

APPENDIX i

NOTICE OF INTENT TO SELL BONDS

**\$7,810,000
GENERAL OBLIGATION BONDS OF 2013
PENN-HARRIS-MADISON SCHOOL CORPORATION**

Upon not less than twenty-four (24) hours' notice given by the undersigned Secretary prior to the ninetieth day after this notice is first published, Penn-Harris-Madison School Corporation (the "School Corporation") will receive and consider bids for the purchase of the following described Bonds. The Board of School Trustees has determined to issue the Bonds pursuant to Indiana Code 6-1.1-20-5. Any person interested in submitting a bid for the Bonds must furnish in writing to the Penn-Harris-Madison School Corporation c/o H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240-0458; (317) 465-1500, (317) 686-9102 (facsimile) or by e-mail to clark@umbaugh.com on or before 2:00 p.m. (Indianapolis Time) June 13, 2013, the person's name, address, and telephone number. Interested persons may also furnish an e-mail address. The undersigned Secretary 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 and also by electronic e-mail, if an e-mail address has been received.

Notice is hereby given that electronic proposals will be received via PARITY[®], in the manner described below, until the time and date specified in the Notice provided at least 24 hours prior to the sale, which is expected to be 11:00 a.m. (Indianapolis Time), on June 27, 2013. Bids may be submitted electronically via PARITY[®] pursuant to this Notice until the time specified in the Notice, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY[®] conflict with Notice,

the terms of this Notice shall control. For further information about PARITY[®], potential bidders may contact the Corporation's advisor, H.J. Umbaugh & Associates, Certified Public Accountants, LLP at (317) 465-1500 or PARITY[®] at (212) 849-5021.

At the time designated for the sale, the School Corporation will receive at the offices of H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana, and consider bids for the purchase of the following described Bonds:

General Obligation Bonds of 2013 (the "Bonds") of the School Corporation, an Indiana political subdivision, in the principal amount of \$7,810,000; 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 June 30, 2014, and semiannually thereafter; These Bonds will be initially issued in a Book Entry System (as defined in the Bond Resolution). Interest payable by check mailed one business day prior to the interest payment date or by wire transfer to depositories on the interest payment date to the person or depository in whose name each Bond is registered with the Registrar on the fifteenth day immediately preceding such interest payment date; Maturing or subject to mandatory redemption on June 30 and December 30 beginning on June 30, 2014 through and including December 30, 2018 on the dates and amounts as provided by the School Corporation prior to the sale.

As an alternative to PARITY[®], bidders may submit a sealed bid to the Corporation's financial advisor at the address described above until the time and on the date identified in the notice given by, or on behalf of the Corporation, twenty-four hours prior to the sale of the Bonds. Upon completion of the bidding procedures described herein, the results of the sealed, non-electronic bids received shall be compared to the electronic bids received by the Corporation.

The Bonds are not subject to optional redemption prior to maturity.

The Bonds have been designated as qualified tax-exempt obligations for purposes of Section 265(b)(3).

A bid may designate that a given maturity or maturities shall constitute a term bond, and the semi-annual amounts set forth in the schedule provided prior to the sale 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 provided prior to the sale.

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 1/100th of 1%. The maximum interest rate of the Bonds shall not exceed 4.00% 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 99.50% 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 Corporation, to be determined by computing the total interest on all of the Bonds to their maturities based upon the schedule provided by the Corporation prior to the sale and deducting therefrom the premium bid, if any, and adding thereto the discount 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. No conditional bids will be considered.

Each bid not submitted via PARITY® must be enclosed in a sealed envelope addressed to the Corporation and marked on the outside "Bid for General Obligation Bonds of 2013". Each bid must be enclosed in a sealed envelope addressed to the School Corporation and marked on the outside "Bid for General Obligation Bonds of 2013". A good faith deposit ("Deposit") in the

form of cash or certified or cashier's check in the amount of \$78,100 payable to the order of the School Corporation is required to be submitted by the successful purchaser (the "Purchaser") not later than 3:30 p.m. (EST) on the next business day following the award. If such Deposit is not received by that time, the School Corporation may reject the bid. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its accepted bid, the Deposit will be retained by the School Corporation as liquidated damages.

The successful bidder shall make payment to U.S. Bank National Association, as registrar (the "Registrar") for the Bonds and accept delivery thereof from the Registrar within five days after being notified that the Bonds are ready for delivery, at such place in the City of Indianapolis, Indiana, as the successful bidder may designate. The Bonds will be ready for delivery within 45 days after the date of sale. If the School Corporation 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 School Corporation. The successful bidder is expected to apply to a securities depository registered with the SEC to make such Bonds depository-eligible. At the time of delivery of the Bonds to the successful bidder, the bidder will be required to certify to the School Corporation the initial reoffering price to the public of a substantial amount of each maturity of the Bonds.

Bidders must comply with the Rules of PARITY[®] in addition to requirements of this Official Notice of Intent to Sell Bonds. To the extent there is a conflict between the Rules of PARITY[®] and this Official Notice of Intent to Sell Bonds, this Official Notice of Intent to Sell Bonds shall control. Bidders may change and submit bids as many times as they wish during the sale, but they may not withdraw a submitted bid. The last bid submitted by a bidder prior to the

deadline for the receipt of bids will be compared to all other final bids to determine the winning bid. During the sale, no bidder will see any other bidder's bid, nor will they see the status of their bid relative to other bids (e.g., whether their bid is a leading bid).

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 successful bidder therefor 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 School Corporation 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 School Corporation; 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 Ice Miller LLP, bond counsel of Indianapolis, Indiana, 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 School Corporation.

The Bonds are being issued for the purpose to pay the cost of independent, separate projects including the renovation of and improvements to Bittersweet Elementary School, Elm Road Elementary School, Elsie Rogers Elementary School, Horizon Elementary School, Madison Elementary School, Mary Frank Elementary School, Meadows Edge Elementary School, Moran Elementary School, Northpoint Elementary School, Prairie Vista Elementary

School, Walt Disney Elementary School, Pennway Night School, Penn High School, Support Services Center, Transportation Center and the purchase of technology and equipment, and will be direct obligations of the School Corporation payable out of ad valorem taxes to be collected on the taxable property within the School Corporation; however, the School Corporation's collection of the levy may be limited by operation of I.C. 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 School Corporation is required by law to fully fund the payment of debt service on the Bonds in an amount sufficient to pay the debt service, regardless of any reduction in property tax collections due to the application of such tax credits. The School Corporation may not be able to levy or collect additional property taxes to make up this short fall. Penn-Harris-Madison School Corporation is a school corporation organized pursuant to the provisions of I.C. 20-4, and the Bonds will not be "private activity bonds" as defined in Section 141 of the Internal Revenue Code of 1986.

The Bonds constitute an indebtedness only of the School Corporation. Interest on the Bonds is exempt from all income taxation in Indiana. In the opinion of bond counsel, under the existing federal statutes, decisions, regulations and rulings, the interest on the Bonds is excludable from gross income for purposes of federal income taxation.

The School Corporation has prepared a preliminary official statement relating to the Bonds which it has deemed to be a nearly final official statement. A copy of the Preliminary Official Statement may be obtained from the Corporation's financial advisor, H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240-0458. Within seven (7) business days of the sale, the School Corporation will provide the successful bidder with up to 159 copies of the final official statement at the School

Corporation'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 School Corporation has agreed to enter into a Continuing Disclosure Undertaking in order to permit the successful purchaser to comply with the SEC Rule 15(c)2-12. A copy of such Agreement is available from the School Corporation or financial advisor at the addresses below.

Further information relative to said issue and a copy of the nearly final official statement may be obtained upon application to H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240-0458, financial advisor to the School Corporation; Jeffery A. Johnson, Esq., May Oberfell Lorber, 4100 Edison Lakes Parkway, Suite 100, Mishawaka, Indiana 46545, attorney for the School Corporation; or Dr. Denise Seger, Associate Superintendent, Penn-Harris-Madison School Corporation, 55900 Bittersweet Road, Mishawaka, Indiana 46545. If bids are submitted by mail, they should be addressed to the School Corporation, attention of Dr. Denise Seger, Associate Superintendent, Penn-Harris-Madison School Corporation, 55900 Bittersweet Road, Mishawaka, Indiana 46545.

Dated this 30th day of May, 2013.

/s/

Secretary, Board of School Trustees
Penn-Harris-Madison School Corporation

*****REMEMBER TO FORWARD A COPY OF THE NOTICE OF INTENT TO THE FOLLOWING:
parity@ipreo.com

Please post in three locations within the School District.