

NOTICE OF INTENT TO SELL BONDS

PORTER COUNTY, INDIANA

DEPARTMENT OF DEVELOPMENT & STORM WATER MANAGEMENT

\$20,000,000 STORM WATER DISTRICT REVENUE BONDS, SERIES 2017

Upon not less than twenty-four (24) hours' notice given, or caused to be given, by the undersigned Auditor or her designee prior to the ninetieth (90th) day after this notice is first published, Porter County, Indiana (the "County"), for an on behalf of the Department of Development & Storm Water Management (the "District"), will receive bids for the bonds described herein. Any person interested in submitting a bid for the bonds must furnish in writing to the District c/o its Municipal Advisor, H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240, (317) 465-1500, (317) 465-1550 (facsimile) or by email to riley@umbaugh.com and bids@umbaugh.com, on or before October 20, 2017, the person's name, address and telephone numbers. Interested persons may also furnish an e-mail address. The undersigned will notify (or cause to be notified) each person so registered of the date and time bids will be received not less than twenty-four (24) hours before the date and time of sale. The notification shall be made by telephone at the number furnished by such person or by e-mail, if an e-mail address has been received. It is anticipated that the sale will occur at 11:00 a.m. (EST) on October 24, 2017.

At the time designated for the sale, the District will receive bids (i) at the office of its Municipal Advisor, H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240, via mail or e-mail; or (ii) via Ipreo's PARITY electronic bid submission system ("PARITY") in accordance with this notice, and consider the same for the purchase of the following described Bonds:

Storm Water District Revenue Bonds, Series 2017 (the "Bonds"), in the total principal amount of \$20,000,000; Fully registered form; Denomination \$5,000 and integral multiples thereof; Originally dated the date of delivery of the Bonds; Bearing interest at a rate or rates to be determined by bidding, payable on July 15, 2018, and semiannually thereafter. Interest payable by wire transfer to registered owners on the interest payment date to the depository in whose name each Bond is registered with the Registrar on the fifteenth day of the month immediately preceding such interest payment date; Maturing or subject to mandatory redemption on January 15 and July 15; Maturing no later than January 15, 2039, in accordance with the maturity schedule provided prior to the bond sale. The County reserves the right to adjust the maturity schedule following the sale in

order to accomplish the County's financial objectives by reallocating debt service based upon the rates bid by the successful bidder.

A bid may designate that a given maturity or maturities shall constitute a term bond, and the annual amounts set forth in the maturity schedule above shall constitute the mandatory sinking fund redemption requirements for such term bond or bonds. For purposes of computing net interest cost, the mandatory redemption amounts shall be treated as maturing on the dates set forth in the schedule above.

The Bonds shall be subject to optional redemption as set forth prior to the time of sale at a price of par plus accrued interest to the date of redemption.

Each bid must be for all of the Bonds and must state the rate of interest which each maturity of the Bonds is to bear, stated in multiples of 1/8th or 1/20th of 1% or 1/100th of 1%. The maximum interest rate of the Bonds shall not exceed 6.0% per annum. All Bonds maturing on the same date shall bear the same rate, and the rate of interest bid for each maturity must be equal to or greater than the rate bid on the immediately preceding maturity. Bids shall set out the total amount of interest payable over the term of the Bonds and the net interest cost on the Bonds covered by the bid. No bid for less than 99.0% of the face value of the Bonds will be considered. The Bonds will be awarded to the highest qualified bidder who has submitted a bid in accordance herewith. The highest bidder will be the one who offers the lowest net interest cost to the District, to be determined by computing the total interest on all of the Bonds to their maturities based upon the schedule provided by the District prior to the sale and subtracting therefrom the premium bid, if any. No conditional bids will be considered. The right is reserved to reject any and all bids. If an acceptable bid is not received for the Bonds on the date of sale hereinbefore fixed, the sale may be continued from day to day thereafter, during which time no bids for less than the highest bid received at the time of the advertised sale will be considered.

Each bid may be submitted (i) to H.J. Umbaugh & Associates, Certified Public Accountants, LLP, by email to riley@umbaugh.com and bids@umbaugh.com or (ii) via Parity prior to the time fixed for the sale. No other form of electronic bidding service nor telephone proposals will be accepted. No proposal will be accepted after the time for receiving proposals specified above. Once the proposals are communicated electronically via Parity to the District, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms therein provided. Prospective bidders wishing to submit an electronic bid via Parity must be contracted customers of Parity.

If a potential bidder has questions related to the District, the financing or submission of bids, questions should be submitted by email to the addresses above no later than October 20, 2017. To the best of the District's ability, all questions will be addressed by the District and sent to potential bidders, including any bidders requesting 24 hours' notice of sale, no later than

October 23, 2017. Additionally, upon request, the written responses will be emailed to any other interested bidder. Bidders should review this notice as well as the Preliminary Official Statement (as hereinafter defined) and submit any questions in advance of this deadline to submit questions.

Prospective bidders who do not have a contract with Parity must call (212) 849-5021 to become a customer. By submitting an electronic bid for the Bonds, a bidder represents and warrants to the District that such bidder's bid for the purpose of the Bonds is submitted for and on behalf of such prospective bidder by an offer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

Each prospective bidder who wishes to submit electronic bids shall be solely responsible to register to bid via Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the District nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the District nor Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by Parity. The District is using Parity as a communications mechanism, and not as the District's agent, to conduct the electronic bidding for the Bonds. The District is not bound by any advice or determination of Parity as to whether any bid complies with the terms of this Notice. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via Parity are the sole responsibility of the bidders, and the District is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid, or submitting or modifying a bid for the Bonds, it should telephone Parity and notify the District's Municipal Advisor, H.J. Umbaugh & Associates, Certified Public Accountants, LLP, at (317) 465-1500 (provided that the District shall have no obligation to take any action whatsoever upon receipt of such notice).

If any provisions of this Notice shall conflict with information provided by Parity, as approved provider of electronic bidding services, the provisions of this Notice shall control. Further, information about Parity, including any fee charged, may be obtained from Parity at (212) 849-5021. The time maintained by Parity shall constitute the official time with respect to all bids submitted.

Each bid not submitted through email to H.J. Umbaugh & Associates, Certified Public Accountants, LLP, or through Parity, must be enclosed in a sealed envelope addressed to H.J. Umbaugh & Associates, Certified Public Accountants, LLP and marked on the outside "Bid for Storm Water District Revenue Bonds, Series 2017". The successful bidder shall be required to

submit a good faith deposit in the amount of 1% of the par amount of the bonds by 3:00 p.m. CDT on the day following the sale of the Bonds to ensure that the bid will be honored at closing. The District will not be required to pay interest on the good faith deposit and shall apply it to the purchase price of the Bonds on the date of closing.

The Purchaser shall make payment to the District and accept delivery thereof from the District within five days after being notified that the Bonds are ready for delivery, at such place in Valparaiso, Indiana, or such other location as the successful bidder may designate. The Bonds will be ready for delivery within 45 days after the date of sale. If the District fails to have the Bonds ready for delivery prior to the close of banking hours on the forty-fifth day after the date of sale, the bidder may secure the release of his bid upon request in writing, filed with the District. At the time of delivery of the Bonds to the Purchaser, the Purchaser will be required to certify issue price as set forth herein.

It is anticipated that CUSIP identification 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 failure or refusal by the Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of its proposal. No CUSIP identification number shall be deemed to be a part of any Bond or a part of the contract evidenced thereby, and no liability shall hereafter attach to the District or any of its officers or agents because of or on account of such numbers. All expenses in relation to the printing of CUSIP identification numbers on the Bonds shall be paid for by the District; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the Purchaser. The Purchaser will also be responsible for any other fees or expenses it incurs in connection with the resale of the Bonds.

The approving opinion of Taft Stettinius & Hollister LLP, bond counsel of Chicago, Illinois, together with a transcript of the proceedings relating to the issuance of the Bonds and closing papers in the usual form showing no litigation questioning the validity of the Bonds, will be furnished to the successful bidder at the expense of the District.

The Bonds are being issued for the purpose of providing funding to pay for construction of improvements and extensions to the County storm water system, and will be a special revenue obligation of the District enforceable in accordance with their terms. The Bonds, and any other bonds hereafter issued on a parity therewith, are payable solely out of the special fund heretofore legally established and designated as the "Storm Water Sinking Fund", to which fund there has been legally pledged the Net Revenues (defined as the gross revenues of the System (defined as the District's storm water system, including all real estate, equipment and appurtenances thereto used in connection therewith, and all extensions, additions and improvements thereto and replacements thereof, now or at any time hereafter constructed or acquired) remaining after the

payment of the reasonable expense of operation, repair and maintenance of the System). To the extent that such revenues are insufficient, the Bonds are payable out of special, ad valorem taxes to be levied and collected on all of the taxable property within the District; subject, however, to the tax credits authorized by Indiana Code 6-1.1-20.6 which provides taxpayers with tax credits for property taxes attributable to different classes of property in an amount that exceeds certain percentages of the gross assessed value of that property. The District is required by law to fully fund the payment of debt service on the Bonds, regardless of any reduction in property tax collections due to the application of such credits. The Bonds will not be “private activity bonds” as defined in Section 141 of the Internal Revenue Code of 1986.

The Bonds shall not constitute an indebtedness of the District within the meaning of the provisions and limitations of the constitution of the State.

The District has prepared a preliminary official statement relating to the Bonds which it has deemed to be a nearly final official statement (“Preliminary Official Statement”). Within seven (7) business days of the sale, the District will provide the successful bidder with sufficient number of copies of the final official statement at the District’s expense. Additional copies, at the purchaser’s expense, must be requested within five (5) business days of the sale. Inquiries concerning matters contained in the nearly final official statement must be made and pricing and other information necessary to complete the final Official Statement must be submitted by the successful bidder within two (2) business days following the sale to be included in the final official statement.

The District has agreed to enter into a Continuing Disclosure Undertaking in order to permit the successful purchaser to comply with the SEC Rule 15c2-12. A copy of such Agreement is available from the District or Municipal Advisor at the addresses below.

ISSUE PRICE:

(a) The winning bidder shall assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached to the Preliminary Official Statement as an appendix, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the County and bond counsel. All actions to be taken by the County to establish the issue price of the Bonds may be taken on behalf of the County by the County’s municipal advisor identified herein and any notice or report to be provided to the County may be provided to the County’s municipal advisor.

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

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

Any bid submitted pursuant to this Notice shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(i) In the event that the competitive sale requirements are not satisfied, the County shall so advise the winning bidder. The County may determine to treat (i) the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (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). The winning bidder shall advise the County if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The County shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the County determines to apply the hold-the-offering-price rule to any maturity of the Bonds. **Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.**

(j) By submitting a bid, the winning bidder shall confirm that the underwriters have offered or will offer the 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. The winning bidder further shall agree, on behalf of the

underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply 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:

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

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

(l) The County acknowledges that, in making the representation 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 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(m) 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 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 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 Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case 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 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, 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.

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

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date that the Bonds are awarded by the County to the winning bidder; and

- (v) “Closing” and “Closing Date” mean the day the Bonds are delivered to the successful bidder and payment is made thereon by the County.

Further information relative to said issue may be obtained upon application to the Department of Development & Storm Water Management, County Administration Center, 155 Indiana Avenue, Valparaiso, Indiana 46383. If bids are submitted by mail, they should be addressed to H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240.

Dated this September 27, 2017.

/S/ AUDITOR, PORTER COUNTY, INDIANA

(Note: Publish October 2, 2017, and October 9, 2017, in the *Chesterton Tribune* and the *Court and Commercial Record*)