

**OFFICIAL NOTICE OF INTENT TO SELL \$6,760,000
CITY OF BEDFORD, INDIANA, SEWAGE WORKS REVENUE BONDS, SERIES 2018**

NOTICE IS HEREBY GIVEN that upon not less than twenty-four (24) hours' notice given by telephone, or otherwise, separate electronic and sealed bids will be received on behalf of the City of Bedford, Indiana (the "City") in care of the City's municipal advisor, Crowe LLP, c/o Angie Steeno, 135 North Pennsylvania Street, Suite 200, Indianapolis, Indiana 46204, (317) 269-2367, or via electronic mail to angie.steenocrowe.com, in the manner as set forth herein for the purchase of the bonds of the City designated as "City of Bedford, Indiana, Sewage Works Revenue Bonds, Series 2018" (the "Bonds") in the aggregate principal amount of Six Million Seven Hundred Sixty Thousand and 00/100 Dollars (\$6,760,000), bearing interest at a rate or rates not exceeding six percent (6.0%) per annum.

TYPES OF BIDS ALLOWED. Bidders may submit a sealed bid (e-mail allowed) to the City's Municipal Advisor at the address described above until 10:00 a.m., Eastern Time (Indianapolis Time) on the date identified in the notice given by or on behalf of the City, at least twenty-four (24) hours prior to the sale of the Bonds. It is currently anticipated that sealed bids will be requested to be submitted on November 28, 2018.

Bids may be submitted electronically via PARITY in accordance with this Notice of Intent to Sell, until 10:00 a.m. (Eastern Time) on the date of sale, but no bid will be received after that time. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Intent to Sell, the terms of this Notice of Intent to Sell shall control. For further information about PARITY, potential bidders may contact the Municipal Advisor or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, NY 10018, telephone (212) 849-5021.

FORM, MATURITY AND PAYMENT OF BONDS. Interest on the Bonds shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred and sixty (360)-day year and shall be payable semiannually on January 1 and July 1 in each year, commencing July 1, 2019. The Bonds will be issued as fully registered bonds in either certificated form or in book-entry-only form (as selected by the successful bidder) in denominations of \$5,000 each or any integral multiples thereof, or minimum denominations of \$100,000 each and any multiple of \$1,000 above such minimum denomination, as selected by the successful bidder, not exceeding the aggregate principal amount of such Bonds maturing on the applicable principal payment date, and when issued, will be registered in the name of the successful bidder or, if the successful bidder determines to have such Bonds issued in book-entry-only form, then in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. If Cede & Co. is the registered owner of the Bonds, 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 will be made directly to such registered owner, which will, in turn, remit such payments to the DTC Participants for subsequent disbursement to the Beneficial Owners. The City shall not 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 Bonds. The Bonds shall be numbered consecutively from 2018R-1 upward, shall bear an original issue date which shall be the date the Bonds are issued and shall mature on January 1 on the years and in the amounts as set forth in the below schedule.

<u>Date</u>	<u>Principal</u>
2020	\$ 265,000
2021	280,000
2022	290,000
2023	300,000
2024	305,000
2025	315,000
2026	325,000
2027	335,000
2028	350,000
2029	360,000
2030	370,000
2031	385,000
2032	400,000
2033	415,000
2034	430,000
2035	445,000
2036	465,000
2037	480,000
2038	245,000

As an alternative to part or all of the above series of maturities, the City will consider bids for a term bond or bonds, subject to mandatory sinking fund redemption by lot prior to maturity consistent with the dates and the amounts set forth in the above schedule at a price equal to the principal amount thereof, plus accrued interest to the date of redemption, without premium.

All payments of interest on the Bonds will be paid by check or draft mailed one business day prior to each interest payment date, to the registered owners of the Bonds at the address as it appears on the registration books kept by the Registrar and Paying Agent as of the fifteenth day of the month preceding the interest payment date or at such other address as is provided to the Registrar and/or Paying Agent in writing by such registered owner. Principal on the Bonds will be payable at the principal office of the Paying Agent. Notwithstanding the foregoing, so long as DTC or its nominee is the registered owner of the Bonds, principal of and interest on the Bonds will be paid directly by the Paying Agent to DTC as provided hereinabove.

The Bonds maturing on or after January 1, 2029, shall be redeemable at the option of the City, in whole or in part, on January 1, 2028, or at any time thereafter, in principal amounts and maturities selected by the City, and by lot within any such maturity or maturities as selected by the Registrar, at a redemption price of 100% of the principal amount of each Bond to be redeemed and without premium, plus accrued interest, to the redemption date.

INTEREST RATES. 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 (1.00%). 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 Bonds shall be equal to or greater than the interest rate bid on any and all prior

maturities of Bonds. Although not a term of sale, it is requested that each bid show the net dollar cost to final maturity and the net effective interest rate on the entire issue.

BIDDING DETAILS. Any person interested in submitting a bid for the Bonds must furnish written notice of such intent along with such person's name, address and telephone number, on or before 10:00 a.m., E.T., on November 27, 2018, to Crowe LLP, c/o Angie Steeno, 135 North Pennsylvania Street, Suite 200, Indianapolis, Indiana 46204, (317) 269-2367, or via e-mail to angie.steen@crowe.com (e-mail). The person may also furnish a telex or facsimile number or e-mail address. The City will cause each person so registered to be notified of the date and time bids will be received for the Bonds, 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 telex or facsimile and electronically if a telex or facsimile number or e-mail address has been furnished. No conditional bid or bids for less than ninety-nine percent (99.0%) of the par value of the Bonds will be considered. The City reserves the right to reject any and all bids and to waive any informality in any bid. If no acceptable bid 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 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 shall (i) be sealed in an envelope marked "Bid for City of Bedford, Indiana, Sewage Works Revenue Bonds, Series 2018," (ii) must be on the form approved by the City, without additions, alterations or erasures, which form may be obtained from the City's Municipal Advisor at the address set forth herein; and (iii) delivered to the Municipal Advisor on behalf of the City as required hereinabove.

AMENDMENTS. The City reserves the right to amend any information contained in this Notice of Intent to Sell Bonds. The City also reserves the right to postpone, from time to time, the date established for the receipt of bids on the Bonds. Any such amendment or postponement will be announced at any time prior to the date and time established for the sale. If any date fixed for the sale is postponed, any alternative sale date will be announced at least twenty-four (24) hours prior to such alternative sale date.

BASIS FOR AWARD. The sale of the Bonds will be awarded to the bidder making a bid that conforms to the specifications herein and which produces the lowest Net Interest Cost to the City. The lowest Net Interest Cost is determined by computing the total interest on all of the Bonds to their maturities based upon the schedule provided pursuant hereto and deducting therefrom the premium bid, if any, or adding thereto the amount of any discount. In the event of a bidder's error in interest cost calculations, the interest rates, premium, if any, and discount, if any, set forth or incorporated by reference in the Official Bid Form will be considered as the intended bid.

GOOD FAITH DEPOSIT. The successful bidder will be required to deliver to the City a certified or cashier's check or wire transfer consisting of immediately available funds to the City as instructed by the municipal advisor on behalf of the City, in the amount of Sixty-Seven Thousand Six Hundred and 00/100 Dollars (\$67,600) (the amount of such check or wire transfer being referred to hereinafter as the "Deposit") within 24 hours after the bid is accepted. If a check is submitted, it must be drawn on a bank or trust company which is insured by the Federal Deposit Insurance Corporation. In either case, the Deposit must be submitted to the City within 24 hours after the bid is accepted in order to qualify the bid and shall be made payable to "City of Bedford, Indiana," as a guarantee of the good faith of the bidder.

In the event the bidder to whom the Bonds are awarded shall fail or refuse to comply with the provisions of the bid and this notice, such Deposit shall become the property of the City and shall be taken and considered 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 or other immediately available funds and accept delivery of the Bonds within five (5) 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 of the Bonds. The Bonds will be ready for delivery within sixty (60) 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 good faith check will be returned. Any notice of rescission must be in writing.

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

AUTHORITY, PURPOSE AND SOURCE OF SECURITY. The Bonds are being issued under the provisions of the Indiana Code for the purpose of (i) refunding the City's Sewage Works Revenue Bond Anticipation Notes, Series 2014, (ii) funding a debt service reserve fund, and (iii) paying costs of issuance incidental to the issuance of the Bonds.

The principal of and interest on the Bonds will be payable solely from the net revenues of the City's sewage works. The Bonds do not constitute an indebtedness of the City within the provisions and limitations of the Constitution of the State of Indiana.

BOND DELIVERY. At the time of delivery of the Bonds, the approving opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, bond counsel, as to the validity of the Bonds, together with a transcript of bond proceedings, the printed Bonds and closing certificates in the customary form showing no litigation, will be furnished to the successful bidder 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 (1) under existing law, interest on the Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended, for federal income tax purposes, and (2) the interest on the Bonds is exempt from income taxation in the state of Indiana for all purposes except the state financial institutions tax, the successful bidder shall have the right to rescind the sale, and in such event the good faith deposit will be returned.

If bids are submitted by mail, they should be addressed to the City in care of the municipal advisor at the address listed above.

OFFICIAL STATEMENT AND CONTINUING DISCLOSURE. A copy of the Preliminary Official Statement prepared at the direction of the City may be obtained electronically prior to submission of a bid by request from the Municipal Advisor, Crowe LLP, Attention: Angie Steeno, 135 North Pennsylvania Street, Suite 200, Indianapolis, Indiana 46204, (317) 269-2367, E-mail: angie.steenocrowe.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.

The Preliminary Official Statement, when further supplemented by an addendum or addenda specifying the interest rates of the Bonds and any other information referred to in paragraph (b)(1) of the Rule, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in the Rule. By awarding the Bonds to a successful bidder, the City agrees that, no more than seven (7)

business days after the date of such award, it shall provide to the senior managing underwriter of the syndicate to which the Bonds are awarded an electronic copy of the Official Statement. Any hard copies of the Official Statement shall be provided at the expense of the underwriting syndicate. 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 an Official Bid Form 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.

In order to assist bidders in complying with paragraph (b)(5) of the Rule, the City will undertake, pursuant to the Continuing Disclosure Agreement which shall be delivered to the successful bidder at the closing on the Bonds, to provide annual reports, certain financial information, and notices of certain events as 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.

MISCELLANEOUS. The Purchaser (as defined below) will be required, as a condition of delivery of the Bonds, to certify the “issue price” of the Bonds within the meaning of Section 1273 of the Code.

In the event that the City fails to receive a bid on the Bonds from at least three Underwriters (as hereinafter defined), the City shall so advise the successful bidder for the Bonds (such successful bidder, the “Purchaser”). If the Purchaser is an Underwriter intending to resell all or any portion of the Bonds to the Public (as hereinafter defined), the Purchaser must, prior to acceptance of its bid by the City, either (1) agree in writing to neither offer nor sell any of the Bonds to any person at a price that is higher than the initial offering price for each maturity of Bonds during the Holding Period (as hereinafter defined) for any maturity of the Bonds or (2) request in writing that the City treat the first price at which 10% of a maturity of the Bonds (the 10% test) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis.

For purposes of this Notice, (1) the term “Public” shall mean any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a related party to an Underwriter, (2) the term “related party” means any two or more persons who have greater than 50% common ownership, directly or indirectly, (3) the term “Underwriter” means (a) any person that agrees pursuant to a written contract with the City (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) above 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), (4) the term “Underwriters” means more than one Underwriter, and (5) the term “Holding Period” means the period starting on the Sale Date and ending on the earlier of (a) the close of the fifth business day after the Sale Date or (b) the date on which the Underwriter has sold at least 10% of each maturity of the Bonds to the Public at prices that are no higher than the initial offering price for such maturity of the Bonds. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the City (1) it shall accept such designation and (2) it shall enter into a contractual relationship with all participating underwriters of the Bonds for purposes of assuring the receipt by each such participating underwriter of the Final Official Statement. The Purchaser shall be responsible for providing (1) in writing the initial reoffering prices and other terms, if any, to the Municipal Advisor as and at the time requested and (2) a certification verifying information as to the bona fide initial offering prices of the Bonds to the Public and sales of the Bonds appropriate for determination of the issue price of, and the yield on, the Bonds under the Code, as and at the time requested by Bond Counsel.

Dated this 9th day of November, 2018.

CITY OF BEDFORD, INDIANA

[TO BE PUBLISHED (INCLUDING POSTING ON NEWSPAPER WEBSITE) IN THE *BEDFORD TIMES MAIL* ON NOVEMBER 9 and NOVEMBER 16 AND IN *THE COURT & COMMERCIAL RECORD*, ON NOVEMBER 9 and NOVEMBER 16, IN ACCORDANCE WITH I.C. 5-3-1]