

NOTICE OF INTENT TO SELL BONDS

\$6,795,000

CITY OF BLOOMINGTON, INDIANA, SEWAGE WORKS REVENUE BONDS OF 2017

Upon not less than twenty-four (24) hours' notice given by telephone or otherwise provided below by or on behalf of the Controller of the City of Bloomington, Indiana (the "City"), prior to the sale date, currently anticipated to be at 11:00 a.m. (E.D.T.) on Tuesday, July 25, 2017, the Controller of the City (the "Controller") will receive separate electronic and sealed proposals in the offices of the municipal advisor of the City, c/o Angie Steeno, Crowe Horwath LLP, 135 North Pennsylvania Street, Suite 200, Indianapolis, Indiana 46204 (phone: 317-269-2367; facsimile: 317-635-6127; e-mail: angie.steenocrowehorwath.com) (the "Municipal Advisor"). Bids may also be submitted electronically via PARITY© in accordance with this notice. To the extent any instructions or directions set forth in PARITY© conflict with this notice, the terms of this notice shall control. For further information about PARITY©, potential bidders may contact Crowe Horwath LLP or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, NY 10018, telephone (212) 849-5021.

At the time of the designated sale, the Controller will receive and consider each proposal for the purchase of sewage works revenue bonds of the City payable from the net revenues of the sewage works of the City. Such sewage works revenue bonds shall be designated as "City of Bloomington, Indiana, Sewage Works Revenue Bonds of 2017" (the "Bonds"), in the aggregate principal amount of Six Million Seven Hundred Ninety-Five Thousand Dollars (\$6,795,000). The Bonds shall bear interest at a rate or rates not exceeding five percent (5.0%) per annum, the exact rate or rates to be determined by bidding. 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 Controller.

Sealed bids may be submitted to the offices of the Municipal Advisor at the address described above until 11:00 a.m. (E.D.T.) on the date of sale.

Interest on the Bonds shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year and shall be payable semiannually on January 1 and July 1 in each year, commencing January 1, 2018. The Bonds shall be issued as fully registered bonds in denominations of Five Thousand Dollars (\$5,000) or any integral multiple thereof not exceeding the aggregate principal amount of such Bonds maturing in any one year, shall be numbered consecutively from 17R-1 upward, shall bear an original issue date which shall be the date of delivery thereof, and shall mature serially and annually on January 1 of the years and in the principal amounts, as follows:

<u>Date*</u>	<u>Principal Amount*</u>	<u>Date*</u>	<u>Principal Amount*</u>
1/1/19	\$ 275,000	1/1/29	\$ 360,000
1/1/20	280,000	1/1/30	370,000
1/1/21	285,000	1/1/31	385,000
1/1/22	295,000	1/1/32	395,000

1/1/23	300,000	1/1/33	410,000
1/1/24	310,000	1/1/34	425,000
1/1/25	315,000	1/1/35	445,000
1/1/26	325,000	1/1/36	460,000
1/1/27	335,000	1/1/37	480,000
1/1/28	345,000		

(*Subject to change)

The City reserves the right to adjust the maturity schedules following the sale of the Bonds to accomplish approximately level annual debt service based upon the interest rates bid by the successful bidder or bidders.

Except as provided below, principal of the Bonds will be payable at the principal corporate trust office of the Registrar and Paying Agent for the Bonds (the "Registrar" and the "Paying Agent," and in both such capacities, the "Registrar and Paying Agent") to be selected by the City. Interest on each Bond shall be paid by check or draft mailed or delivered by the Paying Agent to the registered owner thereof at the address as it appears on the Bond Register as of the fifteenth day of the calendar month immediately preceding the interest payment date or at such other address as is provided to the Paying Agent in writing by such registered owner.

At the option of the winning bidder, when issued, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. Purchasers of beneficial interests in the Bonds will not receive physical delivery of bond certificates and ownership by the Beneficial Owners of the Bonds will be evidenced by book-entry only. As long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, payments of principal and interest for the Bonds will be made directly to such registered owner (by wire transfer on the due date thereof in same day funds), which will, in turn, remit such payments to the DTC Participants for subsequent disbursement to the Beneficial Owners. Neither the City nor the Registrar and Paying Agent shall have any liability for the failure of DTC or any DTC Participant to remit the payment or provide any notice to any Beneficial Owner of the Bonds.

The Bonds maturing on or after January 1, 2029 are subject to optional redemption at the option of the City, in whole or in part, on January 1, 2028 or on any date thereafter, upon at least thirty (30) days' written notice to the registered owner or owners of Bonds to be redeemed, in amounts and in order of maturity determined by the City and by lot within any such maturity by the Registrar, at a redemption price equal to one hundred percent (100%) of the principal amount to be redeemed, plus accrued interest thereon to the redemption date, and without premium.

At the option of the successful bidder, all or a portion of the Bonds may be aggregated into one or more term bonds (the "Term Bonds") payable from mandatory sinking fund redemption payments. The Term Bonds shall have a stated maturity or maturities of any January 1 beginning January 1, 2020 through January 1, 2037, as determined by such successful bidder.

The Bonds may be transferred or exchanged at the office of the Registrar, subject to the terms and conditions of the Ordinance authorizing the Bonds (the "Ordinance").

Any person interested in submitting a bid for the Bonds must furnish in writing to the Controller, c/o Angie Steeno, Crowe Horwath LLP, 135 North Pennsylvania Street, Suite 200, Indianapolis, Indiana 46204 (phone: 317-269-2367; facsimile: 317-635-6127; e-mail: angie.steen@crowehorwath.com), on or before 3:00 p.m. (E.D.T.), Friday, July 21, 2017, the person's name, address and telephone number. The person may also furnish a telex or facsimile number. The Municipal Advisor, on behalf of the Controller, will cause each person so registered to be notified 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 (a) telephone at the telephone number furnished by such person and by telex if a telex number has been furnished, (b) electronic mail at the electronic mail address furnished by such person, if such person has requested notification by electronic mail, or (c) facsimile if a facsimile number has been furnished and such person has requested notification by facsimile. It is anticipated that the sale of the Bonds will occur at 11:00 a.m. (E.D.T.) on Tuesday, July 25, 2017.

Each bid must be for all of the Bonds and must state the rate or rates of interest therefor, not exceeding the maximum per annum interest rate hereinbefore specified. Such interest rate or rates must be in multiples of one-eighth ($1/8$) or one-hundredth ($1/100$) of one percent (1%). Bids specifying more than one interest rate must also specify the amount and maturities of the Bonds bearing each rate. All Bonds maturing on the same date shall bear the same rate of interest, and the interest rate bid on any maturity of the Bonds shall be equal to or greater than the interest rate bid on any and all prior maturities of the Bonds. Subject to the provisions contained herein, the award of the Bonds will be made to the bidder offering the lowest net interest cost, to be determined by computing the total interest on all Bonds from the date thereof to the date of maturity and deducting therefrom the premium bid, if any, or adding thereto the amount of the discount, if any. Although not a term of sale, it is requested that each bid show the net dollar cost to final maturity and the net effective average interest rate on the entire issue.

No conditional bid or bids for less than ninety-nine percent (99.0%) of the par value of the Bonds, plus accrued interest, if any, at the rate or rates named to the date of delivery, will be considered. The right is reserved to reject any and all bids. If no acceptable bid for the Bonds is received on the date fixed for sale of the Bonds, the sale may be continued from day to day thereafter without further advertisement for a period not to exceed thirty (30) days, but if so continued, no bid for the Bonds will be accepted which offers an interest cost which is equal to or higher than the best bid received at the time fixed for the sale.

Each of the bids for the Bonds not submitted electronically via PARITY© shall be sealed in an envelope marked "Bid for City of Bloomington, Indiana, Sewage Works Revenue Bonds of 2017". Each bid must be on the form approved by the City, without additions, alterations or erasures, which form may be obtained from the Municipal Advisor at the address set forth herein. A good faith deposit (the "Deposit") in the form of cash, certified check, cashier's check or wire transfer in the amount of Sixty-Seven Thousand Nine Hundred Fifty Dollars (\$67,950) made payable to the order of the City is required to be submitted by the successful bidder or bidders of the Bonds (each, a "Purchaser") not later than 3:00 p.m. (E.D.T.) on the next business day following the award. If such Deposit is not received by that time, the City may reject the bid. No interest on the Deposit will accrue to any Purchaser. The Deposit will be applied to the

purchase price of the Bonds. In the event any Purchaser fails to honor its accepted bid, the Deposit will be retained by the City as liquidated damages of the City on account of such failure or refusal.

The successful bidder will be required to make payment for the Bonds in Federal Reserve funds or other immediately available funds and accept delivery of the Bonds within five (5) business days after being notified that the Bonds are ready for delivery, at a bank designated by the City. Any premium bid must be paid in cash at the time of delivery as a part of the purchase price for the Bonds. The Bonds will be ready for delivery within forty-five (45) days after the date on which the award is made, and if not deliverable within that period, the successful bidder will be entitled to rescind the sale and the Deposit will be returned. Any notice of rescission must be in writing. At the request of the City, the successful bidder shall furnish to the City, simultaneously with or before delivery of the Bonds, a certificate in form satisfactory to the City regarding the initial public offering prices of the Bonds or, if the winning bidder intends to hold the Bonds for its own account, a letter regarding the investment representations of such bidder.

The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public of the Bonds, together with the supporting pricing wires or equivalent communications, in the form as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel. All actions to be taken by the City under this Notice of Intent to Sell Bonds to establish the issue price of the Bonds may be taken on behalf of the City by the Municipal Advisor and any notice or report to be provided to the City may be provided to the Municipal Advisor.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because: (1) the City shall disseminate this Notice of Intent to Sell Bonds 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 City 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 City 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 of Intent to Sell Bonds.

Any bid submitted pursuant to this Notice of Intent to Sell Bonds shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. *In the event that the competitive sale requirements are not satisfied, the City will reject all bids and cancel the sale.*

Bidders should prepare their bids on the assumption that the issue price of the Bonds will be the reasonably expected initial offering price to the public.

The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

CUSIP identification numbers are expected to be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute

cause for a failure or refusal by the successful bidder or bidders to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP identification numbers on the Bonds shall be paid for by the City; 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 successful bidder. The successful bidder will also be responsible for any other fees or expenses it incurs in connection with the resale of the Bonds, including any charges in connection with DTC.

The Bonds are being issued under the provisions of the Indiana Code to provide funding to acquire any and all necessary property and proceed with the acquisition, construction, installation and equipping of improvements and extensions to the City's sewage works and pay costs of issuance of the Bonds. The Bonds will be payable solely from and will constitute a first charge on the net revenues of the City's sewage works pursuant to the Ordinance. The City shall not be obligated to pay the Bonds or the interest thereon except from the net revenues of the sewage works, and the Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana. The Bonds will rank on a parity basis with (a) the City's Sewage Works Revenue Bonds of 2004, outstanding on the date of this notice in the principal amount of \$3,096,000 and maturing annually on January 1 in the years 2018 to 2026, inclusive, (b) the City's Amended Sewage Works Revenue Bonds of 2006, Series A-1, outstanding on the date of this notice in the principal amount of \$4,430,400, and maturing annually on January 1 in the years 2018 to 2027, inclusive, (c) the City's Sewage Works Revenue Bonds of 2006, Series B, outstanding on the date of this notice in the principal amount of \$2,064,314 and maturing on January 1 in the years 2018 to 2027, inclusive, (d) the City's Sewage Works Revenue Bonds of 2006, Series C, outstanding on the date of this notice in the principal amount of \$4,235,563, and maturing annually on January 1 in the years 2018 to 2027, inclusive, (e) the City's Sewage Works Refunding Revenue Bonds, Series 2012 A, outstanding on the date of this notice in the principal amount of \$4,950,000, and maturing annually on January 1 in the years 2018 to 2029, inclusive, (f) the City's Taxable Sewage Works Revenue Bonds, Series 2012 B, outstanding on the date of this notice in the principal amount of \$1,245,000, and maturing on January 1, 2018, (g) the City's Sewage Works Revenue Bonds, Series 2012 C, outstanding on the date of this notice in the principal amount of \$4,235,000, and maturing annually on January 1 in the years 2018 to 2033, inclusive, and (h) the City's Sewage Works Refunding Revenue Bonds, Series 2013, outstanding on the date of this notice in the principal amount of \$13,110,000, and maturing annually on January 1 in the years 2018 to 2025, inclusive.

At the time of delivery of the Bonds, the approving opinion of Faegre Baker Daniels LLP, bond counsel, of Indianapolis, Indiana, as to the validity of the Bonds, together with a transcript of proceedings relating to such Bonds, the printed Bonds with such legal opinion included therewith, and closing certificates in the customary form showing no litigation, will be furnished to the successful bidder or bidders at the expense of the City. In addition, unless bond counsel is able, on the date of delivery, to render an opinion to the effect that, under existing law (1) the interest on such Bonds is excludable from gross income for federal income tax purposes and such Bonds are not "private activity bonds" under Section 141 of the Code, and (2) the interest on such Bonds is exempt from taxation in the State of Indiana for all purposes except the Indiana financial institutions tax, the successful bidder or bidders shall have the right to rescind the sale, and in such event the good faith deposit will be returned.

A copy of the Preliminary Official Statement prepared at the direction of the City may be obtained from the Municipal Advisor, Angie Steeno, 135 North Pennsylvania Street, Suite 200, Indianapolis, Indiana 46204 (phone: 317-269-2367; facsimile: 317-635-6127; e-mail: angie.steenno@crowehorwath.com). Said Preliminary Official Statement will be in a form deemed final by the City, pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), subject to completion as permitted by the Rule.

Within seven (7) business days after the date of such award, the City will provide to the successful bidder or bidders up to one hundred (100) copies of the Final Official Statement at the City's expense. Additional copies, at the successful bidder's expense, must be requested within five (5) business days of the award. Inquiries concerning matters contained in the Preliminary Official Statement must be made and pricing and other information necessary to complete the Preliminary Official Statement as a Final Official Statement must be submitted by the successful bidder or bidders within two (2) business days following the award of the Bonds to be included in such Final Official Statement.

If a syndicate is the successful bidder on the Bonds, the City designates the senior managing underwriter of the syndicate to which the Bonds are awarded as its agent for purposes of distributing copies of the Final Official Statement to each participating underwriter. Any underwriter executing and delivering a bid with respect to the Bonds agrees thereby that if its bid is accepted by the City (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all participating underwriters of the Bonds for purposes of assuring the receipt of each such participating underwriter of the Final Official Statement. The successful bidder shall be responsible for providing (i) in writing the initial reoffering prices and other terms, if any, to the Municipal Advisor as and at the time requested and (ii) a certification verifying information as to the bona fide initial offering prices of the Bonds to the public and sales of such Bonds appropriate for determination of the issue price of, and the yield on, such Bonds under the Code, as and at the time requested by bond counsel.

Upon the date of delivery of the Bonds, the City will certify that, as of the date of (i) the Preliminary Official Statement, (ii) the Final Official Statement, and (iii) delivery of such Bonds, neither the Preliminary Official Statement nor the Final Official Statement contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

In order to assist bidders in complying with paragraph (b)(5) of the Rule, to the extent required by the Rule, the City will undertake, pursuant to a Continuing Disclosure Undertaking Agreement which shall be delivered to the successful bidder or bidders at the closing on the Bonds, to provide annual reports, certain financial information, and notices of certain events to the extent required by Section (b)(5) of the Rule. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement.

If bids are submitted by mail, they should be addressed to the Municipal Advisor at the address listed above.

Dated this 10th day of July, 2017.

CITY OF BLOOMINGTON, INDIANA

By: Jeff Underwood, Controller

[To be published in the Bloomington Herald Times and the Court & Commercial Record on Monday, July 10, 2017, and Monday, July 17, 2017.]