

**OFFICIAL NOTICE INVITING BIDS**

\$ \_\_\_\_\_  
City of San José  
General Obligation Bonds  
Series 2019A-1  
(Disaster Preparedness, Public Safety, and  
Infrastructure)

\$ \_\_\_\_\_  
City of San José  
Taxable General Obligation Bonds  
Series 2019A-2  
(Disaster Preparedness, Public Safety, and  
Infrastructure)

\$ \_\_\_\_\_  
City of San José  
Taxable General Obligation Bonds  
Series 2019B  
(Disaster Preparedness, Public Safety, and Infrastructure)

\$ \_\_\_\_\_  
City of San José  
General Obligation Bonds  
Series 2019C  
(Refunding, Libraries, Parks, and Public  
Safety Projects)

\$ \_\_\_\_\_  
City of San José  
Taxable General Obligation Bonds  
Series 2019D  
(Refunding, Libraries, Parks, and Public  
Safety Projects)

**NOTICE IS HEREBY GIVEN** that electronic bids for the purchase of Bid Group A, Bid Group B and Bid Group C (each a “Bid Group”), as described below, will be received by the City of San José (the “City”):

**Bid Group A:** \$ \_\_\_\_\_ \* principal amount of City of San José General Obligation Bonds, Series 2019A-1 (Disaster Preparedness, Public Safety, and Infrastructure) (the “Series 2019A-1 Bonds”) and \_\_\_\_\_ \* principal amount of City of San José Taxable General Obligation Bonds, Series 2019A-2 (Disaster Preparedness, Public Safety, and Infrastructure) (the “Taxable Series 2019A-2 Bonds” and, together with the Series 2019A-1 Bonds, the “Series 2019A Bonds”);

**Bid Group B:** \$ \_\_\_\_\_ \* principal amount of City of San José Taxable General Obligation Bonds, Series 2019B (Disaster Preparedness, Public Safety, and Infrastructure) (the “Taxable Series 2019B Bonds”) and \$ \_\_\_\_\_ \* principal amount of City of San José Taxable General Obligation Bonds, Series 2019D (Refunding, Libraries, Parks, and Public Safety Projects) (the “Taxable Series 2019D Bonds”); and

**Bid Group C:** \$ \_\_\_\_\_ \* principal amount of City of San José General Obligation Bonds, Series 2019C (Refunding, Libraries, Parks, and Public Safety Projects) (the “Series 2019C Bonds” and, collectively with the Series 2019A-1 Bonds, the Taxable Series 2019A-2 Bonds, the Taxable Series 2019B Bonds and the Taxable Series 2019D Bonds, the “Bonds”),

all in the manner described herein, subject to postponement (as described herein under the caption "TERMS OF SALE – Postponement"). Sealed bids will not be accepted. Written bids and facsimile bids will not be accepted. See "TERMS OF SALE – WARNINGS REGARDING ELECTRONIC BIDS" herein.

**Date and Time for Bids:**

**Bid Group A:** 7:30 a.m. California time on July 9, 2019, and, so long as a proposal has not theretofore been accepted by the City, at any time on any date thereafter without further advertising.

**Bid Group B:** 8:15 a.m. California time on July 9, 2019, and, so long as a proposal has not theretofore been accepted by the City, at any time on any date thereafter without further advertising.

**Bid Group C:** 9:00 a.m. California time on July 9, 2019, and, so long as a proposal has not theretofore been accepted by the City, at any time on any date thereafter without further advertising.

**Receipt of Bids:** Bid proposals shall be submitted electronically through the I-Deal LLC BiDCOMP/PARITY® system ("Parity"), as provided herein. The bids will be received at the times and on the date shown above and will be presented to a duly authorized officer of the City who will, on behalf of the City, determine and accept the conforming bids with the lowest true interest cost as the best bid for each Bid Group, subject to the City's right to reject any and all bids as set forth below.

**Book-Entry Only:** The Bonds will be issued in book-entry form only, initially registered in the name of CEDE & CO., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in the maturities described below under the caption "MATURITIES." Payments of principal and interest to DTC shall be the responsibility of the Fiscal Agent (as defined below) and disbursement of such payments to the beneficial owners shall be the responsibility of DTC's direct participants or indirect participants. The fees and charges of DTC shall be borne by the prevailing bidder.

**Issue:** The Bonds will consist of fully registered bonds in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of the Bonds maturing at any one time, all dated as of their date of issuance and delivery (which is expected to be July 25, 2019). The Bonds will be issued pursuant to a Fiscal Agent Agreement (the "Fiscal Agent Agreement") relating to the Bonds, dated as of July 1, 2019, by and between the City and Wilmington Trust, N.A., as fiscal agent (the "Fiscal Agent"). The Bonds are general obligations of the City payable from *ad valorem* taxes levied upon all property in the City subject to taxation of the City, as described below under "SECURITY FOR THE BONDS". Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Fiscal Agent Agreement.

**Maturities:** The Series 2019A-1 Bonds will mature or be subject to mandatory sinking fund redemption on September 1 in each of the years 20\_\_ to 20\_\_ [inclusive], as set forth below. Each bidder may specify in its bid whether, for any particular year, the Series 2019A-1

Bonds will be term bonds subject to mandatory sinking fund redemption in the applicable principal amount set forth in the bid form.

Maturity Date ( <u>September 1</u> )	Principal Amount*	Maturity Date ( <u>September 1</u> )	Principal Amount*
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The Taxable Series 2019A-2 Bonds will mature on September 1, 2019.

The Taxable Series 2019B Bonds will mature or be subject to mandatory sinking fund redemption on September 1 in each of the years 20\_\_ to 20\_\_ [inclusive], as set forth below. Each bidder may specify in its bid whether, for any particular year, the Taxable Series 2019B Bonds will be term bonds subject to mandatory sinking fund redemption in the applicable principal amount set forth in the bid form.

Maturity Date ( <u>September 1</u> )	Principal Amount*	Maturity Date ( <u>September 1</u> )	Principal Amount*
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The Series 2019C Bonds will mature or be subject to mandatory sinking fund redemption on September 1 in each of the years 20\_\_ to 20\_\_ [inclusive], as set forth below. Each bidder may specify in its bid whether, for any particular year, the Series 2019C Bonds will

be term bonds subject to mandatory sinking fund redemption in the applicable principal amount set forth in the bid form.

Maturity Date  
(September 1)

Principal  
Amount\*

Maturity Date  
(September 1)

Principal  
Amount\*

The Taxable Series 2019D Bonds will mature or be subject to mandatory sinking fund redemption on September 1 in each of the years 20\_\_ to 20\_\_ [inclusive], as set forth below. Each bidder may specify in its bid whether, for any particular year, the Taxable Series 2019D Bonds will be term bonds subject to mandatory sinking fund redemption in the applicable principal amount set forth in the bid form.

Maturity Date  
(September 1)

Principal  
Amount\*

Maturity Date  
(September 1)

Principal  
Amount\*

Interest on the Bonds will be payable on each March 1 and September 1, commencing March 1, 2020. Other criteria for setting the maturity amounts of the Bonds are described under the "TERMS OF SALE" below.

**Adjustment of Principal Amount of Maturities:** The City reserves the right to increase or decrease the principal amount of any maturity of the Bonds as the City deems

advisable in order to accomplish its financing objectives. Notice of such increase(s) and/or decrease(s) shall be given by the City to each successful bidder as soon as practicable following the notification of award. Any such adjustment will change the total (but not the average per Bond) dollar amount of each purchaser's discount and original issue discount or premium, if any, provided in the respective bids. No such adjustment will have the effect of altering the basis upon which the best bid is determined or shall change the aggregate principal amount of each series of Bonds to be issued by more than 10%. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted, and none of the successful bids may be withdrawn, and no successful bidder will be permitted to change any of the interest rates in its bid.

**Payments:** The scheduled closing date for the Bonds is July 25, 2019. The Bonds will be issued in book-entry-only form registered in the name of Cede & Co. (as nominee of DTC). Prior to the date of closing, the Bonds, in the form of a single typewritten certificate for each maturity of Bonds, will be delivered to DTC. Payment for each series of Bonds must be made by wire transfer to the Fiscal Agent for the benefit of the City in immediately available funds. Any expense of providing immediately available funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the respective purchaser of the Bonds (each a "Purchaser" and, collectively, the "Purchasers"). Upon closing, the Fiscal Agent shall notify DTC of receipt of payment by the Purchaser, at which time DTC (in accordance with the Letter of Representations described below) will credit the account of each successful bidder and process the book-entry deliveries to the accounts of the subsequent purchasers of interests in the Bonds. On each March 1 and September 1, commencing March 1, 2020, the Fiscal Agent shall remit to DTC funds to pay all outstanding principal and interest due with respect to the Bonds.

To induce DTC to accept the Bonds as eligible for the book-entry-only form of issuance, the City has heretofore executed a Letter of Representations with DTC setting forth the terms and conditions of, and procedures for, the book-entry-only form of issuance. Each successful bidder shall complete and provide to DTC's Underwriting Department the Eligibility Questionnaire in the form required by DTC not later than 5 business days prior to closing.

**Purpose of Issue:** The Bonds are authorized to be issued for the respective purposes set forth in the Preliminary Official Statement. For information relating to the City's outstanding general obligation bonds and remaining unused general obligation bond authorization, see "THE BONDS – Authority for Issuance" in the Preliminary Official Statement

**Security for the Bonds:** The Bonds are general obligations of the City, payable from *ad valorem* taxes levied by the City and collected by the County of Santa Clara. The City has the power and is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the City subject to taxation by the City, without limitation of rate or amount (except with respect to certain personal property which is taxed at limited rates) for the payment of the Bonds and the interest thereon, in accordance with all relevant provisions of law. The City has covenanted in the Fiscal Agent Agreement to direct the County of Santa Clara to collect such *ad valorem* taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service on the Bonds.

**Tax-Exempt Status:** In the opinion of Jones Hall, A Professional Law Corporation ("Bond Counsel"), interest on the Series 2019A-1 Bonds and the Series 2019C Bonds (together, the "Tax-Exempt Bonds") is excluded from gross income for federal income tax

purposes and is not an item of tax preference for purposes of the federal individual and corporate alternative minimum taxes, although it is included in certain income and earnings in computing the alternative minimum tax imposed on certain corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. Bidders are referred to the Preliminary Official Statement for a description of the proposed opinions of Bond Counsel.

**Legal Opinions:** The legal opinions of Jones Hall, A Professional Law Corporation, San Francisco, California, approving the validity of the Bonds, will be furnished to each purchaser of the Bonds without cost. A copy of the respective legal opinion will be appended to each Bond.

**Optional Redemption:** The Tax-Exempt Bonds maturing on or before September 1, 2028, are not subject to redemption prior to their respective maturity dates. The Tax-Exempt Bonds maturing on or after September 1, 2029, shall be subject to redemption prior to their respective maturity dates as a whole or in part, on any date, from any moneys provided at the option of the City, in each case on and after March 1, 2029, at a redemption price equal to the principal amount of Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

The Taxable Series 2019A-2 Bonds are not subject to optional redemption prior to maturity.

The Taxable Series 2019B Bonds and the Taxable Series 2019D Bonds (collectively with the Taxable Series 2019A-2 Bonds, the "Taxable Bonds") may be redeemed in whole or in part at any time, from any moneys that may be provided for such purpose, at a redemption price for such Taxable Series 2019B Bonds or Taxable Series 2019D Bonds to be redeemed determined by the Designated Investment Banker equal to the greater of (i) 100% of the principal amount of the Taxable Series 2019B Bonds or Taxable Series 2019D Bonds to be redeemed, or (ii) an amount equal to the sum of the present values of the remaining scheduled payments of principal and interest on each of Taxable Series 2019B Bonds or Taxable Series 2019D Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Taxable Series 2019B Bonds or Taxable Series 2019D Bonds are to be redeemed, discounted to the date on which such Taxable Series 2019B Bonds or Taxable Series 2019D Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the applicable Treasury Rate plus 15 basis points, plus accrued and unpaid interest on the Taxable Series 2019B Bonds or Taxable Series 2019D Bonds to be redeemed on the redemption date.

For additional information related to optional redemption, refer to the definitions under "THE BONDS – Optional Redemption" in the Preliminary Official Statement.

## TERMS OF SALE

**Interest Rates for the Bonds:** Bidders must specify the rate or rates of interest which the Bonds in the applicable Bid Group will bear, subject to the following limitations. Interest on the Bonds will be payable commencing March 1, 2020, and semiannually thereafter on March 1 and September 1 of each year.

- No Bond may bear an interest rate greater than 6% per annum;
- No Bond may bear a zero rate of interest;
- No Bond may bear more than one interest rate;
- Each rate bid for the Tax-Exempt Bonds must be a multiple of one-eighth of one percent (1/8%) or one-twentieth of one percent (1/20%);
- Each rate bid for the Taxable Bonds must be a multiple of one-hundredth of one percent (1/100%);
- Each Bond must bear interest at the rate specified in the bid from its date to its fixed maturity date; and
- For Bid Group \_\_, such Bonds maturing in each of the years 20\_\_ to 20\_\_ [inclusive], must bear an interest rate of no greater than \_\_% per annum and no less than \_\_% per annum.

**Purchase Price:**

The purchase price bid for the Series 2019A-1 Bonds shall not be less than \_\_\_\_\_%, nor greater than \_\_\_\_\_%, of the par amount of the Series 2019A-1 Bonds.

The purchase price bid for the Taxable Series 2019A-2 Bonds shall not be less than \_\_\_\_\_%, nor greater than \_\_\_\_\_%, of the par amount of the Taxable Series 2019A-2 Bonds.

The purchase price bid for the Taxable Series 2019B Bonds shall not be less than \_\_\_\_\_%, nor greater than \_\_\_\_\_%, of the par amount of the Taxable Series 2019B Bonds.

The purchase price bid for the Series 2019C Bonds shall not be less than \_\_\_\_\_%, nor greater than \_\_\_\_\_%, of the par amount of the Series 2019C Bonds.

The purchase price bid for the Taxable Series 2019D Bonds shall not be less than \_\_\_\_\_%, nor greater than \_\_\_\_\_%, of the par amount of the Taxable Series 2019D Bonds.

Each bid must be in accordance with all other terms and conditions set forth in this notice. See "TERMS OF SALE - Official Statement and Other Information."

**Initial Reoffering Prices.** Upon a request from the City or its agent, bidders must promptly, in any case not later than 60 minutes after receiving the notice of award, submit information specifying the initial reoffering price of each maturity in the bid for the Series 2019A-1 Bonds and the Series 2019C Bonds. See also "TERMS OF SALE - Prompt Award" and "- Establishment of Issue Price" below.

**Mandatory Sinking Fund Redemption:** Any bidder may, at its option, specify that one or more maturities of 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, [provided that no such term Bond shall have a final maturity date of later than September 1, 20\_\_ (the first optional redemption date), if sinking fund redemptions with respect thereto commence on or prior to September 1, 20\_\_]. In the event that the bid of the successful bidder specifies that any maturity of Bonds will be a term bond, such term bond will be subject to mandatory sinking fund redemption on September 1 in each applicable year in the principal amount for such year 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.

**Electronic Bids:** Electronic bids must conform with the procedures established by Parity. Solely as an accommodation to bidders, electronic bids will be received exclusively through Parity in accordance with this Official Notice Inviting Bids, but no bid will be received after the times specified above for receiving bids. To the extent any instructions or directions set forth in Parity conflict with this Official Notice Inviting Bids, the terms of this Official Notice Inviting Bids shall control.

***The City retains absolute discretion to determine whether any bid is timely and/or complete.***

**WARNING REGARDING ELECTRONIC BIDS:** *The City will accept bids in electronic form solely through Parity on the Official Bid Form created for such purpose. Each bidder submitting an electronic bid understands and agrees that by doing so it is solely responsible for all arrangements with Parity, and that Parity is not acting as an agent of the City. Instructions and forms for submitting electronic bids must be obtained from Parity, and the City assumes no responsibility for ensuring or verifying bidder compliance with the procedures of Parity. The City shall assume that any bid received through Parity has been made by a duly authorized agent of the bidder.*

***None of the City, Public Resources Advisory Group, as municipal advisor (the "Municipal Advisor") or Bond Counsel assume any responsibility for any error contained in any bid submitted electronically, or for the failure of any bid to be transmitted, received or opened at the official time for receipt of bids. The official time for receipt of bids will be determined by the City at the place of bid receipt, and the City shall not be required to accept the time kept by Parity as the official time.***

**Award of Bonds:** The Bonds in each Bid Group will be awarded by the City to the lowest responsible bidder for each Bid Group, considering the rate or rates specified and the premium offered, if any. The lowest bidder for each Bid Group shall be the bidder submitting the price resulting in the lowest true interest cost. The true interest cost will be the nominal interest rate which, when computed semiannually and used to discount the total debt service payments on the respective series of Bonds to the dated date of the Bonds, results in an amount equal to the price bid for the respective Bid Group (assuming that any term Bonds are redeemed as scheduled pursuant to mandatory sinking fund payments) at the interest rate or rates specified in the bid. In the event that two or more bidders have bid the same interest cost, the award shall be made at the discretion of the City, subject to the other provisions of this notice.



**Right of Rejection:** The City reserves the right, in its discretion, to reject any and all bids and, to the extent permitted by law, to waive any irregularity, non-conformity or informality in any bid.

**Prompt Award:** The City will take action awarding the Bonds or rejecting all bids for one or more Bid Groups not later than 26 hours after the time herein prescribed for the receipt of bids, unless such time is waived by the respective successful bidder. Notice of the award will be given promptly to each successful bidder.

**Form of Bid for the Bonds:** Each bid for the Bonds must be delivered via Parity. Each bid must be unconditional and in accordance with the terms and conditions set forth herein, or permitted herein.

**CUSIPs:** The Municipal Advisor will timely apply for CUSIP numbers with respect to the Bonds as required by Municipal Securities Rulemaking Board's Rule G-34. Each Purchaser will be responsible for the cost of assignment of such CUSIP numbers and any CUSIP Service Bureau charges related to the Bonds awarded to such Purchaser. Each Purchaser shall also notify the CUSIP Service Bureau as to the final structure of the Bonds awarded to such Purchaser.

It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by any Purchaser to accept delivery of and pay for the Bonds in accordance with the terms hereof.

**Prompt Delivery; Form of Bonds:** Delivery will be made as soon as practicable, but in any event within thirty (30) days after the date hereinabove specified for the receipt of proposals. The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity of the Bonds will be issued to DTC, and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof, with transfers of ownership effected on the records of DTC and its participants. The successful bidders, as a condition to the delivery of their Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., its nominee.

**Place of Delivery; Form of Payment:** Delivery of the Bonds to the respective Purchaser, on a date to be established by the City, will be made at DTC offices upon payment therefor in Federal Reserve Funds (immediately available) or at any other place agreeable to both the City and the respective Purchaser.

**Deposit:** Good Faith Deposits (each, a "Deposit") in the amount of \$\_\_\_\_\_ for Bid Group A, \$\_\_\_\_\_ for Bid Group B and \$\_\_\_\_\_ for Bid Group C, each payable to the order of the City, is required from each Purchaser subsequent to the award of each Bid Group. Each Purchaser is required to wire transfer such amount not later than two hours following the notification of the City's intent to award to such bidder.

If such Deposit is not received by that time, the award of sale may be rescinded by the City. No interest on the Deposit will accrue to the Purchasers. The Deposit will be applied to the purchase price of the respective series of Bonds. In the event a successful bidder fails to

honor its accepted bid, the Deposit will be retained by the City as and for full liquidated damages.

**List of Members of Account:** Bidders are requested to list on the bid form the names of the members of the account on whose behalf the bid is made.

**Expenses of Purchasers.** In addition to the cost related to CUSIP numbers, each Purchaser will be responsible for its respective statutory fee to the California Debt and Investment Advisory Commission. (California Government Code Section 8856), The Depository Trust Company charges and all its other expenses related to the purchase and delivery of the Bonds awarded to such Purchaser. The cost of preparing the Bonds will be borne by the City.

**Establishment of Issue Price for Series 2019A-1 Bonds and Series 2019C Bonds:**

(a) The winning bidders of the Series 2019A-1 Bonds in Bid Group A and the Series 2019C Bonds in Bid Group C shall assist the City in establishing the issue price of the Tax-Exempt Bonds, respectively, and each shall execute and deliver to the City at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public of the Series 2019 Bonds and the Series 2019C Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the respective winning bidder, the City and Bond Counsel. All actions to be taken by the City under this Official Notice Inviting Bids to establish the issue price of the Series 2019A-1 Bonds and the Series 2019C Bonds may, at the direction of the City, be taken on behalf of the City by the Municipal Advisor and any notice or report to be provided to the City may be provided to the Municipal Advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Tax-Exempt Bonds) will apply to the initial sale of the Tax-Exempt Bonds (the “competitive sale requirements”) because:

(1) the City shall disseminate this Official Notice Inviting Bids to potential purchasers in a manner that is reasonably designed to reach potential purchasers;

(2) all bidders shall have an equal opportunity to bid;

(3) the City may receive bids from at least three purchasers of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the City anticipates awarding the sale of each series of the Tax-Exempt Bonds, separately, to the bidders who submit a firm offer to purchase each series of the Tax-Exempt Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice Inviting Bids.

Any bid submitted pursuant to this Official Notice Inviting Bids shall be considered a firm offer for the purchase of the respective series of Tax-Exempt Bonds, as specified in the bid. In addition, by submitting a bid, each bidder is certifying that it has an established industry reputation for underwriting new issuances of municipal bonds.

**IN THE EVENT THAT THE COMPETITIVE SALE REQUIREMENTS FOR ONE OR MORE SERIES OF THE TAX-EXEMPT BONDS ARE NOT SATISFIED, THE CITY WILL REJECT ALL BIDS OF THE RESPECTIVE BID GROUP(S) AND CANCEL THE SALE OF THE RESPECTIVE BID GROUP(S). BIDDERS SHOULD PREPARE THEIR BIDS ON THE ASSUMPTION THAT THE ISSUE PRICE OF THE TAX-EXEMPT BONDS WILL BE THE REASONABLY EXPECTED INITIAL OFFERING PRICE TO THE PUBLIC.**

**No Litigation:** To the best knowledge of the City, no litigation is pending against the City with service of process accomplished, or threatened in writing, against the City concerning the validity of the Bonds, or questioning the political existence of the City or seeking to restrain or enjoin the issuance or execution of the Bonds. The City will furnish to each Purchaser a certificate as to the foregoing as of the time of the original delivery of the Bonds.

**No Bond Insurance:** No Purchaser may purchase municipal bond insurance in connection with the initial offering of the Bonds.

**Certification Relating to the Official Statement:** The City will deliver to each Purchaser a certificate of an officer of the City, dated the date of delivery of the Bonds, stating that, as of the date thereof, to the best knowledge and belief of said officer, the Official Statement does not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, and further certifying that such officer knows of no material adverse change in the condition of the City which would make it unreasonable for such Purchaser to rely upon the Official Statement in connection with the resale of the Bonds.

**Continuing Disclosure:** The City will covenant for the benefit of owners of the Bonds to cause certain financial information and operating data relating to the City to be provided in order to assist the Purchasers in complying with Securities Exchange Commission Rule 15c2-12(b)(5). The specific nature of the financial information, operating data and material events to be disclosed on an ongoing basis is summarized in the Preliminary Official Statement.

**Official Statement and Other Information:** The Preliminary Official Statement will be posted on the web at [www.MuniOS.com](http://www.MuniOS.com). Copies of the Fiscal Agent Agreement, this Official Notice Inviting Bids and the Preliminary Official Statement will also be furnished to any potential bidder upon request made to the Municipal Advisor, Public Resources Advisory Group at 1999 Harrison Street, Suite 1800, Oakland, California 94612, telephone: (510) 339-3212, e-mail: [jmortensen@pragadvisors.com](mailto:jmortensen@pragadvisors.com).

The Preliminary Official Statement is in a form deemed final by the City within the meaning of Rule 15c2-12(b)(1) (the "Rule") promulgated by the Securities and Exchange Commission except for the omission of certain information permitted to be omitted therefrom pursuant to the Rule, but is subject to revision, amendment and completion in a final Official Statement.

Bidders will be required to confirm their consent to delivery of the Preliminary Official Statement in electronic form and their review of a complete copy of the Preliminary Official Statement, as a condition to the acceptance of their bid by the City. The Internet posting of the Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the securities described in the Preliminary Official

Statement, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Upon the sale of the Bonds, the City will publish the 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 for the Bonds, but in no event later than seven business days after the sale date of the Bonds, the City will provide the successful bidders with an electronic copy of the Official Statement in a portable document format (PDF) configured to allow the document to be saved, viewed, printed and retransmitted by electronic means. Each successful bidder agrees to supply the City all pricing information necessary to complete the Official Statement within 24 hours after the award of the Bonds. Additional copies of the final Official Statement may be obtained at additional cost.

By making a bid for the Bonds, each successful bidder agrees (1) to disseminate to all members of the underwriting syndicate copies of the final Official Statement, including any supplements prepared by the City, (2) to promptly file a copy of the final Official Statement, including any supplements prepared by the City, with a Nationally Recognized Municipal Securities Information Repository, and (3) to take any and all other actions necessary to comply with applicable Securities and Exchange Commission rules and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds in its respective Bid Group and the Official Statement to ultimate purchasers.

Prospective bidders should review the form of final opinion of Bond Counsel set forth in Appendix D to the Preliminary Official Statement.

Except as described under "Continuing Disclosure" above, the City does not undertake any obligation to provide any update, amendment or supplement to the Official Statement or any other supplemental disclosure information after the date of closing.

**Ratings:** The Bonds have received ratings of "\_\_\_" by Moody's Investors Service, "\_\_\_" by Standard & Poor's Rating Services, and "\_\_\_" by Fitch Ratings.

Such ratings reflect only the view of such organizations, and an explanation of the significance of such ratings and any outlook assigned to or associated with these ratings, may be obtained from the respective rating agency. There is no assurance that any such rating will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by such organizations, if in their judgment circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

**Qualification for Sale; Blue Sky:** Compliance with blue sky laws shall be the sole responsibility of each Purchaser. The City will furnish such information and take such action not inconsistent with law as each Purchaser may request and the City shall deem necessary or appropriate to qualify the Bonds for offer and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by such Purchaser; provided, however, that the City shall not execute a general or special consent to service of process or qualify to do business in connection with such qualification or determination in any jurisdiction. **No Purchaser will not offer to sell or solicit any offer to buy, the Bonds in any jurisdiction where it is unlawful for such Purchaser to**

**make such offer, solicitation or sale, and each Purchaser shall comply with the blue sky and other securities laws and regulations of the states and jurisdictions in which such Purchaser sells the Bonds.**

**Right of Cancellation of Sale:** The City reserves the right, in its sole discretion, at any time to cancel the public sale of the Bonds. In such event, the City 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 City reserves the right to modify or amend this Official Notice Inviting Bids; however, such notifications of amendments shall be made not later than 1:00 p.m. California time on the business day prior to the bid opening and communicated through Thompson Municipal News and/or Bloomberg Business News and updated accordingly on Parity.

**Postponement:** The City reserves the right, in its sole discretion, to postpone, from time to time, the date established for the receipt of bids. Any such postponement will be communicated through Parity prior to the date and time for the receipt of bids. If any date is postponed, any alternative sale date will be announced through Parity not later than one business day 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.

DATED: \_\_\_\_\_, 2019

**EXHIBIT A**

\$ \_\_\_\_\_ \*

**CITY OF SAN JOSE  
GENERAL OBLIGATION BONDS  
SERIES 2019[A/C]**

**([Disaster Preparedness, Public Safety, and Infrastructure/  
Refunding, Libraries, and Public Safety])**

**PURCHASER’S CERTIFICATE**

This Certificate is furnished by \_\_\_\_\_, as the purchaser (the “Purchaser”) of the City of San José General Obligation Bonds, Series 2019[A/C] (Disaster Preparedness, Public Safety, and Infrastructure/Refunding, Libraries, Parks and Public Safety) (the “Bonds”). The Purchaser hereby certifies and represents the following based upon the information available to it:

As of \_\_\_\_\_, 2019, the date of the competitive bid sale with respect to the Bonds (the “Sale Date”), the Purchaser reasonably expected to sell each maturity of the Bonds to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers) in a bona fide public offering at the prices listed on Schedule A.

The Purchaser was not given the opportunity to review other bids prior to submitting its bid. The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds. The Purchaser has an established industry reputation for underwriting new issuances of municipal bonds.

In our opinion, and based upon our estimate as of the date hereof, the issue prices of the Bonds set forth in Schedule A are within a reasonable range of, and should reflect, the fair market prices for such Bonds as of the Sale Date.

As of the date of delivery of the Bonds, all of the Bonds have actually been offered to the general public at the prices listed in Schedule A.

As of the Sale Date, at least 10% of each maturity of the Bonds were sold, or were reasonably expected to be sold, at the prices referred to in Schedule A.

Dated: \_\_\_\_\_, 2019 \_\_\_\_\_, as Purchaser

By: \_\_\_\_\_  
Its: Authorized Representative