply with the

requirements of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

(2) As of the date of its bid and as of the date of delivery of the Bonds, all members of the bidder's syndicate either participate in DTC or clear through or maintain a custodial relationship with an entity that participates in DTC.

**BEST BID:** The Bonds will be awarded to the responsible bidder or bidders offering to purchase the Bonds at the lowest true interest cost ("TIC") to the Authority. The TIC is the nominal annual interest rate which, when compounded semiannually using a 360-day year, and used to discount all debt service payments on the Bonds from each maturity's stated maturity dates to the dated date of the Bonds (assumed to be May 19, 2015), results in an amount equal to the purchase price for the Bonds to be received by the Authority (par value less any discount or plus any premium). In the event that two or more bidders offer bids at the same lowest TIC, the Authority will determine by lot which bidder will be awarded the Bonds. For the purpose of calculating the TIC, the mandatory sinking fund payments, if any (see "SINKING FUND REDEMPTION" above), 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 to the lowest bidder, as described herein under "ADJUSTMENT OF PRINCIPAL AMOUNTS AND OF MATURITIES", 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. Bid evaluations or rankings made by Parity are not binding on the Authority. Each bidder is requested, but not required, to state in its bid the percentage true interest cost to the Authority, which shall be considered as informative only and shall not be binding on either the bidder or the Authority. The determination of the best bid by the Authority shall be binding and conclusive on all bidders.

**RIGHT OF CANCELLATION OF SALE BY THE AUTHORITY:** The Authority reserves the right, in its sole discretion, at any time to cancel the public sale of the Bonds. In such event, the Authority shall cause notice of cancellation of this invitation for bids and the public sale of the Bonds to be communicated through Parity as promptly as practicable. However, no failure to publish such notice or any defect or omission therein shall affect the cancellation of the public sale of the Bonds.

**RIGHT TO MODIFY OR AMEND:** The Authority reserves the right, in its sole discretion, to modify or amend this official Notice of Sale including, but not limited to, the right to adjust and change the principal amount and principal amortization schedule of the Bonds being offered; provided, however, such modifications or amendments shall be made not later than 1:00 P.M., Pacific Daylight time, on the business day prior to the bid opening and communicated through Parity as soon as practical following such modification or amendment.

**RIGHT OF POSTPONEMENT BY THE AUTHORITY:** The Authority reserves the right, in its sole discretion, to postpone, from time to time, the date and/or the time established for the receipt of bids. Any such postponement will be communicated through Parity not later than 10:00 A.M., Pacific Daylight time, on the business day prior to any announced date for receipt of bids. If any date is postponed, any alternative sale date will be announced through Parity at least 24 hours prior to such alternative sale date. On any such alternative sale date, any bidder may submit a bid for the purchase of the Bonds in conformity in all respects with the provisions of this Official Notice of Sale, except for the date of sale and except for the changes announced by through Parity at the time the sale date and time are announced.

**RIGHT OF REJECTION:** The Authority reserves the right, in its sole discretion, to reject any and all bids and to waive any irregularity or informality in any bid except that no bids will be accepted later than 8:30 A.M., Pacific Daylight time on the date set for receipt of bids.

**PROMPT AWARD:** Pursuant to authority granted by the governing board of the Authority, the Finance Director of the Authority, or the Finance Director's designee, will take action awarding the Bonds or rejecting all bids not later than six (6) hours after the expiration of the time herein prescribed for the receipt of bids, unless such time of award is waived by the successful bidder.

**PLACE OF DELIVERY; CANCELLATION FOR LATE DELIVERY:** It is expected that the Bonds will be delivered through the facilities of DTC for the account of the successful bidder on May 19, 2015. The successful bidder shall have the right, at its option, to cancel its obligation to purchase the Bonds if the Bonds are not tendered for delivery within sixty (60) days from the date of the sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

**GOOD FAITH DEPOSIT:** Upon acceptance of its bid, the successful bidder shall be required to make a good faith deposit (the "Deposit") of \$190,000 by wire transfer in immediately available funds not later than 12:00 P.M. Pacific Daylight time on the next business day following the award, payable to the order of the Trustee, to secure the Authority from any loss resulting from the failure of the bidder to comply with the terms of its bid. Wiring instructions will be provided to the successful bidder. The Deposit shall be applied toward the purchase price of the Bonds at the time of delivery thereof. If after the award of the Bonds the successful bidder or bidders fail to complete their purchase on the terms stated in their bid, the Deposit will be retained by the Authority. No interest on the Deposit will accrue to any bidder. If the purchase price is not paid in full upon tender of the Bonds, the successful bidder shall have no right in or to the Bonds or to the recovery of its Deposit, or to any allowance or credit by reason of such Deposit, unless it shall appear that the Bonds would not be validly issued if delivered to the successful bidder in the form and manner proposed. In the event of nonpayment by the successful bidder, the amount of the Deposit shall be retained by the Authority as and for liquidated damages for such failure by the successful bidder, and such retention shall constitute a full release and discharge of all claims by the Authority against the successful bidder arising from such failure. The Authority's actual damages in such event may be greater or may be less than the amount of the Deposit. Each bidder waives any right to claim that the Authority's actual damages are less than such amount.

**CHANGE IN TAX EXEMPT STATUS:** At any time before the Bonds are tendered for delivery, the successful bidder may disaffirm and withdraw his proposal if the interest received by private holders from bonds of the same type and character as the Bonds shall be declared to be taxable income under present federal income tax laws, either by a ruling of the Internal Revenue Service or by a decision of any federal court, or shall be declared taxable, or be required to be taken into account in computing federal income taxes (except alternative minimum taxes and environmental taxes payable by corporations) by any federal income tax law enacted subsequent to the date of this notice.

**CLOSING PAPERS; CERTIFICATE PRINTING:** Each proposal will be understood to be conditioned upon the Authority furnishing to the purchaser, without charge, concurrently with payment for and delivery of the Bonds, the following closing papers, each dated the date of delivery:

(a) The opinion of Jones Hall, A Professional Law Corporation, San Francisco, California (“Bond Counsel”), approving the validity of the Bonds and stating that, subject to compliance by the Authority and the City with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations, and interest on the Bonds is exempt from personal income taxation imposed by the State of California. Other tax consequences to holders of the Bonds, if any, will not be addressed in the opinion. The form of this opinion is attached to the Preliminary Official Statement as Appendix E.

(b) A certificate of the Authority certifying that on the basis of the facts, estimates and circumstances in existence on the date of issue, it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be arbitrage bonds.

(c) A certificate of the Authority, signed by officers and representatives of the Authority, certifying that the officers and representatives have signed the Bonds whether by facsimile or manual signature, and that they were respectively duly authorized to execute the same.

(d) The receipt of the Trustee evidencing the receipt of the purchase price of the Bonds.

(e) Certificates of the Authority and the City, certifying that there is no known litigation threatened or pending affecting the validity of the Bonds.

(f) Certificates of the Authority and the City, signed by officers of the Authority and the City, acting in their official capacity, to the effect that at the time of the sale of the Bonds, and at all times subsequent thereto up to and including the time of the delivery of the Bonds, the final official statement relating to the Bonds (the “Official Statement”) did 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 were made, not misleading, and further certifying that the signatory knows of no material adverse change in the condition of the City or the Authority which would make it unreasonable for the purchaser of the Bonds to rely upon the Official Statement in connection with the resale of the Bonds.

(g) An opinion of the City Attorney in the form attached hereto as Exhibit A.

(h) An opinion of the City Attorney, acting as General Counsel to the Authority, in the form attached hereto as Exhibit B.

(h) A negative assurance letter of Quint & Thimmig LLP, San Francisco, California (“Disclosure Counsel”), with respect to the Official Statement as described in the form attached hereto as Exhibit C.

**CUSIP NUMBERS:** It is expected that the successful bidder will apply for CUSIP identification numbers for the Bonds and furnish such numbers to Bond Counsel and Disclosure Counsel. It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the

failure to print such numbers on any Bond nor error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid by the Authority, but the CUSIP Service Bureau charge for the assignment of such numbers shall be paid by the successful bidder.

**CERTIFICATION OF REOFFERING PRICE:** The successful bidder shall be required, as a condition to the issuance of the Bonds, to deliver to the Authority a certificate, in substantially the form and substance of Exhibit D.

**DTC, CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION AND OTHER FEES:** The successful bidder shall be required to pay all fees required by The Depository Trust Company, New York, New York, the Municipal Securities Rulemaking Board (the "MSRB"), the California Debt and Investment Advisory Commission and any other similar entity imposing a fee in connection with the issuance of the Bonds.

**COSTS OF ISSUANCE:** The Authority will pay costs incurred in connection with the issuance of the Bonds from proceeds of the Bonds. The successful bidder will be required to pay certain other costs as set forth herein. See "TERMS OF SALE—CUSIP NUMBERS" and DTC, CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION AND OTHER FEES" above.

**OFFICIAL STATEMENT:** The Authority and the City have caused to be prepared the Preliminary Official Statement in a form deemed final by the Authority and the City within the meaning of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, except for certain information which is permitted under said Rule 15c2-12 to be omitted from the Preliminary Official Statement. The Authority will furnish to the successful bidder within seven (7) business days following the date of award, at no charge, not in excess of fifty (50) copies of the Official Statement for use in connection with any resale of the Bonds.

By making a bid for the Bonds, the successful bidder agrees (i) to disseminate to all members of the underwriting syndicate copies of the final Official Statement, including any supplements prepared by the Authority, (ii) to promptly file a copy of the final Official Statement, including any supplements prepared by the Authority, with the MSRB, and (iii) to take any and all other actions necessary to comply with applicable SEC rules and MSRB rules governing the offering, sale and delivery of the Bonds to ultimate purchasers.

**QUALIFICATION FOR SALE; BLUE SKY:** Compliance with blue sky laws shall be the sole responsibility of the successful bidder. The Authority will furnish such information and take such action not inconsistent with law as the successful bidder may request and the Authority 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 successful bidder; provided, however, that the Authority 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 successful bidder 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.**



**EXHIBIT A**

**FORM OF CITY ATTORNEY OPINION**

[Closing Date]

[Underwriter's Name]  
[Underwriter's Address]

**Re:        \$ \_\_\_\_\_ City of Redwood City Public Financing Authority  
              Water Revenue Refunding Bonds, Series 2015**

Ladies and Gentlemen:

I serve as City Attorney to the City of Redwood City (the "City"). In that capacity I have reached the opinions set forth below in connection with the issuance of the above-entitled bonds (the "Bonds").

In rendering the opinions set forth below I have examined executed originals or copies certified or otherwise identified to my satisfaction of such documents, records and other instruments as I have deemed necessary or appropriate as a basis for the opinions set forth below. As to questions of fact material to my opinion, I have relied upon representations of the City contained in the Installment Purchase Contract, the Resolution and the certified proceedings and certifications of public officials and others furnished to me without undertaking to verify the same by independent investigation. I have assumed the genuineness of all signatures by or on behalf of all parties to all documents referenced in this opinion (other than with respect to the City), the legal capacity of natural persons to deliver the certificates or documents referred to herein (other than with respect to the City), the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies, and the proper execution, delivery and/or filing of the documents referred to above (other than with respect to the City).

In connection with the issuance of the Bonds, it is my opinion that:

(i) the City is a municipal corporation and charter city, duly organized and validly existing under the Constitution and the laws of the State of California;

(ii) the resolution of the City approving and authorizing the execution and delivery of the Official Statement relating to the Bonds, the Installment Purchase Contract dated as of May 1, 2015 (the "Installment Purchase Contract"), between the City and the Authority, and the Continuing Disclosure Certificate, dated as of May 1, 2015 (collectively, the "City Documents") has been duly adopted at a meeting of the governing body of the City which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout

and such resolution is in full force and effect and has not been amended, modified or rescinded;

(iii) no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body to which the City is a party and has been served with a summons or other notice thereof, is pending or, to my knowledge, threatened, in any way affecting the existence of the City or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the execution of the City Documents, or in any way contesting or affecting the validity or enforceability of the City Documents, or any action of the City contemplated by any of such documents or the powers of the City with respect to the City Documents;

(iv) to the best of my knowledge, the execution and delivery of the City Documents and the approval of the Official Statement do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any existing law, regulation, court order or consent decree to which the City is subject;

(v) nothing has come to my attention which would lead me to believe that the information relating to the City or the Enterprise (other than any financial or statistical information, with respect to which no opinion is being given) contained in the Official Statement under the headings "INTRODUCTION," "THE ENTERPRISE," "INVESTMENT OF CITY FUNDS" and "LITIGATION," contains an untrue statement or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

This opinion is furnished by me solely for the benefit of its addressees, upon the understanding that it may not be relied on for any purpose whatsoever by any person except its addressees. The opinion herein is not to be used, circulated, quoted or otherwise referred to for any other purpose without express written permission; provided that this opinion may be included in the official transcript of the proceedings relating to the Bonds. The opinion is issued as of the date indicated at the top of this letter, and I do not obligate myself to update such opinion after such date.

Very truly yours,

Pamela Thompson  
City Attorney

**EXHIBIT B**

**FORM OF AUTHORITY GENERAL COUNSEL OPINION**

[Closing Date]

[Underwriter's Name]  
[Underwriter's Address]

**Re:       \$ \_\_\_\_\_ City of Redwood City Public Financing Authority  
          Water Revenue Refunding Bonds, Series 2015**

Ladies and Gentlemen:

I serve as General Counsel to the City of Redwood City Public Financing Authority (the "Authority"), in connection with the transaction involving the delivery by the Authority of the following: (i) an Installment Purchase Contract dated as of May 1, 2015 (the "Installment Purchase Contract"), between the Authority and the City of Redwood City (the "City"), and (ii) the Indenture of Trust, dated as of May 1, 2015 (the "Indenture"), between the Authority and U.S. Bank National Association (the "Trustee") in connection with the issuance of the City of Redwood City Public Financing Authority Water Revenue Refunding Bonds, Series 2015, in the principal amount of \$ \_\_\_\_\_ (the "Bonds") (collectively, the "Authority Documents").

In rendering the opinions set forth below I have examined executed originals or copies certified or otherwise identified to my satisfaction of such documents, records and other instruments as I have deemed necessary or appropriate as a basis for the opinions set forth below. As to questions of fact material to my opinion, I have relied upon representations of the Authority contained in the Authority Documents and the certified proceedings and certifications of public officials and others furnished to me without undertaking to verify the same by independent investigation. I have assumed the genuineness of all signatures by or on behalf of all parties to all documents referenced in this opinion (other than with respect to the Authority), the legal capacity of natural persons to deliver the certificates or documents referred to herein (other than with respect to the Authority), the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies, and the proper execution, delivery and/or filing of the documents referred to above (other than with respect to the Authority).

Based on and subject to the foregoing it is my opinion that:

(i) the resolution of the Authority approving and authorizing the execution and delivery of the Authority Documents and the Official Statement has been duly adopted at a meeting of the governing body of the Authority which was called and

held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout;

(ii) no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body to which the Authority is a party and has been served with a summons or other notice thereof, is pending or, to my knowledge, threatened, in any way affecting the existence of the Authority or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the execution of the Authority Documents, or in any way contesting or affecting the validity or enforceability of the Authority Documents, or any action of the Authority contemplated by any of such documents or the powers of the Authority with respect to the Authority Documents;

(iii) to the best of my knowledge, the execution and delivery of the Authority Documents and the approval of the Official Statement do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any existing law, regulation, court order or consent decree to which the Authority is subject; and

(iv) nothing has come to my attention which would indicate that the description of the Authority contained in the Official Statement under the headings "INTRODUCTION," "THE AUTHORITY" and "LITIGATION," contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect.

This opinion is furnished by me solely for the benefit of its addressees, upon the understanding that it may not be relied on for any purpose whatsoever by any person except its addressees. The opinion herein is not to be used, circulated, quoted or otherwise referred to for any other purpose without express written permission; provided that this opinion may be included in the official transcript of the proceedings relating to the Bonds. The opinion is issued as of the date indicated at the top of this letter, and I do not obligate myself to update such opinion after such date.

Very truly yours,

Pamela Thompson  
City Attorney

**EXHIBIT C**

**FORM OF DISCLOSURE COUNSEL NEGATIVE ASSURANCE LETTER**

[Letterhead of Quint & Thimmig LLP]

[Closing Date]

City of Redwood City Public Financing Authority  
1017 Middlefield Road  
Redwood City, California 94064

City of Redwood City  
1017 Middlefield Road  
Redwood City, California 94064

[UNDERWRITER]

Re: \$ \_\_\_\_\_ City of Redwood City Public Financing Authority Water Revenue  
Refunding Bonds, Series 2015

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Ladies and Gentlemen:

We have acted as disclosure counsel to the City of Redwood City Public Financing Authority (the "Authority") in connection with the issuance by the Authority of \$ \_\_\_\_\_ aggregate principal amount of the bonds designated the "City of Redwood City Public Financing Authority Water Revenue Refunding Bonds, Series 2015" (the "Bonds"), pursuant to the provisions of pursuant to the Constitution and laws of the State of California (the "State"), including the Marks-Roos Local Bond Pooling Act of 1985 (commencing with section 6584 of the California Government Code), and a resolution of the Board of Directors of the Authority (the "Board"), adopted on April 13, 2015 (the "Resolution"), and an Indenture of Trust, dated as of May 1, 2015 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). The proceeds of the Bonds are being used to refinance certain improvements to the water system of the City of Redwood City (the "City"). The Authority is obligated under the Indenture to pay principal of and interest on the Bonds solely from Revenues (as defined in the Indenture), being primarily amounts received by the Authority or the Trustee pursuant to or with respect to the Installment Purchase Contract, dated as of May 1, 2015 (the "Installment Purchase Contract"), between the Authority and the City.

This letter is being delivered by us in our capacity as disclosure counsel to the Authority and not as counsel to any other addressee hereof. Capitalized terms used in this letter and not otherwise defined herein have the meanings given to them in the Indenture.

In connection with this letter, we have reviewed the Indenture, the Official Statement, dated April 30, 2015 (the "Official Statement"), which describes the Bonds, the Indenture, and such other records, opinions and documents, and we have made such investigations of law, as we have deemed appropriate as a basis for the conclusions hereinafter expressed. In arriving at

the conclusions expressed below, we are not expressing any opinion or view on, and with your permission are assuming, the validity, accuracy and sufficiency of the records, documents, certificates and opinions referred to above (including the accuracy of all factual matters represented and legal conclusions contained therein, including (without limitation) representations and legal conclusions regarding the due authorization, issuance, delivery, validity and enforceability of the Bonds and the exclusion of interest with respect thereto from gross income for federal income tax purposes). We have assumed that all records, documents, certificates and opinions that we have reviewed, and the signatures thereto, are genuine.

Based on and subject to the foregoing, and in reliance thereon, we advise that the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and that the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, in our capacity as disclosure counsel to the City, we have reviewed certain documents as described above and have participated in conferences during which the contents of the Official Statement and related matters were discussed. Based on our review of documents and our participation in the above-mentioned conferences, and with the assumptions described in the second preceding paragraph, we advise you that, during the course of our assistance in the preparation of the Official Statement, no facts have come to the attention of the attorneys in our firm rendering legal services in connection with such representation that caused us to believe that the Official Statement, as of its date and as of the date of this letter (except for any financial, statistical or engineering data or forecasts, numbers, charts, estimates, projections, assumptions, or expressions of opinion, any information concerning The Depository Trust Company and the book entry system for the Bonds contained or incorporated in the Official Statement or any information in any appendix thereto, as to which we express no view), contained or contains any untrue statement of a material fact or omitted 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.

During the period from the date of the Official Statement to the date of this letter, except for our review of the certificates and opinions regarding the Official Statement delivered on the date hereof, we have not undertaken any procedures or taken any actions which were intended or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Official Statement. We also advise you that the preceding paragraph is not an opinion but, rather, in the nature of negative observations based on certain limited activities performed by specific lawyers in our firm in our role as disclosure counsel to the City. The scope of those activities performed by us for purposes of delivering this letter were inherently limited and do not purport to encompass all activities necessary for compliance with applicable securities laws. In addition, the performance of those activities by us required our reliance upon third-party representations, warranties, certifications and opinions, including and primarily, representations, warranties and certifications made by the City, and are otherwise subject to the conditions set forth herein.

This letter is furnished by us solely for your benefit and may not be relied upon by any other person or entity. We disclaim any obligation to supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur, and our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

**EXHIBIT D**

**FORM OF REOFFERING PRICE CERTIFICATE**

**(TO BE DELIVERED BY THE PURCHASER AS DESCRIBED IN THE OFFICIAL NOTICE OF SALE UNDER "CERTIFICATION OF REOFFERING PRICE")**

\$ \_\_\_\_\_  
**City of Redwood City Public Financing Authority**  
**Water Revenue Refunding Bonds,**  
**Series 2015**

**CERTIFICATE OF UNDERWRITER**

The undersigned, on behalf of \_\_\_\_\_, as underwriter (the "Underwriter") of the above-captioned bonds (the "Bonds"), hereby certifies and represents that:

(i) Based upon reasonable expectations and actual facts that existed on \_\_\_\_\_, 2015, being the date upon which the City of Redwood City Public Financing Authority (the "Issuer") sold the Bonds to the Underwriter (the "Sale Date"), the Underwriter reasonably expected that the first prices at which a substantial amount of each maturity of the Bonds (being at least 10% of each maturity) would be offered and sold to the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (the "General Public") in a bona fide public offering at the prices, or in the case of obligations sold on a yield basis, at the respective yields set forth in Attachment A attached hereto and by this reference incorporated herein and shown on the cover or inside cover of the Official Statement (together the "Initial Offering Prices").

(ii) The aggregate of the Initial Offering Prices is \$ \_\_\_\_\_.

(iii) The Initial Offering Prices of the Bonds of each maturity (and stated interest rate) reflected the assessment by the Underwriter of not more than the fair market prices of the Bonds as of the Sale Date and such offering prices were established by a bona fide public offering by the Underwriter to the General Public.

(iv) As of the date hereof, 100% of the Bonds of each maturity were actually offered to the general public in a bona fide public offering for the Initial Offering Prices, and the Underwriter did not hold back any portion of any maturity of the Bonds for itself or any of its affiliates for the purpose of selling the same at a price in excess of the prices set forth for such maturity of the Bonds in Attachment A.

(v) As of the Sale Date, the Underwriter, taking into account market conditions, had no reason to believe any of the Bonds would be initially sold to the general public at prices greater than the Initial Offering Prices.

(vi) As of the Sale Date, at least 10% of the principal amount of each maturity of the Bonds initially was sold at the respective Initial Offering Price for that maturity shown in Attachment A.

Capitalized terms used herein and not otherwise defined have the meanings set forth in the Indenture.

The Underwriter understands that Jones Hall, A Professional Law Corporation, bond counsel, will rely upon this certificate, among other things, in reaching its conclusion that the Bonds do not constitute "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), provided, however, that nothing herein represents our interpretation of any laws, and in particular, regulations under Section 148 of the Code.

Dated: \_\_\_\_\_

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

By: \_\_\_\_\_  
Authorized Officer

**ATTACHMENT A**

Maturity <u>Date</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	Initial Offering <u>Price</u> * %
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