

NOTICE OF SALE

\$4,310,000*
CITY OF BELTON, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2017

Bids. Electronic bids for the purchase of \$4,310,000* principal amount of General Obligation Refunding Bonds, Series 2017 (the “Bonds”) of the City of Belton, Missouri (the “City”), herein described, will be received **until 11:00 a.m., Central Time**, on

APRIL 20, 2017

All proposals must be submitted electronically through PARITY[®] as further described herein. No oral or auction bids will be considered. All bids will be read and evaluated at that time and place, and the award of the Bonds will be acted upon by the Mayor of the City, as authorized by ordinance of the City passed by the City Council on April 11, 2017.

Pre-Bid Revisions. The City reserves the right to issue a Supplemental Notice of Sale not later than 24 hours prior to the Sale Date (hereafter defined) through MuniHub (“Supplemental Notice”). If issued, the Supplemental Notice may modify such terms of this Notice of Sale as the City determines, including the date and time of the sale. Any such modifications will supersede the terms as set forth herein.

Adjustment of Issue Size. In order to properly structure the transaction with respect to the required size of the refunding escrow created for the Refunded Bonds (hereafter defined), the City reserves the right, on the date of the award of the Bonds to the successful bidder, in the City’s sole discretion, to increase or decrease the principal amount of any maturity by not more than 15% of the principal amount of such maturity, and to decrease the total principal amount of the Bonds to be issued by not more than 15% or increase the total principal amount of the Bonds to be issued up to the amount of \$4,500,000, depending on the interest rates bid and the bid premium, if any. The successful bidder may not withdraw its bid or change the interest rates bid as a result of any changes made to the principal amounts as described herein. In the event there is an increase or decrease in the final principal amounts per maturity as described above, the successful bidder will be notified on the Sale Date (hereafter defined) by telephone, fax or electronic mail of such increases or decreases promptly after the sale and prior to the award of the bid by the City. In the event that the maturity amounts of the Bonds are adjusted, the purchase price will be adjusted to ensure that the percentage net compensation (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the Bonds to the public and the price to be paid to the City by (ii) the principal amount of the Bonds) remains constant.

Terms of the Bonds. The Bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. The Bonds will be dated their date of delivery, and will become due in principal installments on March 1 in the years, subject to adjustment as provided herein, as follows:

* Preliminary, subject to change.

<u>Year</u>	<u>Principal Amount*</u>
2018	\$570,000
2019	620,000
2020	680,000
2021	745,000
2022	810,000
2023	885,000

The Bonds will bear interest from the date thereof at rates to be determined when the Bonds are sold as hereinafter provided, which interest will be payable semiannually on March 1 and September 1 in each year, beginning on September 1, 2017.

Authority, Purpose and Security. The Bonds are being issued pursuant to the constitution and laws of the State of Missouri for the purpose of providing funds to current refund all of the City’s outstanding General Obligation Bonds, Series 2007 maturing in 2018 and thereafter in the aggregate principal amount of \$4,470,000 (the “Refunded Bonds”). The Bonds and the interest thereon will constitute general obligations of the City, payable from ad valorem taxes that may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City.

The Bonds are more particularly described in the Preliminary Official Statement dated the date hereof, available from the City’s financial advisor, Piper Jaffray & Co. (the “Financial Advisor”). This Notice of Sale contains certain information for quick reference only. It is not, and is not intended to be, a summary of the Bonds. Each bidder is required to read the entire Preliminary Official Statement to obtain information essential to making an informed investment decision.

Place of Payment. Principal will be payable upon presentation and surrender of the Bonds by the registered owners thereof at the payment office of UMB Bank, N.A., Kansas City, Missouri, Paying Agent (the “Paying Agent”). Interest shall be paid to the registered owners of the Bonds as shown on the bond register at the close of business on the record date for such interest (a) by check or draft mailed by the Paying Agent to the address of such registered owners shown on the bond register, (b) at such other address as is furnished to the Paying Agent in writing by any registered owner or (c) in the case of an interest payment to any registered owner of \$500,000 or more in aggregate principal amount of the Bonds, by electronic transfer to such registered owner upon written notice given to the Paying Agent by such registered owner, not less than 5 days prior to the record date for such interest, containing the electronic transfer instructions including the name and address of the bank (which shall be in the continental United States), ABA routing number, account name and account number to which such registered owner wishes to have such transfer directed.

Book-Entry-Only System and Blue Sky. The Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, to which payments of principal of and interest on the Bonds will be made. Individual purchases of Bonds will be made in book-entry form only. Purchasers will not receive certificates representing their interest in Bonds purchased. It shall be the obligation of the successful bidder to furnish to DTC an underwriter’s questionnaire. It shall be the obligation of the successful bidder to qualify the Bonds, if such qualification is necessary, in the jurisdictions in which it intends to reoffer the Bonds.

No Redemption of Bonds Prior to Maturity. The Bonds will not be subject to redemption prior to maturity.

* Preliminary, subject to change.

Conditions of Bids. Proposals will be received on all of the Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all Bonds of the same maturity. Each interest rate specified shall be a multiple of 1/8 or 1/100 of 1%, with no zero coupon bonds allowed. No supplemental interest payments will be authorized. The Bonds shall be sold by the City for a price not less than 102.5% or more than 110% of the total principal amount thereof and no single maturity of the Bonds shall be sold with an interest rate exceeding 5.00%. Each bid shall specify the total interest cost during the life of the Bonds on the basis of such bid, the premium or discount, if any, offered by the bidder, and the net interest cost and the true interest cost on the basis of such bid. Each bidder agrees that, if it is awarded the Bonds, it will provide to the City the certification as to initial offering prices described under the caption "Certification as to Offering Prices" in this Notice of Sale.

Basis of Award. The Bonds will be awarded to the bidder whose bid will result in the lowest "true interest cost" ("TIC"), determined as follows: the TIC is the discount rate (expressed as a per-annum percentage rate) that, when used in computing the present value of all payments of principal and interest to be paid on the Bonds, from the scheduled payment dates back to the dated date of the Bonds, produces an amount equal to the price bid, including original issue premium or original issue discount, if any, but excluding any interest accrued to the date of delivery. Payments of principal and interest on the Bonds shall be based on the principal amounts set forth in this Notice of Sale and the interest rates specified by each bidder. Present value shall be computed on the basis of semiannual compounding and a 360-day year of twelve 30-day months. No bidder shall be awarded the Bonds unless its bid shall be in compliance with the other terms and conditions of this Notice of Sale. In the event that two or more bidders offer bids at the same lowest TIC, the City shall determine which bid, if any, shall be accepted, and its determination shall be final. In the event the TIC specified in the bid does not correspond to the interest rates specified, the interest rates specified will govern and the TIC will be adjusted accordingly. The City reserves the right to waive irregularities and to reject any or all bids.

Legal Opinion. The Bonds will be sold subject to the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which opinion will be furnished and paid for by the City and printed on the Bonds and delivered to the successful bidder when the Bonds are delivered. Said opinion will also include the opinion of Bond Counsel relating to the exclusion of the interest on the Bonds from gross income for federal and Missouri income tax purposes. Reference is made to the Preliminary Official Statement for further discussion of federal and Missouri income tax matters relating to the interest on the Bonds.

Certification as to Offering Prices. To provide the City with information necessary for compliance with Section 148 of the Code, the successful bidder will be required to complete, execute and deliver to the City prior to the delivery of the Bonds, a certificate regarding the "issue price" of the Bonds (as defined in Section 148 of the Code). For Bonds reoffered for sale, this certificate is intended to reflect the initial offering prices (excluding accrued interest and expressed as dollar prices) at which a substantial amount (i.e., 10% or more) of the Bonds of each maturity have been or are expected to be sold to the public. Prior to delivery of the Bonds, the successful bidder will execute and deliver to the City a written certification (the "Issue Price Certificate") containing the following: (1) the initial offering price and interest rate for each maturity of the Bonds; (2) that all of the Bonds of each maturity were offered to the public in a bona fide public offering at the initial offering prices on the date the successful bidder's bid was accepted (the "Sale Date"), and (3) on the Sale Date the successful bidder reasonably expected that at least 10% of each maturity of the Bonds would be sold to the public at prices not higher than the initial offering prices. For purposes of the preceding sentence "public" means persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers. In the alternative, for Bonds not reoffered for sale, such certificate may instead provide that the successful bidder has purchased the Bonds for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Bonds for sale.

At the request of the City, the successful bidder will provide information explaining the factual basis for the successful bidder's Issue Price Certificate. This agreement by the successful bidder to provide such information will continue to apply after the issue date of the Bonds if (1) the City requests the information in

connection with an audit or inquiry by the Internal Revenue Service or the Securities and Exchange Commission or (2) the information is required to be retained by the City pursuant to future regulation or similar guidance from the Internal Revenue Service, the Securities and Exchange Commission or other federal or state regulatory authority.

In addition, the successful bidder shall provide such issue prices to the City and its Financial Advisor no later than 11:30 a.m., Central Time, on April 20, 2017.

Certificate of Final Terms. On the Sale Date, the successful bidder will be required to execute and enter into with the City, a Certificate of Final Terms setting out the final terms of the Bonds, including the principal amounts, interest rates and pricing per maturity and the redemption provisions.

Delivery and Payment. The City will deliver the Bonds, properly prepared, executed and registered, without cost to the successful bidder on or about May 2, 2017 in book-entry form only through the facilities of The Depository Trust Company in New York, New York. The successful bidder will also be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the Bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Bonds affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Bonds shall be made in federal reserve funds, immediately available for use by the City.

Good Faith Deposit. The successful bidder (the “Purchaser”) is required to submit a good faith deposit in the amount of \$86,200 (the “Deposit”) to the City in the form of an electronic transfer of federal reserve funds, immediately available for use by the City, as instructed by the City or its Financial Advisor, no later than 2:00 p.m., Central Time, on the day the proposals are received. If the Deposit is not received by such time, the City may terminate its proposed award of the Bonds to such Purchaser, and the City may contact the bidder with the next lowest TIC and offer said bidder the opportunity to become the Purchaser. The Deposit of the Purchaser shall constitute a good faith deposit and shall be retained by the City to insure performance of the requirements of the sale by the Purchaser. In the event the Purchaser shall fail to comply with the terms of its bid, the Deposit will be forfeited as full and complete liquidated damages. Upon delivery of the Bonds, the Deposit will be applied to the purchase price of the Bonds or shall be returned to the Purchaser, but no interest shall be allowed thereon. If a bid is accepted but the City fails to deliver the Bonds to the bidder in accordance with the terms and conditions of this Notice of Sale, the Deposit shall be returned to the Purchaser.

Bond Rating. Standard & Poor’s Ratings Services is expected to give the Bonds a rating of “AA-,” which reflects Standard & Poor’s evaluation of the investment quality of the Bonds. Any explanation as to the significance of the rating may be obtained only from Standard & Poor’s. A rating is not a recommendation to buy, sell, or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by a rating agency. Any downward revision or withdrawal of a rating may adversely affect the market price of the Bonds.

Submission of Bids. Electronic bids via PARITY[®] must be submitted in accordance with this Notice of Sale. During the electronic bidding, no bidder will see any other bidder’s bid or the status of their bid relative to other bids (i.e., whether their bid is a leading bid). Bidders may modify or cancel their bid at any time up to the end of the bidding. If provisions of this Notice of Sale conflict with those of PARITY[®], this Notice of Sale shall control. Bids for the Bonds must be received before **11:00 a.m., Central Time, on THURSDAY, APRIL 20, 2017**. The City and the Financial Advisor shall not be responsible for any failure, misdirection, delay or error in the means of transmission selected by the bidder.

PARITY[®]. All proposals must be submitted electronically through PARITY[®] and no other proposals will be considered. Information about the electronic bidding services of PARITY[®] may be obtained from i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Phone No. (212) 849-5000 and from the following web site: www.newissuehome.i-deal.com. The City shall not be responsible for proper

operation of, or have any liability for, any delays, interruptions, or damages caused by the use of the PARITY® system. The City is using the PARITY® system as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Bonds. The use of the PARITY® system shall be at the bidder's risk and expense, and the City and its agents shall have no liability with respect thereto. The bids must be received as provided herein and by the time specified. The City is not bound by any advice or determination of PARITY® to the effect that any particular bid complies with the terms of this Notice of Sale and the bid specifications. An electronic bid made through the facilities of PARITY® shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and such bid shall be binding upon the bidder as if made by a signed and sealed bid delivered to the City or its Financial Advisor.

Preliminary Official Statement and Official Statement. The City has prepared a Preliminary Official Statement dated the date hereof, "deemed final" by the City except for the omission of certain information as provided by Securities and Exchange Commission Rule 15c2-12, electronic copies of which may be obtained from the Financial Advisor as provided herein. Upon the sale of the Bonds, the City will adopt the final Official Statement and will furnish the Purchaser with an electronic copy of the final Official Statement within seven business days of the acceptance of the Purchaser's proposal in order to comply with Rule 15c2-12(b)(4) of the Securities and Exchange Commission and Rule G-32 of the Municipal Securities Rulemaking Board. The City's acceptance of the successful bidder's proposal for the purchase of the Bonds shall constitute a contract between the City and the Purchaser for purposes of said Rules.

Continuing Disclosure. The City covenants and agrees to enter into a continuing disclosure undertaking to provide ongoing disclosure about the City, for the benefit of the bondholders on or before the date of delivery of the Bonds as required by Section (b)(5)(i) of Rule 15c2-12 of the Securities and Exchange Commission, which continuing disclosure undertaking shall be in the form as may be agreed to in writing by the Purchaser. See the Preliminary Official Statement for statements about the City's compliance with undertakings previously entered into by the City pursuant to Rule 15c-2-12.

CUSIP Numbers. It is anticipated that CUSIP numbers will be printed on the Bonds and the City will pay the cost thereof. In no event will the City, Bond Counsel or the Financial Advisor be responsible for the review of or express any opinion that the CUSIP numbers are correct. Incorrect CUSIP numbers on the Bonds shall not be cause for the Purchaser to refuse to accept delivery of the Bonds.

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