

OFFICIAL NOTICE OF INTENT TO SELL BONDS
CITY OF LAFAYETTE, INDIANA
SEWAGE WORKS REVENUE BONDS OF 2014

Upon not less than twenty-four (24) hours' notice given by telephone or otherwise as provided below, the undersigned Controller of the City of Lafayette, Indiana ("City") will receive and consider bids for the purchase of the bonds described below. Any person interested in submitting a bid for the bonds must furnish in writing to the undersigned Controller of the City, c/o Crowe Horwath LLP, 10 West Market Street, Suite 2000, Indianapolis, IN 46204-2975, (317) 269-6696, or via e-mail to jennifer.wilson@crowehorwath.com, on or before 11:00 a.m. (EDT) on June 13, 2014, the person's name, address, and telephone number. The persons may also furnish an e-mail address. The undersigned Controller 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 e-mail if an e-mail address has been received. Bids may also be submitted via Parity through the use of the i-Deal Bid-Comp System ("Parity"). Bidders may access the sale on Parity until the time specified by telephone, electronic mail or facsimile notice. The sale is expected to take place on or about June 17, 2014.

At the time designated for the sale, the Controller will receive and consider bids for the purchase of the bonds of the City designated as "Sewage Works Revenue Bonds of 2014" (the "2014 Bonds") in the aggregate principal amount of \$10,515,000. Bidders may bid an overall net discount not to exceed 1.0% of the par value of the bonds. The bonds will bear interest at a rate or rates not to exceed 8% per annum (the exact interest rate or rates will be determined by bidding). Interest will be payable semiannually on January 1 and July 1 of each year, beginning on January 1, 2015. Interest will be calculated on a 360-day year consisting of twelve 30-day months. Said bonds will be dated as of their date of delivery, will be in the denominations of \$1,000 or integral multiples thereof and will mature serially on January 1 and July 1 (commencing January 1, 2015 through and including January 1, 2035) and more particularly to be in the years and in the amounts as set forth in the maturity schedule to be provided to prospective bidders at least 24 hours prior to the time of bidding.

All or a portion of each series of the bonds may be issued as one or more term bonds, upon election of the successful bidder. Such term bonds shall have a stated maturity or maturities of January 1 or July 1, in the years as determined by the successful bidder through the final maturity as described above for the bonds. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity at 100% of the principal amount thereof, plus accrued interest to the redemption date, on dates consistent with the above described maturity schedule.

The Bonds will be subject to redemption prior to maturity as set forth in the Official Statement.

Principal is payable at the office of a registrar and paying agent to be designated by the City. Interest shall be paid by check mailed to the registered owners or by wire transfer to depositories. The bonds will be issued in fully registered form.

Each bid must be for all of the bonds and must state the rate or rates of interest in multiples of 1/8 or 1/100 of 1%. Any bids specifying two or more interest rates shall also specify the amount and maturities of the bonds bearing each rate, but all bonds maturing on the same date

shall bear the same single interest rate. The rate on any maturity shall be equal to or greater than the rate on the immediately preceding maturity. The award will be made to the best bidder complying with the terms of sale and offering the lowest net interest cost to the City, to be determined by computing the total interest on all of the bonds to their maturities and adding thereto the discount bid, if any, and deducting therefrom the premium bid, if any. Although not a term of sale, it is requested that each bid show the net dollar interest cost to final maturity and the net effective average interest rate on the entire issue. No conditional bid or, pursuant to the overall net discount restriction set forth in the second paragraph hereof, bids for less than 99% of the par value of the bonds will be considered. The right is reserved to reject any and all bids. In the event no satisfactory bids are received at the time of the sale, the sale will be continued from day to day thereafter, without further advertisement for a period of thirty (30) days during which time no bid which provides a higher net interest cost to the City than the best bid received at the time of the advertised sale will be considered.

The Rules of Parity can be viewed on its website and are incorporated herein by reference. 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. For further information about Parity, potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021.

Each bid not submitted via Parity should be on the form approved by the City, which shall be enclosed in a sealed envelope addressed to the undersigned Controller and marked "Bid for City of Lafayette Sewage Works Revenue Bonds of 2014." 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).

The successful bidder will be notified and instructed to submit a good faith deposit which may consist of either cash, a certified or cashier's check, or a wire transfer in the amount of one percent (1%) of the principal amount of the Bonds ("Deposit") and shall be submitted to the City not later than 3:30 pm (Eastern Time) on the next business day following the award. If a check is submitted, it shall be drawn on a bank or trust company which is insured by the Federal Deposit Insurance Corporation. The Deposit shall be payable to the "City of Lafayette," and shall be held as a guaranty of the performance of the bid. No interest on the Deposit will accrue to the successful bidder. In the event the successful bidder fails to honor its accepted bid, the Deposit will be retained by the City.

The successful bidder will be required to make payment for such bonds in Federal Reserve funds or other immediately available funds and accept delivery of the bonds within five days after being notified that the bonds are ready for delivery, at such bank in the City of Indianapolis, Indiana, or the City, as the purchaser shall designate, or at such other location which may be mutually agreed to by the City and such bidder. It is anticipated that the bonds will be ready for delivery within thirty (30) days after the date of the sale and if not ready for delivery within forty-five (45) days after the sale date, the purchaser shall be entitled to rescind the sale and obtain the return of the Deposit. The successful bidder is expected to apply to a securities depository registered with the SEC to make such bonds depository-eligible. The successful bidder will also

be required to certify as to the price at which a substantial amount of bonds of each maturity was reoffered to the public.

The opinion of Bingham Greenebaum Doll LLP, bond counsel of Indianapolis, Indiana, approving the legality of said bonds, together with a transcript of the bond proceedings, and closing certificates in the usual form showing no litigation, will be furnished to the successful bidder at the expense of the City.

The bonds may be issued by means of a book-entry-only system with no physical distribution of bond certificates made to the public. In this case, one bond certificate for each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. The successful bidder, as a condition of delivery of the bonds, may be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC.

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 bid. 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 City 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 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.

The bonds are being issued under the provisions of Indiana Code 36-9-23 for the purpose of providing funds to be applied to the acquisition, construction and installation of certain additions, extensions and improvements for the City's Sewage Works; to fund a debt service reserve; and to pay expenses incidental to the issuance of the 2014 Bonds. The bonds will be payable solely out of a special fund from the net revenues of the sewage works of the City. In the opinion of Bingham Greenebaum Doll LLP, Indianapolis, Indiana, under existing laws, interest on the 2014 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of such bonds (the "Code"), is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

The bidders agree to make a bona fide public offering of all of the Bonds at prices not in excess of the initial public offering prices. The bonds of the 2014 Bonds may not be reoffered to the public at more than de minimum premium.

The City has outstanding certain: (i) the City of Lafayette, Indiana Sewage Works Refunding Revenue Bonds of 2006, dated October 15, 2006, now outstanding in the aggregate principal amount of \$24,385,000; (ii) the City of Lafayette, Indiana Sewage Works Revenue Bonds of 2008, dated June 4, 2008, now outstanding in the aggregate principal amount of \$3,590,000; (iii) the City of Lafayette, Indiana Sewage Works Revenue Bonds of 2009, dated

September 15, 2009, now outstanding in the aggregate principal amount of \$1,287,000; (iv) the City of Lafayette, Indiana Sewage Works Revenue Bonds of 2013, dated March 7, 2013, now outstanding in the aggregate principal amount of \$22,485,000; and (v) the City of Lafayette, Indiana Sewage Works Refunding Revenue Bonds of 2013, dated May 23, 2013, now outstanding in the aggregate principal amount of \$55,610,000 (collectively, "Outstanding Bonds"). The bonds now being offered will rank on parity with the Outstanding Bonds. The City has reserved the right to issue additional bonds ranking on parity with the bonds now being offered, upon certain terms and conditions specifically set forth in the ordinance authorizing issuance of the bonds.

The City has prepared an Official Statement relating to the bonds which it deems to be nearly final. A copy of the nearly final Official Statement may be obtained from the City's Financial Advisor, Crowe Horwath LLP, 10 West Market Street, Suite 2000, Indianapolis, IN 46204-2975.

Within seven (7) business days of the sale, the City will provide the successful bidder with an electronic copy of the final Official Statement at the City's expense and such printed copies as may be requested, within five (5) business days of the sale, by the successful bidder at the expense of the successful bidder. 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.

In the ordinance approving the bonds and pursuant to a Continuing Disclosure Undertaking Agreement to be delivered by the City upon delivery of the bonds, the City will covenant to comply with Securities and Exchange Commission Rule 15c2-12, as in effect of the date of delivery of the bonds ("Rule 15c2-12"). The City will covenant to provide the most recent annual financial information and operating data relating to the City as described in the Preliminary Official Statement prepared in connection with the sale of the bonds. Further, with respect to the bonds, the City will undertake to provide notice of those material events required by Rule 15c2-12.

Dated this 30th day of May, 2014.

/s/ J. Michael Jones
Controller, City of Lafayette