

OFFICIAL NOTICE OF SALE

\$8,000,000*

Village of Sussex

Waukesha County, Wisconsin

General Obligation Street Improvement Bonds, Series 2020A

Dated Date of Delivery

Date, Time and Place. IRREVOCABLE ELECTRONIC BIDS will be received by PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, financial advisor acting on behalf of the Village of Sussex, Wisconsin (the “Village”), for all but not part of the Village’s \$8,000,000* General Obligation Street Improvement Bonds, Series 2020A, dated the Date of Delivery (the “Bonds”), until 10:00 a.m. (Central Time) on:

June 9, 2020

at which time electronic bids retrieved and all bids publicly read. Electronic bids must be submitted through Parity®. A meeting of the Village Board will be held on said date for the purpose of taking action on such bids as may be received.

Terms of the Bonds. The Bonds will be dated the Date of Delivery and will mature March 1 in the years and amounts as follows:

MATURITY SCHEDULE

<u>Year</u>	<u>Amount*</u>
2022	100,000
2023	150,000
2024	200,000
2025	225,000
2026	325,000
2027	500,000
2028	500,000
2029	500,000
2030	550,000
2031	550,000
2032	550,000
2033	550,000
2034	550,000
2035	550,000
2036	550,000
2037	550,000
2038	550,000
2039	550,000

Interest on said Bonds will be payable semi-annually on March 1 and September 1, commencing March 1, 2021.

*Preliminary, subject to change.

No Term Bond Option. Proposals for the Bonds may not contain term bonds.

Call Feature. The Bonds maturing on March 1, 2031 and thereafter are subject to prior redemption at the option of the Village on March 1, 2030 and any date thereafter at a price of par plus accrued interest.

Registration. The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). The Village will assume no liability for failure of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Bonds. In the event that the securities depository relationship with DTC for the Bonds is terminated and the Village does not appoint a successor depository, the Village will prepare, authenticate and deliver, at its expense, fully registered certificated Bonds in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Bonds of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Bonds.

Security and Purpose. The Bonds are general obligations of the Village. The principal of and interest on the Bonds will be payable from ad valorem taxes, which shall be levied without limitation as to rate or amount upon all taxable property located in the territory of the Village. The Bonds are being issued pursuant to Wisconsin Statutes, Chapter 67, for the public purpose of financing street improvement projects and to pay the costs of issuing the Bonds.

Bank Qualified. The Bonds shall not be "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Bid Specifications. Bids shall be received on an interest rate basis in an integral multiple of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). Any number of rates may be bid, but no interest rate specified for any maturity may be lower than the interest rate specified for any earlier maturity. All Bonds of the same maturity shall bear the same interest rate. A rate of interest must be named for each maturity; a zero rate of interest shall not be named; and the premium, if any, must be paid in cash as part of the purchase price. No supplemental interest shall be specified. Each bid shall offer to purchase all of the Bonds and shall offer a price (payable in federal or other immediately available funds) which is not less than \$7,920,000 (99.0% of par), nor more than \$8,160,000 (102.0% of par), plus accrued interest to the date of delivery.

Good Faith Deposit. A good faith deposit in the amount of Eighty Thousand Dollars (\$80,000) is only required by the successful bidder for the Bonds. The successful bidder for the Bonds is required to submit such Good Faith Deposit payable to the order of the Village in the form of a wire transfer in federal funds. Instructions for wiring the Good Faith Deposit are as follows:

Amount:	\$80,000
Details:	Email PFM for details at andersond@pfm.com

The successful bidder shall submit the Good Faith Deposit within two hours after verbal award is made. The successful bidder should provide as quickly as it is available, evidence of wire transfer by providing the Village the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the successful bidder may be rejected and the Village may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Bonds to the same. If the successful bidder fails to comply with the Good Faith Deposit requirement as described herein, that bidder is nonetheless obligated to pay to the Village the sum of \$80,000 as liquidated damages due to the failure of the successful bidder to timely deposit the Good Faith Deposit.

Submission of a bid to purchase the Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

The Good Faith Deposit so wired will be retained by the Village until the delivery of the Bonds, at which time the Good Faith Deposit will be applied against the purchase price of the Bonds or the good faith deposit will be retained by the Village as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Bonds in compliance with the terms of the Official Notice of Sale and of its bid. No interest on the good faith deposit will be paid by the Village. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Bonds.

Insurance on Bonds. In the event the successful bidder obtains a bond insurance policy for all or a portion of the Bonds, by or on behalf of it or any other member of its underwriting group, the successful bidder is responsible for making sure that disclosure information is provided about the credit enhancement provider (for example, through a wrapper to the Official Statement). The Village will cooperate with the successful bidder in this manner. The costs of obtaining any bond insurance policy and the costs of providing disclosure information about the credit enhancement provider shall be paid by the successful bidder. In addition, the successful bidder will be required, as a condition for delivery of the Bonds, to certify that the premium will be less than the present value of the interest expected to be saved as a result of such insurance.

Electronic Bidding. The Village assumes no responsibility or liability for electronic bids. If any provisions in this Official Notice of Sale conflict with information provided by Parity®, this Official Notice of Sale shall control. Further information about the electronic bidding service providers, including any fee charged and applicable requirements, may be obtained from:

Parity®/IPREO
1359 Broadway, 2nd Floor
New York, New York 10018
(212) 849-5021 phone

Award. All bids received shall be considered at a meeting of the Village Board of Trustees to be held on the bidding date and, unless all bids are rejected, the Bonds shall be awarded during the Village Board meeting on said date to the best bidder whose proposal shall result in the lowest true interest cost rate to the Village. The true interest cost is computed as the discount rate which, when used with semiannual compounding to determine the present worth of the principal and interest payments as of the date of the Bonds, produces an amount equal to the purchase price. If two or more bids provide the same lowest true interest rate, the Village shall determine which proposal shall be accepted, and such determination shall be final. A computation by the bidder of such true interest cost rate contained in any bid shall be for information only and shall not constitute a part of the bid. The purchaser shall pay accrued interest from the date of the Bonds to the date of delivery and payment of the purchase price.

Establishment of the Issue Price. The successful bidder shall assist the Village in establishing the issue price of the Bonds and shall execute and deliver to the Village prior to Closing a certificate acceptable to Bond Counsel setting forth the reasonably expected initial public offering price to the public (the “Initial Public Offering Price”), or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary in the reasonable judgment of the successful bidder, the Village or Bond Counsel.

The Village 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 Village shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Village 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 Village anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

In the event the Village receives less than three bids that conform to the parameters contained herein such that the competitive sale requirements are not satisfied, the Village intends to treat the initial public offering price to the public of each maturity of the Bonds as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). Consequently, bidders should assume for purposes of making this bid that, if the competitive sale requirements described above are not met, and less than 10% of any maturity has been sold to the public at the initial public offering price as of the sale date, the bidder will be required to comply with the hold-the offering-price rule described below. The Village will advise the apparent winning bidder within one hour of receipt of bids if the hold-the-offering-price rule will apply as to any maturities for which less than 10% has been sold to the public on the sale date at the initial public offering price to the public (“the 10% test”). The winning bidder shall notify the Village on the sale date as to any maturities for which the 10% test has been met, and shall apply the hold-the-offering-price rule to all other maturities. In the event that the competitive sale requirements are not satisfied, the issue price certificate shall be modified as necessary in the reasonable judgment of Bond Counsel and the Village.

By submitting a bid, the successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds, (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or before the date that the Bonds are awarded by the Village to the successful bidder (“Sale Date”) at the initial public offering price 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 any maturity of the Bonds to any person at a price that is higher than the initial public offering price for such maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth 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 public offering price for such maturity.

The winning bidder shall promptly advise the Village 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 public offering price if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

The Village acknowledges that, in making the representation set forth above, the successful 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 Village further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the 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 Bonds of each maturity allotted to it until it is notified by the successful 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 and for so long as directed by the successful bidder and in the related pricing wires, and

(ii) any agreement among underwriters relating to the 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 successful 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 and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

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

(i) “public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,

(iii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Village (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),

(iv) 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

(v) “sale date” means the date the Bonds are awarded by the Village to the winning bidder.

Undertakings of the Successful Bidder. The successful bidder shall make a bona fide public offering of all of the Bonds to the public (as defined above) and will, within 30 minutes after being notified that such firm is the apparent winning bidder of the Bonds, advise the Village in writing of the initial public offering price to the public of each maturity of the Bonds. Prior to the delivery of the Bonds, the successful bidder will furnish a certificate acceptable to Bond Counsel as to the “issue price” of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended. It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty.

Delivery. The Bonds will be delivered in typewritten form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, securities depository of the Bonds for the establishment of book-entry accounts at the direction of the successful bidder, within approximately 45 days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within 45 days after the date of the sale of the Bonds, the successful bidder may, prior to tender of the Bonds, at its option, be relieved of its obligation under the contract to purchase the Bonds and its good faith check shall be returned, but no interest shall be allowed thereon. Delivery of the Bonds is currently anticipated to be on or about June 30, 2020.

Legal Opinion. The successful bidder will be furnished without cost, the unqualified approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel. A Continuing Disclosure Certificate will be delivered at closing setting forth the details and terms of the Village’s undertaking and such Continuing Disclosure Certificate is a condition of closing.

CUSIP Numbers. The Village will assume no obligation for the assignment of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon. The Village will permit such numbers to be assigned and printed at the expense of the original purchaser, but neither the failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for failure or refusal by the original purchaser to accept delivery of the Bonds.

Official Statement. Upon the sale of the Bonds, the Village will publish an Official Statement in substantially the same form as the Preliminary Official Statement subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. Promptly after the sale date, but in no event later than seven business days after such date, the Village will provide the successful bidder with up to 25 copies of the final Official Statement without cost. The successful bidder agrees to supply to the Village all necessary pricing information and any underwriter identification necessary to complete the final Official Statement within 24 hours after the award of Bonds.

Certification Regarding Official Statement. The Village will deliver, at closing, a certificate, executed by appropriate officers of the Village acting in their official capacities, to the effect that the Official Statement

relating to the Bonds 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 were made, not misleading.

Undertaking to Provide Continuing Disclosure. In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the Village will covenant to undertake (pursuant to a Resolution to be adopted by the Board of the Trustees), to provide annual reports and timely notice of certain events for the benefit of holders of the Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the Village, a form of which is included in the Preliminary Official Statement and in the final Official Statement.

Transcript of Proceedings. A transcript of the proceedings relative to the issuance of the Bonds will be furnished to the successful bidder without cost, including a Closing Certificate stating that there is no litigation pending or threatened affecting the validity of or the security for the Bonds.

Irregularities. The Village Board of Trustees reserves the right to reject any and all bids and to waive any and all irregularities.

Information. The Preliminary Official Statement can be viewed at the following website: www.i-dealprospectus.com or copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to the Village's financial advisor, PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, Attention: David Anderson, phone (414) 771-2700, or to the undersigned:

Samuel Liebert - Village Clerk/Treasurer
Village of Sussex
N64 W23760 Main Street
Sussex, WI 53089
(262) 246-5200

* * * * *

BID FORM

Village of Sussex, Wisconsin

\$8,000,000*

General Obligation Street Improvement Bonds, Series 2020A

Village of Sussex, Wisconsin

c/o PFM Financial Advisors LLC (Fax: 414/771-1041)

Sale Date: June 9, 2020

For all or none of the principal amount of \$8,000,000* General Obligation Street Improvement Bonds, Series 2020A (the 'General Obligation Bonds') legally issued and as described in the Official Notice of Sale, we will pay the Village \$_____ plus accrued interest on the total principal amount of the General Obligation Bonds to date of delivery, provided the General Obligation Bonds bear the following interest rates:

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>
2022	\$ 100,000	____ %	____ %	2031	\$ 550,000	____ %	____ %
2023	150,000	____ %	____ %	2033	550,000	____ %	____ %
2024	200,000	____ %	____ %	2034	550,000	____ %	____ %
2025	225,000	____ %	____ %	2035	550,000	____ %	____ %
2026	325,000	____ %	____ %	2036	550,000	____ %	____ %
2027	500,000	____ %	____ %	2037	550,000	____ %	____ %
2028	500,000	____ %	____ %	2038	550,000	____ %	____ %
2029	500,000	____ %	____ %	2039	550,000	____ %	____ %
2030	550,000	____ %	____ %				

* Preliminary, subject to change.

The General Obligation Bonds mature on each March 1, as set forth above, and interest on the General Obligation Bonds is payable semiannually on each March 1 and September 1 commencing March 1, 2021. The General Obligation Bonds maturing on or after March 1, 2031 are subject to prior redemption at the option of the Village on March 1, 2030 and any date thereafter at a price of par plus accrued interest.

In making this offer, we accept the terms and conditions as defined in the Official Notice of Sale published in the Preliminary Official Statement dated June 2, 2020. All blank spaces of this offer are intentional and are not to be construed as an omission. Our good faith deposit in the amount of \$80,000 will be wired in federal funds to the Village within two hours after verbal award is made according to the Official Notice of Sale.

NOT PART OF THE BID

Explanatory Note: According to our computation this bid involves the following:

\$

Net Interest Cost

%

True Interest Rate (TIC)

Respectfully submitted,

Account Manager

The foregoing offer is hereby accepted by and on behalf of the Village of Sussex, Wisconsin, on this 9th day of June, 2020.

Anthony J. LeDonne, Village President

Samuel Liebert, Village Clerk/Treasurer