

NOTICE OF BOND SALE
\$10,000,000*
CITY OF HANNIBAL, MISSOURI
WATERWORKS REVENUE BONDS, SERIES 2019

Bids to be Accepted

Bids for the purchase of \$10,000,000* principal amount of Waterworks Revenue Bonds, Series 2019 (the “Series 2019 Bonds”), of the City of Hannibal, Missouri (the “City”), will be received by the City via **PARITY®** until 10:00 o’clock a.m., Central Time, on Tuesday,

April 16, 2019

The award of the Series 2019 Bonds will be acted upon by the City Council at a meeting to be held at 7:00 p.m. on said date at the City Hall of the City of Hannibal, 320 Broadway, Hannibal, Missouri 63401.

Terms of Series 2019 Bonds

The Series 2019 Bonds will consist of fully-registered bonds in the denomination of \$5,000 or any integral multiple thereof. The Series 2019 Bonds will be dated as of the date of issuance, which is expected to be April 25, 2019 (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>January 1</u>	<u>Principal</u> <u>Amount*</u>	<u>Maturity</u> <u>January 1</u>	<u>Principal</u> <u>Amount*</u>
2022	\$295,000	2034	\$430,000
2023	305,000	2035	445,000
2024	310,000	2036	465,000
2025	320,000	2037	480,000
2026	330,000	2038	500,000
2027	340,000	2039	525,000
2028	350,000	2040	545,000
2029	360,000	2041	570,000
2030	375,000	2042	590,000
2031	385,000	2043	620,000
2032	400,000	2044	645,000
2033	415,000		

The Series 2019 Bonds will bear interest from their dated date at the rates to be determined when the Series 2019 Bonds are sold as hereinafter provided, which interest will be payable semiannually on January 1 and July 1, (each to be a “Payment Date”), commencing on January 1, 2020.

Place of Payment

Interest on the Series 2019 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 the Preliminary Official Statement.

* Subject to Change

Authority and Security

At an election held on August 7, 2018 voters approved \$17,500,000 principal amount of water revenue bonds by a vote of 2,399 in favor of to 830 against the issuance of bonds for the purpose of acquiring, constructing and improving the City's Waterworks System, including but not limited to making improvements required to remove ammonia from the drinking water treatment process (the "Project"). The use of proceeds of the Series 2019 Bonds is described in greater detail under the caption "THE PROJECT" in the Preliminary Official Statement.

The Series 2019 Bonds are issued pursuant to Chapter 91 of the Revised Statutes of Missouri, as amended, and all other applicable provisions of law, the City Charter and an ordinance expected to be adopted April 16, 2019 (the "Bond Ordinance"). The Series 2019 Bonds will be issued on a parity with approximately \$11,285,000 principal amount of outstanding Waterworks Revenue Bonds (State of Missouri – Direct Loan Program), Series 2015 (the "Series 2015 Bonds").

The Series 2019 Bonds will be special limited obligations of the City payable solely from the Net Revenues derived from the operation of the Waterworks System as described in the Preliminary Official Statement.

Optional Redemption of Series 2019 Bonds

At the option of the City, the Series 2019 Bonds or portion thereof maturing January 1, 2028 and thereafter may be called for redemption on January 1, 2027 and thereafter in whole or in part at any time in such amounts for each Stated Maturity as shall be determined by the City at the Redemption Price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date. When less than all outstanding Series 2019 Bonds are to be redeemed, such Series 2019 Bonds shall be redeemed in such order of maturity as shall be determined by the City, and Series 2019 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 Series 2019 Bonds pursuant to the Bond Ordinance, written notice shall be given by first class mail to each registered owner of the Series 2019 Bonds to be redeemed at least 30 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 April 16, 2019. 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 Series 2019 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 Series 2019 Bonds. The aggregate principal amount of the Series 2019 Bonds shall not exceed \$10,000,000.

If any changes are made to the principal amount of any maturity of Series 2019 Bonds 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 Series 2019 Bonds.

Conditions of Bids

Proposals will be received on Series 2019 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 Series 2019 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 5.0% per annum. Bids must be for all of the Series 2019 Bonds at a purchase price of not less than 99.0% nor greater than 105.0% of the principal amount and the purchase price expressed as a dollar amount shall be included in each bid. No maturity shall have a reoffering price that is less than 97%. No supplemental interest payments will be authorized. Each bid shall specify the total interest cost (expressed in dollars) and the true interest cost (expressed as a rate) for the Series 2019 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 Series 2019 Bonds, it will provide the City a certificate regarding offering prices of the Series 2019 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 \$200,000 shall be made by the bidder expected to be awarded the Series 2019 Bonds by federal wire not later than 2:00 o’clock p.m. Central Time on April 16, 2019, 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 Series 2019 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 bidder complies 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 fails to deliver the Series 2019 Bonds to the bidder awarded the Series 2019 Bonds in accordance with the terms and conditions of this Notice of Bond Sale, said Deposit shall be returned to said bidder. If a bid is accepted but the bidder awarded the Series 2019 Bonds defaults in the performance of any of the terms and conditions of this Notice of Bond Sale, the proceeds of the Deposit shall be retained by the City as and for liquidated damages.

Award of the Series 2019 Bonds

If the Series 2019 Bonds are awarded, the award will be to the bidder whose bid (a) 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 Series 2019 Bonds to equal the purchase price bid and (b) complies with the terms of this Notice of Bond Sale (or such noncompliance or irregularities have been waived by the City). The bidder awarded the Series 2019 Bonds is referred to herein as the “Selected Bidder.” 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 Series 2019 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.

Delivery and Payment

The City will pay for printing the Series 2019 Bonds and will deliver the Series 2019 Bonds to DTC or the Paying Agent, as DTC's agent, properly prepared, executed and registered, without cost to the Selected Bidder within 30 days after the date of sale at such security depository, bank or trust company as may be specified by the Selected Bidder. The Selected Bidder will also be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the Series 2019 Bonds and customary closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Series 2019 Bonds affecting their validity, and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Series 2019 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 Series 2019 Bonds, but neither the failure to assign such number to any Series 2019 Bond nor any error with respect thereto shall constitute cause for failure or refusal by the Selected Bidder to accept delivery of and pay for the Series 2019 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.

Ratings and Bond Insurance

S&P Global Ratings, a division of S&P Global Inc. ("S&P"), has assigned the Series 2019 Bonds the rating of "AA" conditioned upon the issuance by Assured Guaranty Municipal Corp. at the time of delivery of the Series 2019 Bonds of a Municipal Bond Insurance Policy guaranteeing the scheduled payment of principal of and interest on the Series 2019 Bonds when due. S&P has also assigned a rating of "A-" to the Series 2019 Bonds without regard to the Municipal Bond Insurance Policy. The City will pay the cost of the insurance policy and for the bond ratings from S&P.

The ratings reflect only the view of the rating agency and any desired explanation of the significance of a rating should be obtained from the rating agency. Generally, a rating agency bases its rating on the information and material furnished to it and on investigations, studies and assumptions of its own. There is no assurance that a rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by the rating agency. Such lowering or withdrawal may have an adverse effect on the market price of the Series 2019 Bonds.

Legal Opinion

The Series 2019 Bonds will be sold subject to the legal opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to the City, whose approving legal opinion will be furnished and paid for by the City, and provided to the Selected Bidder when the Series 2019 Bonds are delivered. Said opinion will also include the opinion that interest on the Series 2019 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 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 April 16, 2019, the bidder offering the lowest TIC in conformance with the terms of this Notice of Bond Sale must provide to the City's Municipal Advisor at jhoward@wmfinancialstrategies.com the reasonably expected initial offering prices to the public of each maturity of the Series 2019 Bonds. In addition, to provide the City with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), the Selected Bidder will be required to complete, execute and deliver to Bond Counsel prior

to the date of issuance and delivery of the Series 2019 Bonds, a certificate regarding the “issue price” of the Series 2019 Bonds (as defined in Section 148 of the Code) as described below:

- (1) In the event the City receives 3 bids, the Selected Bidder will be required to execute and deliver to Bond Counsel prior to the date of issuance and delivery of the Series 2019 Bonds, a certificate regarding the issue price in substantially the form attached hereto as Exhibit A.

or

- (2) In the event the City receives fewer than 3 bids, the bid will not be subject to cancellation by the bidder. The bidder offering the lowest TIC will be required to comply with the “hold-the-offering-price rule,” as further described below, and in Exhibit B hereto and to use the initial offering price to the public as of the sale date of any maturity of the Series 2019 Bonds as the issue price of that maturity.

The bidder offering the lowest TIC in conformance with the terms of this Notice of Bond Sale shall have until 3:00 p.m. o'clock p.m. Central Time on April 16, 2019 to certify to the Municipal Advisor and Bond Counsel (i) each maturity of the Series 2019 Bonds for which at least 10% have been sold to the public at the reasonably expected initial offering prices provided and (ii) agree to hold the offering price on all maturities by agreeing that it will neither offer nor sell any Series 2019 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 April 16, 2019 and ending on the earlier of the 5th business day after the date of sale or the date on which 10% of the Series 2019 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 Selected Bidder will be required to execute and deliver to Bond Counsel prior to the date of issuance and delivery of the Series 2019 Bonds, a certificate regarding the issue price in substantially the form attached hereto as Exhibit B.

Official Statement

The City has prepared a Preliminary Official Statement dated April 2, 2019, 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 “Rule”). The City agrees to deliver to the Selected Bidder, within seven (7) business days after the award of the Series 2019 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 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”) within 180 days following the end of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2019, (i) certain annual financial information and operating data, including audited financial statements for the preceding fiscal year (ii) timely notice of the occurrence of certain events with respect to the Series 2019 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 Selected Bidder’s obligation to purchase the Series 2019 Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Series 2019 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 Series 2019 Bonds.

Additional Information

Additional information regarding the Series 2019 Bonds may be obtained from the City of Hannibal Board of Public Works, Mr. Abraham Gray, CPA, Finance Director (573) 221-8050 ext. 6046 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 APRIL 2, 2019.

CITY OF HANNIBAL, MISSOURI

By: /S/ James Hark, Mayor

EXHIBIT A

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

\$ _____
**City of Hannibal, Missouri
Waterworks Revenue Bonds
Series 2019**

The undersigned, on behalf of [Name of Underwriter] (the "Original Purchaser"), as the original purchaser and underwriter of the above-described bonds (the "Bonds"), being issued on the date of this Certificate by the City of Hannibal (the "Issuer"), certifies and represents as follows:

1. Receipt for Bonds. The Original Purchaser 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 Original Purchaser.

2. Issue Price.

(a) *Public Offering.* The Original Purchaser offered all of the Bonds to the Public (as defined below) in a bona fide initial offering.

(b) *Reasonably Expected Initial Offering Prices.* As of the sale date of the Bonds (April 16, 2019), the reasonably expected initial offering prices of the Bonds to the Public by the Original Purchaser 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 Original Purchaser in formulating its bid to purchase the Bonds.

(c) *Defined Terms.*

(i) The term "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(ii) The term "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Original Purchaser or a related party to an Original Purchaser. The term "related party" is defined in U.S. Treasury Regulation § 1.150-1(b) which generally provides that the term related party means any two or more persons who have a greater than 50 percent common ownership, directly or indirectly.

(iii) The term "Original Purchaser" 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).

The representations set forth in this certificate are limited to factual matters only. Nothing in this Certificate represents the Original Purchaser'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 to the Issuer, 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: _____, 2019

[UNDERWRITER NAME]

By: _____
Title: _____

Schedule A
Initial Offering Prices
[Attach Pricing Information]

EXHIBIT B

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

§ _____
**City of Hannibal, Missouri
Waterworks Revenue Bonds
Series 2019**

The undersigned, on behalf of [Name of Underwriter] (the "Original Purchaser"), as the original purchaser and underwriter of the above-described bonds (the "Bonds"), being issued on the date of this Certificate by the City of Hannibal (the "Issuer"), certifies and represents as follows:

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

2. Defined Terms.

(a) "Effective Time" means the time on the Sale Date that the Agreement to purchase the Bonds became enforceable.

(b) "Holding Period" means with respect to each Undersold Maturity the period beginning on the Sale Date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the Sale Date; or

(2) the date and time at which the Original Purchaser has sold at least 10% of that Undersold Maturity of the Bonds to the Public at one or more prices that are no higher than the Initial Offering Price.

(c) "Initial Offering Price" means the price listed on **Schedule A** for each Maturity.

(d) "Maturity" means Bonds with the same credit and payment terms; Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriting Firm or a related party to an Underwriting Firm. An Underwriting Firm and a person are related if it and the person 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.

(f) "Sale Date" means _____, 2019.

(g) "Undersold Maturity" or "Undersold Maturities" means any Maturity for which less than 10% of the principal amount of Bonds of that Maturity were sold as of the Effective Time.

(h) "Underwriting Firm" 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 definition 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).

3. Issue Price. The Original Purchaser represents as follows:

(a) Attached as **Schedule A** is a copy of the pricing wire or similar communication used to communicate the Initial Offering Price of each Maturity to the Public.

(b) As of the Effective Time all the Bonds were the subject of an initial offering to the Public.

(c) As of the Effective Time none of the Bonds were sold to any person at a price higher than the Initial Offering Price for that Maturity.

(d) [*As of the Effective Time there were no Undersold Maturities.][*For any Undersold Maturity, during the Holding Period each Underwriting Firm did not offer nor sell Bonds of the Undersold Maturity to the Public at a price that is higher than the respective Initial Offering Price for that Undersold Maturity.

(e) Any separate agreement among any Underwriting Firm related to the sale of an Undersold Maturity during the Holding Period contained the agreement referenced in (d) above.*]

The representations set forth in this certificate are limited to factual matters only. Nothing in this Certificate represents the Original Purchaser'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 to the Issuer, 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: _____, 2019

[UNDERWRITER NAME]

By: _____
Title: _____

Schedule A
Sale Prices and Initial Offering Prices
[Attach pricing wire or other offering price documentation]