
OFFICIAL NOTICE OF SALE
CLEVELAND UTILITIES AUTHORITY
(TENNESSEE)



\$64,495,000*

ELECTRIC SYSTEM REVENUE BONDS, SERIES 2023

Electronic Bids Only Due No Later Than

11:00 A.M., ET

Monday, October 16, 2023

RAYMOND JAMES®

Municipal Advisor

1 Burton Hills Blvd. – Suite 225

Nashville, Tennessee 37215

615-665-6917

* Subject to revision and adjustment as outlined in the "Official Notice of Sale" which by reference is incorporated herein.

OFFICIAL NOTICE OF SALE

\$64,495,000*

**CLEVELAND UTILITIES AUTHORITY
(TENNESSEE)**

ELECTRIC SYSTEM REVENUE BONDS, SERIES 2023

NOTICE IS HEREBY GIVEN that electronic bids only will be received by the Cleveland Utilities Authority (Tennessee) (the “Authority”) for the purchase of all, but not less than all, of its \$64,495,000* Electric System Revenue Bonds, Series 2023 Bonds (the “Series 2023 Bonds”). Bids for the Series 2023 Bonds will be received until 11:00 a.m., ET, on Monday, October 16, 2023* (or at such later times and date announced at least forty-eight hours in advance via IPREO’s BiDCOMP®/Parity® system – [[“PARITY”](#)]). Electronic bids must be submitted for the Series 2023 Parity as described herein and no other provider of electronic bidding services will be accepted. No written bids will be received. The Authority’s “Preliminary Official Statement”, dated October 4, 2023, is an integral part of this “Official Notice of Sale” and is incorporated by reference herein. See "Bidding Instructions" herein.

Description of the Series 2023 Bonds. The Series 2023 Bonds will be issued in fully registered, book-entry form (except as set forth herein) without coupons and will be initially issued or reissued upon transfer in \$5,000 denominations or multiples thereof, as shall be requested by the purchaser or registered owner thereof, as applicable. Interest on the Series 2023 Bonds will be payable on June 1 and December 1 of each year, commencing June 1, 2024.

The Series 2023 Bonds will be dated the date of their issuance expected to be on or about October 31, 2023*. The Series 2023 Bonds will mature and be payable on each year as outlined in the section entitled “Preliminary Amortization Schedule” herein.

Registration and Depository Participation. The Series 2023 Bonds, when issued, will be registered in the name of Cede & Co., DTC’s partnership nominee. When the Series 2023 Bonds are issued, ownership interests will be available to purchasers only through a book-entry system maintained by DTC (the “Book-Entry-Only System”). One or more fully registered Series 2023 Bond certificates will be issued for each maturity, in the entire aggregate principal amount of the Series 2023 Bonds and will be deposited with DTC. The book-entry system will evidence beneficial ownership interests of the Series 2023 Bonds in the principal amount of \$5,000 for the Series 2023 Bonds and any integral multiple of \$5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Series 2023 Bonds, shall be required to deposit the Series 2023 Bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. The Series 2023 Bonds will be payable, at maturity to DTC or its nominee as registered owner of the Series 2023 Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of

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DTC, and transfer of principal and interest payments (as applicable) to beneficial owners of the Series 2023 Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The Authority will not be responsible or liable for such transfer of payments or for maintaining, supervising, or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that the book-entry only system for the Series 2023 Bonds is discontinued and a successor securities depository is not appointed by the Authority, Series 2023 Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of \$5,000 for the Series 2023 Bonds or integral multiples thereof. The ownership of Series 2023 Bonds so delivered shall be registered in registration books to be kept by the Registration Agent (named herein) at its corporate trust office, and the Authority and the Registration Agent shall be entitled to treat the registered owners of the Series 2023 Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Resolution (as defined in the "Preliminary Official Statement" authorizing the Series 2023 Bonds which is incorporated herein and is an integral part of this "Official Notice of Sale").

Purpose. The Series 2023 Bonds are being issued for the purpose of providing funds (i) to acquire the assets of the electric transmission and distribution system (the "System") heretofore owned by the City of Cleveland, Tennessee, and operated by the Board of Public Utilities of the City of Cleveland; (ii) to finance capital improvements to the System so acquired; and (iii) pay costs related to the sale and issuance of the Series 2023 Bonds.

Security. The Series 2023 Bonds shall be payable solely from and be secured by a pledge of the Net Revenues of the Authority's electrical power transmission and distribution system (the "System") on a parity and equality of lien with any Parity Bonds hereafter issued as provided in the Resolution. **The Series 2023 Bonds do not constitute a debt of the State of Tennessee, or any political subdivision, agency, or instrumentality thereof, other than the Authority, and no owner or holder of any of the Series 2023 Bonds shall have recourse to the taxing power of any such entities. The Authority has no taxing power.** The punctual payment of principal of and interest on the Series 2023 Bonds and any Parity Bonds hereinafter issued shall be secured equally and ratably by the Net Revenues of the System without priority by series, number or time of sale or delivery.

Optional Redemption. Series 2023 Bonds maturing June 1, 2024, through June 1, 2033, inclusive, shall mature without option of prior redemption and Series 2023 Bonds maturing June 1, 2034 and thereafter shall be subject to redemption prior to maturity at the option of the Authority on June 1, 2033 and thereafter, as a whole or in part, at any time, at the redemption price of par, plus interest accrued to the redemption date.

Term Bond Option; Mandatory Redemption. Bidders shall have the option to designate certain consecutive serial maturities of the Series 2023 Bonds as term bonds ("Term Bonds") bearing a single interest rate or yield. If the successful bidder for the Series 2023 Bonds designates certain consecutive serial maturities of the Series 2023 Bonds to be combined as one or more Term Bond as allowed herein, then such Term Bond(s) shall be subject to mandatory sinking fund redemption by the Authority at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in such Term Bond to be

redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the proposal of the successful bidder for the Series 2023 Bonds and in the amount of the maturing principal installment for the Series 2023 Bonds listed herein for such principal payment date. Term Bonds to be redeemed within a single maturity shall be selected in the manner provided for optional redemption of the Series 2023 Bonds within a single maturity.

Bidding Instructions. Electronic bids for the Series 2023 Bonds must be submitted through [PARITY](#) and no other provider of electronic bidding services will be accepted. Subscription to the PARITY is required in order to submit electronic bids. The Authority will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the times as maintained by PARITY shall constitute the official time with respect to all bids. To the extent any instructions or directions set forth in PARITY conflict with the terms of the “Official Notice of Sale”, the “Official Notice of Sale” shall prevail. Electronic bids made through the facilities of PARITY shall be deemed an offer to purchase in response to the “Official Notice of Sale” and shall be binding upon each bidder as if made by a signed, sealed written bid delivered to the Authority. The Authority, Bond Counsel and the Municipal Advisor shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by PARITY. The use of the PARITY’s facilities is at the sole risk of the prospective bidders. Further information regarding PARITY and electronic bidding may be obtained from PARITY. The initial time and date of sale (11:00 a.m., ET, October 16, 2023*) may be postponed prior to the time bids are received as published on PARITY. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via PARITY upon notice not less than forty-eight hours beforehand.

Establishment of Industry Reputation Required of Bidders

By submitting a bid for the Series 2023 Bonds, each prospective underwriter certifies it has an established industry reputation for underwriting new issuances of municipal bonds. The Authority will not accept bids from firms without an established industry reputation for underwriting new issuances of municipal bonds.

Bond Insurance Option. Prospective bond insurance companies may qualify the Series 2023 Bonds under their respective optional bidding programs. If the successful bidder for the Series 2023 Bonds desires to purchase a bond insurance policy insuring payment of all or a portion of the debt service payable on the Series 2023 Bonds, the successful bidder does so at its own risk and expense and the obligation of the successful bidder to pay for the Series 2023 Bonds shall not be conditioned on the issuance of a bond insurance policy. The Authority will cooperate with the successful bidder in obtaining such insurance, but the Authority will not enter into any additional agreements with a bond insurer. Without limiting the generality of the foregoing, the successful bidder will be responsible for all costs, expenses and charges associated with the issuance of such insurance, including but not limited to the premium for the insurance policy, and excluding only the fees of Moody’s that will be paid by the Authority.

If the Series 2023 Bonds are awarded to a bidder that has included bond insurance as part of its successful bid, then the bidder must simultaneously notify the Municipal Advisor of such purchase and provide the premium cost to be paid for the bond insurance.

Bidding Specifications

INTEREST		BIDDING	
Dated Date:*	October 31, 2023	Bids Due:*	11:00 a.m., ET, October 16, 2023
Delivery Date:*	October 31, 2023	Bids Accepted/Rejected:	By the President & CEO following bidding
Day Count:	30/360	Electronic Submission:	PARITY <u>only</u>
Interest Payment Dates:	June 1 and December 1	Award Basis:	Lowest TIC
First Interest:	June 1, 2024	All or None:	Yes
Coupon Multiples:	0.01% and/or 0.125% of 1.0%	Good Faith Deposit:	\$1,000,000 - See page 6 herein for complete transmittal instructions
High Coupon:	5.50%		
Low Coupon:	None	Term Bonds:	Permitted. See page 2
Rate Per Maturity:	One	Ascending Coupons:	Not required
Tax Status:	Tax-Exempt	Bank Qualified:	No
PRINCIPAL		PRICING	
Par Amount:*	\$64,495,000	Minimum Bid:	Not Less Than 100.00% of par
Due Date:	June 1 (see table on following page)	Maximum Bid:	Not Greater Than 110.0%
Term Bonds:	Permitted as described herein	Zero Coupon:	Not permitted
Denominations:	\$5,000 or multiples thereof	Adjustments:	Yes, see the following paragraph for details
Optional Redemption:	June 1, 2033		

* Subject to adjustment and revision outlined herein

Preliminary Amortization Schedule

June 1	Series 2023 Bonds*	June 1	Series 2023 Bonds*
2024	\$3,555,000	2034	\$3,235,000
2024	2,380,000	2035	3,225,000
2026	2,535,000	2036	3,225,000
2027	2,625,000	2037	3,335,000
2028	2,750,000	2038	3,500,000
2029	2,830,000	2039	3,675,000
2030	2,955,000	2040	3,675,000
2031	3,080,000	2041	3,860,000
2032	2,945,000	2042	3,910,000
2033	3,095,000	2043	4,105,000

Adjustment and/or Revision. While it is the Authority's intention to sell and issue the approximate par amount of the Series 2023 Bonds as offered herein, adjustments and/or revisions may be necessary in order to properly size the Series 2023 Bonds. Accordingly, the Authority reserves the right, in its sole discretion, to adjust the total original par amount of the Series 2023 Bonds without limitation. The Authority reserves the right to make corresponding adjustments in each maturity of the Series 2023 Bonds as described in the following paragraphs.

With respect to the Series 2023 Bonds, the Authority reserves the right in its sole discretion to adjust (up or down) the original par amount of each maturity without limitation and/or to cancel one or more original maturities in their entirety. Among other factors the Authority may consider (but shall be under no obligation to do) in sizing the transaction and individual par amounts of each maturity are the coupon bid per maturity, the size of each individual maturity, the size of any sinking fund installments and/or other preferences of the Authority. Under no circumstances will the par amount of the Series 2023 Bonds exceed \$69,000,000.

In the event of any such adjustment and/or revision, no rebidding will be permitted. The Underwriter's Discount on the Series 2023 Bonds as submitted by the successful bidder shall be held constant. The "Underwriter's Discount" shall be defined as the difference between the purchase price of the Series 2023 Bonds submitted by the bidder and the price at which the Series 2023 Bonds will be issued to the public, as calculated from information provided by the bidder, divided by the par amount of the bid.

Notwithstanding the paragraphs above, prior to the sale, the Authority may decide on whether to adjust the amortization schedule and the par amounts of each maturity of the Series 2023 Bonds. Unless the market is notified via the PARITY not later than 12:00 Noon (ET) on the business day preceding the sale date, the Series 2023 Bonds will be offered as outlined herein, but subject to the foregoing additional adjustments, if necessary.

* Subject to adjustment and revision as outlined herein

The successful bidders for the Series 2023 Bonds will be notified not later than 3:00 p.m., ET, on the sale date of the exact revisions and/or adjustments required.

Award. Unless all bids are rejected, the Series 2023 Bonds will be awarded on an all or none basis on the sale date to the bidder whose bid result in the lowest true interest rate for the Series 2023 Bonds to be calculated as that rate (or yield) that, when used in computing the present worth of all payments of principal and interest on the Series 2023 Bonds (compounded semi-annually from the date of the Series 2023 Bonds that produces an amount equal to the purchase price of the Series 2023 Bonds exclusive of accrued interest, if any. For purposes of calculating the true interest cost, the principal amount of any Term Bond scheduled for mandatory sinking fund redemption as part of the Term Bond shall be treated as a serial maturity in such year for the Series 2023 Bonds. In the event that two or more bidders offer to purchase the Series 2023 Bonds at the same true interest rate, the President shall determine (in his sole discretion) which bidder shall be awarded the Series 2023 Bonds.

The Authority reserves the right to reject all bids for the Series 2023 Bonds and to waive informalities in the bid accepted.

Good Faith Deposit. No good faith check will be required to accompany any bid submitted. The successful bidder shall be required to deliver to the Authority's Municipal Advisor (wire transfer) the amount of \$1,000,000 that will secure the faithful performance of the terms of the successful bid. Wire transfers must be received by the Municipal Advisor no later than the close of business on the day following the competitive sale. Detailed wiring instructions are as outlined below:

A wire transfer may be sent to:

Citibank NA 111 Wall Street
New York, NY 10043 ABA Number: 021000089
For Credit to: Raymond James & Associates, Inc. Account Number: 40776559
For Benefit of: FI/PF FIN REP [Account: TN 1531 – Cleveland Utilities Authority
Electric System Good Faith Deposit]

The good faith deposit shall be applied (without interest) to the purchase price of the Series 2023 Bonds. If the successful bidder should fail to accept or pay for the Series 2023 Bonds when tendered for delivery and payment, the good faith deposit pertaining to such bid will be retained by the Authority as liquidated damages.

In the event of the failure of the Authority to deliver the Series 2023 Bonds to the purchasers in accordance with the terms of this “Official Notice of Sale” within 45 days after the date of the sale, the good faith deposit will be promptly returned to such bidder unless such bidder directs otherwise.

Establishment of Issue Price

General. The winning bidder shall assist the Authority in establishing the issue price of the Series 2023 Bonds as more fully described herein. All actions to be taken by the Authority under this “Official Notice of Sale” to establish the issue price of the Series 2023 Bonds may be taken on behalf of the Authority by its Municipal Advisor and any notice or report to be provided to the Authority may be provided to the Municipal Advisor.

Anticipated Compliance with Competitive Sale Requirements. The Authority anticipates 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 Series 2023 Bonds) will apply to the initial sale of the Series 2023 Bonds (the “competitive sale requirements”) because:

- the Authority shall disseminate this “Official Notice of Sale” to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- all bidders shall have an equal opportunity to bid;
- the Authority expects to receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- the Authority anticipates awarding the sale of the Series 2023 Bonds to the bidder who submits a firm offer to purchase the Series 2023 Bonds at the highest price (or lowest interest cost), as set forth in this “Official Notice of Sale”.

Any bid submitted pursuant to this “Official Notice of Sale” shall be considered a firm offer for the purchase of the Series 2023 Bonds, as specified in the bid.

Authority Intention to Apply the Hold-the-Offering-Price Rule if Competitive Sale Requirements are Not Met. In the event that the competitive sale requirements are not satisfied with respect to the Series 2023 Bonds, the Authority intends to treat the initial offering prices of the Series 2023 Bonds to the public as the issue price of such Series 2023 Bonds (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity).

Application of the Hold-the-Offering-Price Rule. If the competitive sale requirements are not satisfied, then the successful bidder shall, on behalf of the underwriters participating in the purchase of the Series 2023 Bonds (i) confirm that the underwriters have offered or will offer each maturity of the Series 2023 Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Series 2023 Bonds, that the underwriters will neither offer nor sell unsold Series 2023 Bonds of any maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- the close of the fifth (5th) business day after the sale date; or
- the date on which the underwriters have sold at least 10% of that maturity of the Series 2023 Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Authority when the underwriters have sold 10% of that maturity of the Series 2023 Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

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 initial sale of the Series 2023 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 unsold Series 2023 Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Series 2023 Bonds of that maturity or all Series 2023 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 winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Series 2023 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 Series 2023 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 Series 2023 Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Series 2023 Bonds of that maturity or all Series 2023 Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

The Authority acknowledges that, in making the agreements and representations set forth above, the winning 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 Series 2023 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 Series 2023 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 Authority 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 Series 2023 Bonds.

Definitions. Sales of any Series 2023 Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this “Official Notice of Sale”. Further, for purposes of this “Official Notice of Sale”:

- “public” means any person other than an underwriter or a related party,
- “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2023 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 Series 2023 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 Series 2023 Bonds to the public),
- a purchaser of any of the Series 2023 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

- “sale date” means the date that the Series 2023 Bonds are awarded by the Authority to the winning bidder.

Issue Price Certificate. The winning bidder will be required to provide the Authority, at closing, with an issue price certificate consistent with the foregoing. A form of the issue price certificate is attached to this “Official Notice of Sale” as Exhibit A. In the event the winning bidder will not reoffer any maturity of the Series 2023 Bonds for sale to the Public (as defined herein) by the delivery date of the Series 2023 Bonds, the issue price certificate may be modified in a manner approved by the Authority and Bond Counsel.

Legal Opinion. The unqualified approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel along with other certificates including, but not limited to, a tax certificate and a continuing disclosure certificate dated as of the date of delivery of the Series 2023 Bonds will be furnished to the purchaser at the expense of the Authority. As set forth in the accompanying “Preliminary Official Statement,” Bond Counsel's opinion with respect to the Series 2023 Bonds will state that (i) interest on the Series 2023 Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Series 2023 Bonds is not treated as an item of tax preference in calculating the federal alternative minimum tax, except for certain corporations, as described in the “Preliminary Official Statement”. As set forth in the “Preliminary Official Statement”, the owners of the Series 2023 Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Series 2023 Bonds.

Continuing Disclosure. At the time the Series 2023 Bonds are delivered, the Authority will execute a Continuing Disclosure Certificate(s) in which it will covenant for the benefit of holders and beneficial owners of the Series 2023 Bonds to provide certain financial information relating to the Authority by not later than 12 months after each of the Authority's fiscal years (the “Annual Report”), and to provide notice of the occurrence of certain enumerated events. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board (“MSRB”) through the operation of the Electronic Municipal Market Access system (“EMMA”) and any State Information Depository established in the State of Tennessee (the “SID”). If the Authority is unable to provide the Annual Report to the MSRB and the SID by the date required, notice of each failure will be sent to the MSRB and the SID on or before such date. The notices of certain enumerated events will be filed by the Authority with the MSRB and the SID. The specific nature of the information to be contained in the Annual Report or the notices of events will be summarized in the Authority's “Official Statement” to be prepared and distributed in connection with the sale of the Series 2023 Bonds. Reference is hereby made to the “Preliminary Official Statement” (“MISCELLANEOUS – Continuing Disclosure”) and the form of the certificate which is contained in Appendix C: “Form of Continuing Disclosure Certificate”.

Delivery of Series 2023 Bonds. Delivery of the Series 2023 Bonds is expected on or about

October 31, 2023* although that date is subject to change and will be finalized when the Series 2023 Bonds are awarded. At least a 5-day notice will be given to the successful bidder. Delivery will be made in book-entry form through the facilities of The Depository Trust Company, New York, New York. Payment for the Series 2023 Bonds must be made in Federal Funds or other immediately available funds.

CUSIP Numbers. CUSIP numbers have been assigned to the Series 2023 Bonds at the expense of the Authority. The Authority will assume no obligation for assignment of such numbers or the correctness of such numbers and neither failure to record such numbers on the Series 2023 Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and make payment for the Series 2023 Bonds.

Provision of Information for the “Official Statement”. The successful bidder must furnish the following information to the Authority to complete the “Official Statement” in final form within 2 hours after receipt and award of the bids for the Series 2023 Bonds:

1. The initial offering prices or yields for the Series 2023 Bonds (expressed as a price or yield per maturity, exclusive of any accrued interest, if applicable);
2. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Series 2023 Bonds are sold at the prices or yields as provided above);
3. The identity of the underwriters if the successful bidders are part of a group or syndicate; and
4. Any other material information necessary (including, but limited to, information regarding any bond insurance included as part of the successful bid) to complete the “Official Statement” in final form, but not known to the Authority.

“Official Statements”; Other. The Authority has deemed the “Preliminary Official Statement” (incorporated herein by reference) to be final as of its date within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) except for the omission of certain pricing and other information. The Authority will furnish the successful bidder at the expense of the Authority a reasonable number of copies of the “Official Statement” in final form, containing the pricing and other information supplied by the successful bidder which will be dated the date of the sale. The “Official Statement”, together with the foregoing information will be delivered by the successful bidder and to the persons to whom such bidder and members of the bidding group initially sell the Series 2023 Bonds. Acceptance of the bid for the Series 2023 Bonds will constitute a contract between the Authority and the successful bidder for the provision of such copies within seven business days of the sale date.

* Subject to adjustment and revision as outlined herein

Further Information. Additional information, including the “Preliminary Official Statement” and the “Official Notice of Sale” may be obtained from **IPREO** [Documents](#) or the Authority’s Municipal Advisor:

Raymond James & Associates, Inc.
One Burton Hills Blvd. - Suite 225
Nashville, Tennessee 37215-6299
Telephone: 615-665-6917

Email: richard.dulaney@raymondjames.com or elizabeth.zuelke@raymondjames.com.

/s/ Tim Henderson
President & CEO

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Exhibit A

\$64,495,000*

**CLEVELAND UTILITIES AUTHORITY
(TENNESSEE)**

ELECTRIC SYSTEM REVENUE BONDS, SERIES 2023

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (“Purchaser”), hereby certifies as set forth below with respect to the sale of the above-captioned obligation (the “Series 2023 Bonds”).

[Assuming the Qualified Competitive Sale Requirements Are Satisfied]

1. *Reasonably Expected Initial Offering Price.*

- (a) I am familiar with the facts herein certified, and I am duly authorized to execute and deliver this certificate on behalf of the Purchaser and any underwriting syndicate.
- (b) As of the Sale Date, the reasonably expected initial offering prices of the Series 2023 Bonds to the Public by the Purchaser are the prices listed below (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Series 2023 Bonds used by the Purchaser in formulating its bid to purchase the Series 2023 Bonds. Attached as Exhibit A is a true and correct copy of the bid provided by the Purchaser to purchase the Series 2023 Bonds.
- (c) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.
- (d) The bid submitted by the Purchaser constituted a firm offer to purchase the Series 2023 Bonds.

**[Assuming the Qualified Competitive Sale Requirements Are Not Satisfied
and the Hold-the-Offering-Price Rule Applies]**

2. *Initial Offering Price.*

(b) The Purchaser offered each Maturity of the Series 2023 Bonds to the Public for purchase at the respective initial offering prices listed in its bid attached hereto as Exhibit A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2023 Bonds is attached to this Certificate as Exhibit B.

(b) As set forth in the “Official Notice of Sale” for the Series 2023 Bonds, the Purchaser has agreed in writing that, for each maturity of the Series 2023 Bonds, it would neither offer nor sell any of the Series 2023 Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such maturity during the Holding Period (as defined below) for such Maturity, nor would it permit a related party to do so. Pursuant to such agreement, the Purchaser has neither

* Subject to revision and adjustment as outlined in the “Official Notice of Sale” which by reference is incorporated herein.

offered nor sold any Maturity of the Series 2023 Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2023 Bonds during the Holding Period. As used in this paragraph, the term “Holding Period” means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which at least 10% of such Maturity has been sold to the Public at a price that is no higher than the Initial Offering Price for such Maturity.

2. Defined Terms.

(a) *Maturity* means Series 2023 Bonds with the same credit and payment terms. Series 2023 Bonds with different maturity dates, or Series 2023 Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Authority* or *Issuer* means the Cleveland Utilities Authority (Tennessee).

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange of the Series 2023 Bonds. The Sale Date of the Series 2023 Bonds is October 16, 2023*.

(e) *Underwriter* means (i) 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 Series 2023 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2023 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 Series 2023 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 2386, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2023 Bonds, and by Bass, Berry & Sims PLC in connection with rendering its opinion that the interest on the Series 2023 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2023 Bonds.

Dated: [Issue Date]

[NAME OF PURCHASER, as Underwriter]

By: _____

Name: _____

Title: _____