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*This Preliminary Official Statement is deemed "nearly final"
and is dated August 8, 2019*

In the opinion of Beers Mallery Backs & Salin, LLP, Fort Wayne, Indiana ("Bond Counsel"), under existing laws, regulations, judicial decisions and rulings, interest on the Bonds (hereinafter defined) is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Such exclusion is conditioned on continuing compliance with the Tax Covenants (hereinafter defined). In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana. The Bonds have been designated as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code. See "TAX MATTERS" herein.

\$3,900,000*
TOWN OF FREMONT, STEUBEN COUNTY, INDIANA
SEWAGE WORKS REVENUE BONDS OF 2019

Original Date: Date of Delivery (Anticipated to be September 4, 2019)

Due: March 1 and September 1, as shown below

The Town of Fremont, Indiana, Steuben County, Indiana (the "Town") is issuing \$3,900,000* of Sewage Works Revenue Bonds of 2019 (the "Bonds") for the purpose of paying the costs of certain additions, extensions and improvements (the "Project") to the Town's municipal sewage works (the "Sewage Works"), to fund a portion of the debt service reserve, and to pay issuance expenses.

The Bonds will be issued as provided in Ordinance No. 2016-12 adopted by the Town Council on January 17, 2017 and amended on July 1, 2019 (the "Bond Ordinance" or "Ordinance"). The Bonds are payable solely from and constitute a first charge upon the Net Revenues (hereinafter defined) of the Town's Sewage Works as more fully described in this Official Statement. The Bonds shall not constitute an indebtedness of the Town within the meaning of the provisions and limitations of the constitution of the State of Indiana.

The Bonds will be issued only as fully registered bonds, and when issued, will either be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), or at the option of the winning bidder, be registered to the purchaser. Purchases of beneficial interests in the Bonds will be made in book-entry-only form in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the Bonds. Interest on the Bonds will be payable semiannually on September 1 and March 1 of each year, beginning March 1, 2020. Principal and interest will be disbursed on behalf of the Town by Huntington National Bank, in Indianapolis, Indiana (the "Registrar" and "Paying Agent"). Interest on the Bonds will be paid by check, mailed one business day prior to the interest payment date or by wire transfer to depositories. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent. Interest on, together with the principal of, the Bonds will be paid directly to DTC by the Paying Agent so long as DTC or its nominee is the registered owner of the Bonds, or at the option of the winning bidder, to the purchaser. The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and the Indirect Participants. See "BOOK-ENTRY-ONLY SYSTEM". The Bonds will be subject to optional redemption prior to maturity, as more fully described herein. The Bonds may be issued as "Term Bonds" at the Underwriter's (hereinafter defined) discretion and subject to mandatory sinking fund redemption as more fully described herein.

MATURITY SCHEDULE
(Base CUSIP** _____)

<u>Maturity</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Maturity</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
March 1, 2020	\$70,000				September 1, 2030	\$90,000			
September 1, 2020	70,000				March 1, 2031	90,000			
March 1, 2021	70,000				September 1, 2031	95,000			
September 1, 2021	70,000				March 1, 2032	95,000			
March 1, 2022	75,000				September 1, 2032	95,000			
September 1, 2022	75,000				March 1, 2033	95,000			
March 1, 2023	75,000				September 1, 2033	100,000			
September 1, 2023	75,000				March 1, 2034	100,000			
March 1, 2024	75,000				September 1, 2034	100,000			
September 1, 2024	75,000				March 1, 2035	105,000			
March 1, 2025	80,000				September 1, 2035	105,000			
September 1, 2025	80,000				March 1, 2036	110,000			
March 1, 2026	80,000				September 1, 2036	110,000			
September 1, 2026	80,000				March 1, 2037	110,000			
March 1, 2027	80,000				September 1, 2037	115,000			
September 1, 2027	85,000				March 1, 2038	115,000			
March 1, 2028	85,000				September 1, 2038	120,000			
September 1, 2028	85,000				March 1, 2039	120,000			
March 1, 2029	85,000				September 1, 2039	125,000			
September 1, 2029	90,000				March 1, 2040	125,000			
March 1, 2030	90,000				September 1, 2040	130,000			

*Subject to change. The Town reserves the right to adjust the principal amount and maturity schedule following the sale to accomplish approximately level annual debt service based upon rates bid by the successful bidder.

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This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

INFORMATION FOR BIDDING

Date and Time of Sale: Upon 24 hours' notice. Anticipated to take place on August 20, 2019, at 11:00 a.m. (EST)

Place of Sale: Baker Tilly, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240

Maximum Interest Rate: 5.0%

Minimum Purchase Price:** 99% (\$3,861,000*)

Multiples: 1/8 or 1/100 of 1%, non-descending

Anticipated Closing Date: September 4, 2019

Good Faith Deposit: \$39,000 certified or cashier's check or wire transfer submitted by the winning bidder no later than 3:30 p.m. (EDT) on the business day following the award

Method of Bidding: Electronic bidding by PARITY® or traditional bidding.

Basis of Award: Net Interest Cost (NIC)

Issue Price Determination: See Appendix i (Notice of Intent to Sell Bonds) and Appendix F (Issue Price Determination).

For a complete description of terms and conditions for bidding, please refer to the next section of this Official Statement (Appendix i) for the Notice of Intent to Sell Bonds.

The Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Beers Mallers Backs & Salin, LLP, Fort Wayne, Indiana, Bond Counsel. Certain legal matters will be passed on by Kurt Bachman, Beers Mallers Backs & Salin, LLP, LaGrange, Indiana, as Attorney for the Town. The Bonds are expected to be available for delivery to DTC, in New York, New York on or about September 4, 2019.

THE TOWN IS NOT OBLIGATED TO PAY THE BONDS OR INTEREST THEREON EXCEPT FROM THE NET REVENUES, AS DESCRIBED HEREIN, OF ITS SEWAGE WORKS, AND THE BONDS ARE NOT IN ANY RESPECT A CORPORATE INDEBTEDNESS OF THE TOWN WITHIN THE PROVISIONS AND LIMITATIONS OF THE CONSTITUTION OF THE STATE OF INDIANA.

IN CONNECTION WITH THIS OFFERING THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesman or other person has been authorized by the Town to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Town and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the securities described herein shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date of delivery of the securities described herein to the initial purchaser thereof. However, upon delivery of the securities, the Town will provide a certificate stating there have been no material changes in the information contained in the Final Official Statement since its delivery.

REFERENCES TO WEB SITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEB SITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT FOR THE PURPOSES OF, AND AS THAT TERM IS DEFINED IN, SEC RULE 15C2-12.

*Subject to change.

** Minimum Purchase Price shall mean the par amount of the Bonds less total discount submitted with bid, including any underwriter discount, purchaser discount, original issue discount or any expenses submitted by the bidder which will reduce the amount of bond proceeds to be received by the Town, and adding any amortizable bond premium.

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Appendices:

- i Notice of Intent to Sell Bonds
- A General Information*
- B Accounting Report
- C Bond Ordinance
- D Legal Opinion
- E Continuing Disclosure Undertaking
- F Issue Price Determination

*The General Information section contains information regarding the tax base of the Town; however, NO PROPERTY TAXES ARE PLEDGED TO PAYMENT OF THE BONDS.

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PROJECT PERSONNEL

Names and positions of officials and professionals who have taken part in the planning of the project and bond issue are:

Town Council

Steve Brown, President
Linda Fulton, Vice President
Lon Keyes
Barry Wilcox
Craig Adolph

Clerk-Treasurer

Kathy Parsons

Town Attorney

Kurt R. Bachman
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108 West Michigan Street
LaGrange, Indiana 46761

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Municipal Advisor

Eric J. Walsh
Baker Tilly Municipal Advisors, LLC
112 IronWorks Avenue, Suite C
Mishawaka, Indiana 46544

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This introduction to the Official Statement contains certain information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

PRELIMINARY OFFICIAL STATEMENT

\$3,900,000

TOWN OF FREMONT, STEUBEN COUNTY, INDIANA SEWAGE WORKS REVENUE BONDS OF 2019

INTRODUCTION TO THE OFFICIAL STATEMENT

The Town of Fremont, Steuben County, Indiana, Indiana (the “Town”) is issuing \$3,900,000 of Sewage Works Revenue Bonds of 2019 (the “Bonds”). The Town owns and operates the Sewage Works.

SECURITY AND SOURCES OF PAYMENT

The Bonds are payable from the Net Revenues (defined in the Bond Ordinance as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance and excluding transfers for payment in lieu of property taxes (“PILOTS”)) of the Sewage Works. The Bonds will be issued after final payment on the Sewage Works Revenue Bonds of 2006, dated December 21, 2006, originally issued in the amount of \$1,075,000, currently outstanding in the amount of \$205,000, and maturing annually over a period ending September 1, 2019 (the “2006 Bonds”).

PURPOSE

The Bonds are being issued for the purpose of paying the costs of certain additions, extensions and improvements to the Sewage Works, including various system upgrades and expansions (the “Project”), to fund a portion of the debt service reserve, and to pay issuance expenses. Funding for the Project will be provided from proceeds of the Bonds and interest earnings during construction.

REDEMPTION PROVISIONS

The Bonds are subject to optional redemption beginning September 1, 2028 as more fully described herein. The Bonds may be issued as Term Bonds at the discretion of the Underwriter and in that case, would be subject to mandatory sinking fund redemption as more fully described herein.

DENOMINATIONS

The Bonds are being issued in the denomination of \$5,000 or integral multiple thereof.

REGISTRATION AND EXCHANGE FEATURES

Each registered bond shall be transferable or exchangeable only on such record at the designated corporate trust office of the Registrar and Paying Agent, Huntington National Bank, at the written request of the registered owner thereof or his attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. A description of the registration and exchange features of the Bonds can be found in the Bond Ordinance.

BOOK-ENTRY-ONLY SYSTEM

At the option of the successful bidder, the Bonds may initially be issued and held in book-entry form on the books of the central depository system. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered in the name of Cede & Co. (DTC’s partnership nominee). One fully registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. The Town and the Registrar and Paying Agent may deem and treat the Clearing Agency (Cede & Co.) as the absolute owner and holder of such Bond for all purposes including, without limitation, the receiving of payment of the principal of, premium, if any, and interest on such Bonds,

the receiving of notice and the giving of consent. Interest payable March 1, 2020, and semiannually thereafter, will be paid by check mailed one business day prior to the interest payment date to the registered owner or by wire transfer on the interest payment date to the depository shown as the registered owner (Refer to “Book-Entry-Only System” herein).

PROVISIONS FOR PAYMENT

The principal on the Bonds shall be payable at the designated corporate trust office of the Registrar and Paying Agent, or by wire transfer to DTC or any successor depository. All payments of interest on the Bonds shall be paid by check, mailed one business day prior to the interest payment date to the registered owners as the names appear as of the fifteenth day of the month immediately preceding the interest payment date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Registrar or by wire transfer to DTC or any successor depository. If payment of principal or interest is made to DTC or any successor depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). Payments on the Bonds shall be made in lawful money of the United States of America, which, on the date of such payment, shall be legal tender.

So long as DTC or its nominee is the registered owner of the Bonds, principal and interest on the Bonds will be paid directly to DTC by the Paying Agent. (The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and Indirect Participants, as defined and more fully described herein.)

NOTICES

Notice of redemption shall be mailed to the registered owners of all Bonds, not less than 30 nor more than 45 days prior to the date fixed for redemption.

TAX MATTERS

In the opinion of Beers Mellers Backs & Salin, LLP, Fort Wayne, Indiana (“Bond Counsel”), under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”), for federal income tax purposes, and is not a specific preference item for purposes of the federal alternative minimum tax. Such exclusion is conditioned on continuing compliance with the Tax Covenants (as hereinafter defined). In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana. *See* Appendix D for the form of opinion of Bond Counsel and Tax Matters herein.

The Bonds have been designated as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code.

MISCELLANEOUS

The information contained in this Official Statement has been compiled from Town officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the owners thereof. Additional information may be requested from Kathy Parson, Clerk-Treasurer, Town of Fremont, 205 North Tolford Street, Fremont, Indiana, 46737, phone (260) 495-7805.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the owners of the Bonds.

THE PROJECT

PROJECT DESCRIPTION

The Project includes upgrades and improvements to the wastewater treatment facility to maintain sewage treatment capacity, improve maintenance, replace aging equipment and structures, and continue compliance with state and federal regulations (the “Wastewater Treatment Plant Project”) and upgrades and improvements to pump stations within the sanitary sewer collection system (the “Pump Station Project”) (collectively, the “Project”).

The Wastewater Treatment Plant Project includes headworks structure improvements, new bar screen and grit removal equipment and building, headworks pump station improvements and equipment replacement, aeration tank blowers (replacement of blowers in administration building), aeration tank diffusers, aerobic digester improvements (new blowers, piping and aeration drop pipes, miscellaneous site and drainage improvements (new storm sewer to address stormwater runoff), and final clarifier improvements including covers and valve replacement, UV disinfection equipment replacement, site lighting and new inflow chart meter recorder.

The Pump Station Project includes installation of new equipment including submersible pumps, controls panels and electrical lines, replacement of piping and valves, coating of concrete surfaces and piping, installation of new manhole structures and sewer lines near the left stations, lining of lift station wet wells and discharge manholes, and miscellaneous site work. The construction work and improvements will be within the general vicinity of the existing lift stations that are located in the existing right-of-way and/or right-of-way.

CONSTRUCTION PROGRAM

Construction bids for the Project were received on June 14, 2019. Construction of the Project will begin in August 2019 and is anticipated to be completed in October 2020.

ESTIMATED SOURCES AND USES OF FUNDS

Estimated Uses of Funds:

Estimated Construction Costs:

Wastewater Treatment Plant:

Base bid WWTP improvements	\$1,675,000	
Vortex unit	42,000	
UV upgrades	110,000	
Clarifier covers	31,000	
Site lighting	30,000	
Subtotal		\$1,888,000

Pump Station Rehabilitation:

Base bid pump stations 1 through 4	895,000	
Water street pump station	138,250	
Follet pump station	72,115	
Sanitary manhole coating	15,575	
Subtotal		1,120,940

Construction Contingency 75,000

Total Estimated Construction Costs 3,083,940

Estimated Non-Construction Costs:

Engineering	520,000	
Allowance for bond issuance cost and rounding	90,357	
Debt service reserve	131,703	
Allowance for underwriter's discount (1%)	39,000	
Reimbursement of litigation costs	35,000	
Total Estimated Non-Construction Costs		<u>816,060</u>

Total Estimated Uses of Funds \$3,900,000

Estimated Sources of Funds:

Proposed Sewage Works Revenue Bonds of 2019 \$3,900,000

SCHEDULE OF AMORTIZATION OF \$3,900,000 PRINCIPAL AMOUNT OF
SEWAGE WORKS REVENUE BONDS OF 2019

<u>Payment Date</u>	<u>Principal Outstanding*</u> (-----In Thousands-----)	<u>Principal*</u>	<u>Interest Rates</u> (%)	<u>Interest</u>	<u>Total</u>	<u>Budget Year Total</u>
03/01/2020	\$3,900	\$70				
09/01/2020	3,830	70				
03/01/2021	3,760	70				
09/01/2021	3,690	70				
03/01/2022	3,620	75				
09/01/2022	3,545	75				
03/01/2023	3,470	75				
09/01/2023	3,395	75				
03/01/2024	3,320	75				
09/01/2024	3,245	75				
03/01/2025	3,170	80				
09/01/2025	3,090	80				
03/01/2026	3,010	80				
09/01/2026	2,930	80				
03/01/2027	2,850	80				
09/01/2027	2,770	85				
03/01/2028	2,685	85				
09/01/2028	2,600	85				
03/01/2029	2,515	85				
09/01/2029	2,430	90				
03/01/2030	2,340	90				
09/01/2030	2,250	90				
03/01/2031	2,160	90				
09/01/2031	2,070	95				
03/01/2032	1,975	95				
09/01/2032	1,880	95				
03/01/2033	1,785	95				
09/01/2033	1,690	100				
03/01/2034	1,590	100				
09/01/2034	1,490	100				
03/01/2035	1,390	105				
09/01/2035	1,285	105				
03/01/2036	1,180	110				
09/01/2036	1,070	110				
03/01/2037	960	110				
09/01/2037	850	115				
03/01/2038	735	115				
09/01/2038	620	120				
03/01/2039	500	120				
09/01/2039	380	125				
03/01/2040	255	125				
09/01/2040	130	<u>130</u>				
Totals		<u>\$3,900</u>				

*Subject to change.

SECURITIES BEING OFFERED

AUTHORIZATION AND APPROVAL PROCESS

The Bonds are to be issued under the authority of Indiana law, including, without limitation, Indiana Code Title 36, Article 9, Chapter 23, and Indiana Code Title 5, Article 1, Chapter 11, as in effect on the date of delivery of the Bonds and pursuant to the Bond Ordinance (Appendix C) adopted by the Town of Fremont, Indiana on January 17, 2017 and amended on July 1, 2019.

Prior to issuing revenue bonds, the political subdivision must adopt a bond ordinance to authorize the issuance and sale of the Bonds. The revenues pledged in the bond ordinance must not already be pledged to another bond issue, unless permitted by the terms of the prior issue. The political subdivision prepares a report showing the sufficiency of the proposed revenues to finance the Bonds. With a few exceptions, revenue bonds must be sold through a competitive public sale and may not be negotiated.

The political subdivision may also need to adopt a rate ordinance authorizing a sufficient increase in rates and charges in order to pay debt service on the revenue bonds. Owners of property served by the utility may file a petition objecting to the increased rates and charges. If the petition is filed properly, a court hearing will be set to hear evidence from the political subdivision and the objecting petitioners. The court will confirm the rates and charges set by the political subdivision or the court will set rates and charges they deem appropriate and the political subdivision must follow the decision of the court.

SECURITY AND SOURCES OF PAYMENT

The Bonds are payable solely out of the Net Revenues (defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance and excluding transfers of payment in lieu of property taxes) of the Sewage Works. The Bonds constitute a first charge upon the Net Revenues of the Sewage Works.

The Bonds are further secured by a Debt Service Reserve Account (the "Reserve Account"). It is anticipated that the Reserve Account will be funded partially from Bond proceeds with the remainder of the Reserve Account to be funded over a five-year period from the date of delivery of the Bonds.

The Town irrevocably pledges the Net Revenues of the Sewage Works to the payment of the principal of and interest on the Bonds and any bonds ranking on parity therewith to the extent necessary. The Town covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by the Sewage Works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the Sewage Works and for the payment of the sums required by the Sinking Fund under the provisions of the Bond Ordinance.

The Net Revenues of the Sewage Works that are pledged to payment of the Bonds are fully described in the Bond Ordinance, as is the pledge of net revenues (Section 2), flow of funds (Sections 11 through 14), rate covenant (Section 17), additional bond provisions (Section 19), further covenants of the Town (Section 20), tax covenants (Section 22) and other pertinent matters. Only the Net Revenues of the Sewage Works are pledged as security for the Bonds.

FUNDS AND ACCOUNTS

Construction Account: Accrued interest and any premium received at the time of delivery of the Bonds shall be deposited in the Sewage Works Sinking Fund (hereinafter defined). The remaining proceeds from the sale of the Bonds will be deposited in the Fremont Sewage Works Construction Account (the "Construction Account") and shall be expended only for the purpose of paying the costs of the Project, to pay costs of issuance or otherwise required by the Act. Any balances remaining unexpended in the Construction Account after completion of the Project, which are not required to meet unpaid obligations incurred in connection with the Project, shall either (i) be deposited into the Sinking Fund and used solely for the purposes of the Sinking Fund or (ii) be used for the same purpose or type of Project for which the Bonds were originally issued.

Revenue Fund: All revenues derived from the operation of the Sewage Works and from the collection of sewer rates and charges are deposited in the Revenue Fund.

Operation and Maintenance Fund: On the last day of each calendar month, a sufficient amount of money shall be transferred from the Revenue Fund into the Operation and Maintenance Fund. The balance maintained in the Operation and Maintenance Fund shall be sufficient to pay the expenses of operation, repair and maintenance for the next succeeding two (2) calendar months. Monies credited to the Operation and Maintenance Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expense of the Sewage Works on a day-to-day basis but none of the monies in the Fund shall be used for transfers for payment in lieu of property taxes, depreciation, replacements, improvements, extensions or additions. Monies in the Operation and Maintenance Fund may be transferred to the Sinking Fund in order to prevent a default on any outstanding bonds of the Sewage Works.

Sinking Fund: The Sinking Fund consists of the Bond and Interest Account and Reserve Account. Net Revenues of the Sewage Works shall be credited on the last day of each calendar month to the Bond and Interest Account in an amount equal to at least one-sixth (1/6) of the interest and at least one-sixth (1/6) of the principal on all then outstanding bonds payable on the next succeeding interest and principal payment date until the Bond and Interest Account shall equal the interest and principal payable during the next succeeding six (6) calendar months. The Reserve Account provides the margin for safety against default on the Bonds. The balance to be maintained in the Reserve Account shall equal but not exceed the least of (i) the maximum annual debt service on the Bonds and any parity bonds, (ii) 125% of average annual debt service on the Bonds and any parity bonds or, (iii) 10% of the proceeds of the Bonds and any parity bonds (the "Reserve Requirement"). The Reserve Requirement is anticipated to be funded partially from Bond proceeds with the remainder of the Reserve Account to be funded over a five-year period from the date of delivery of the Bonds. This is in accordance with Section 13 of the Bond Ordinance.

Improvement Fund: The Improvement Fund is to be used for improvements, replacements, additions and extensions of the Sewage Works or for transfers which represent payments in lieu of taxes. Money in the Improvement Fund may be transferred to the Sinking Fund, if necessary, to prevent a default on outstanding bonds, eliminate deficiencies of the Reserve Account, or transferred to the Operation and Maintenance Fund to meet unforeseen contingencies.

See Sections 11-14 of the Bond Ordinance for a complete description of the funds of the Sewage Works.

ADDITIONAL BONDS

The Town reserves the right to authorize and issue additional bonds payable out of the Net Revenues of the Sewage Works ranking on parity with the Bonds for the purpose of financing the cost of future additions, extensions and improvements to the Sewage Works, or to refund obligations. See Section 19 of the Bond Ordinance.

INVESTMENT OF FUNDS

The proceeds of this issue are to be invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly Indiana Code 5-13, and the acts amendatory thereof and supplemental thereto. The Town shall direct the investment of Bond proceeds.

THE BONDS

INTEREST CALCULATION

Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

REDEMPTION PROVISIONS

Optional Redemption:

The Bonds maturing on or after March 1, 2029 are redeemable prior to maturity at the option of the Town in whole or in part in any order of maturity as determined by the Town and by lot within maturities, on any date not earlier than September 1, 2028, at face value plus accrued interest to the date fixed for redemption and without any redemption premium.

Mandatory Sinking Fund Redemption:

If any Bonds are issued as Term Bonds, the Paying Agent shall credit against the mandatory sinking fund requirement for the Term Bonds, and corresponding mandatory redemption obligation, in the order determined by the Town, any Term Bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Paying Agent for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Term Bond so delivered or canceled shall be credited by the Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of that Term Bond to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall only credit such Term Bond to the extent received on or before 45 days preceding the applicable mandatory redemption date.

If fewer than all the Bonds are called for redemption at one time, the Bonds shall be redeemed in order of maturity determined by the Town and by lot within maturity. Each \$5,000 principal amount shall be considered a separate bond for purposes of optional and mandatory redemption. If some Bonds are to be redeemed by optional and mandatory sinking redemption on the same date, the Paying Agent shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

Notice of Redemption:

Notice of redemption shall be mailed to the registered owners of all Bonds to be redeemed at least 30 days prior to the date fixed for such redemption, unless notice is waived by the owner of the Bond or Bonds redeemed. If any of the Bonds are so called for redemption, and payment therefore is made to the Paying Agent in accordance with the terms of the Bond Ordinance, then such Bonds shall cease to bear interest from and after the date fixed for redemption in the call.

BOOK-ENTRY-ONLY SYSTEM

Unless otherwise directed by the successful bidder, the Bonds will be available only in book-entry form in the principal amount of \$5,000 or any integral multiple thereof. DTC will act as the initial securities depository for the Bonds. The ownership of one fully registered Bond for each maturity of the Bonds will be registered in the name of Cede & Co., as nominee for DTC, or at the election of the winning bidder, to the purchaser.

SO LONG AS CEDE & CO, AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS (OR THE OWNERS) WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust

companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, interest and redemption amounts, if any, on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Town or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC (nor its nominee), the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but neither the Town nor the Underwriter takes any responsibility for the accuracy thereof.

In the event that the book-entry-only system is discontinued, the Paying Agent will provide for the registration of the Bonds in the name of the Beneficial Owners thereof. The Town, the Registrar, Paying Agent and any other Fiduciary would treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other purposes, and none of these parties would be bound by any notice or knowledge to the contrary.

Revision of Book-Entry-Only System:

In the event that either (1) the Town receives notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a clearing agency for the Bonds or (2) the Town elects to discontinue its use of DTC as a clearing agency for the Bonds, then the Town and the Paying Agent will do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to discontinue use of DTC as a clearing agency for the Bonds and to transfer the ownership of each of the Bonds to such person or persons, including any other clearing agency, as the holder of such Bonds may direct in accordance with the Ordinance. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the Bonds will be paid by the Town.

CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the "SEC Rule"), the Town will enter into a Continuing Disclosure Undertaking (the "Undertaking"), in connection with the sale of the Bonds. **The Town represents that no Obligated Person is an obligated person (within the meaning of the SEC Rule) with respect to more than \$10,000,000 in aggregate amount of outstanding municipal securities including the Bonds and excluding municipal securities that were offered in a transaction exempt from the SEC Rule pursuant to paragraph (d)(1) of the SEC Rule.** Pursuant to the terms of the Undertaking, the Town agrees to provide the information detailed in the Undertaking, the form of which is attached hereto as Appendix E.

The Town may, from time to time, amend or modify the Undertaking without the consent of or notice to the owners of the Bonds if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Town, or type of business conducted; (ii) the Undertaking, as so amended or modified, would have complied with the requirements of the SEC Rule on the date of execution of the Undertaking, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances; and (iii) such amendment or modification does not materially impair the interests of the holders of the Bonds, as determined either by (A) nationally recognized bond counsel or (B) an approving vote of the holders of the Bonds pursuant to the terms of the Resolution or Trust Indenture at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds the Undertaking) is permitted by the SEC Rule, then in effect.

The Town may, at its sole discretion, utilize an agent in connection with the dissemination of any annual financial information required to be provided by the Town pursuant to the terms of the Undertaking.

The purpose of the Undertaking is to enable the Underwriter to purchase the Bonds by providing for an undertaking by the Town in satisfaction of the SEC Rule. The Undertaking is solely for the benefit of the owners of the Bonds and creates no new contractual or other rights for the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other obligated persons or any other third party. The sole remedy against the Town for any failure to carry out any provision of the Undertaking shall be for specific performance of the Town's disclosure obligations under the Undertaking and not for money damages of any kind or in any amount or any other remedy. The Town's failure to honor its covenants under the Undertaking shall not constitute a breach or default of the Bonds, the Bond Ordinance or any other agreement.

In order to assist the Underwriter in complying with the Underwriter's obligations pursuant to SEC Rule, the Town represents that in the previous five years it has not fully complied with its previous undertakings including, but not limited to, the following instances:

Unaudited annual financial information data for the calendar year ending December 31, 2014 was filed timely, but was not linked to the Town's Sewage Works Refunding Revenue Bonds of 2004 (the "2004 Sewage Bonds"). Debt schedules required as part of the operating data for calendar year 2013 was not filed and debt schedules required as part of the operating data for calendar years 2014 and 2015 were incomplete with respect to the First Mortgage Bonds, Series 2004 Bonds (the "Series 2004 Bonds"). Certain schedules required as part of the operating data for calendar years 2013 through 2015 were not filed with respect to the 2004 Sewage Bonds. The Town has since filed such information with the exception of operating data required to be filed with respect to the 2004 Sewage Bonds, as the 2004 Sewage Bonds matured in 2015 and the continuing disclosure obligations with respect to the 2004 Sewage Bonds are no longer in effect.

The Town makes no representation as to any potential materiality of such prior instances, as materiality is dependent upon individual facts and circumstances. The Town has instituted procedures for ongoing compliance with such previous undertakings thereafter. The Town has retained London Witte Group as its dissemination agent.

BOND RATING

S&P Global Ratings ("S&P Global") has assigned a bond rating of "A-" to the Bonds. Such rating reflects only the view of S&P Global and any explanation of the significance of such rating may only be obtained from S&P Global.

The rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by S&P Global. Any downward revision or withdrawal of the rating may have an adverse effect upon the market price of the Bonds.

The Town did not apply to any other rating service for a rating on the Bonds.

UNDERWRITING

The Bonds are being purchased by _____ (the "Underwriter") at a purchase price of \$ _____, which is the par amount of the Bonds of \$ _____ less the underwriter's discount of \$ _____ plus the original issue premium of \$ _____. The Notice of Intent to Sell Bonds provides that all of the Bonds will be purchased by the Underwriter if any of such Bonds are purchased.

The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the cover page of this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Underwriter.

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC (successor to H.J. Umbaugh & Associates, Certified Public Accountants, LLP) (the "Municipal Advisor" or "Baker Tilly") is a registered municipal advisor and a wholly-owned subsidiary of Baker Tilly Virchow Krause, LLP, an accounting firm and has been retained by the Town to provide certain financial advisory services including, among other things, preparation of the deemed "nearly final" Preliminary Official Statement and the Final Official Statement (the "Official Statements"). The information contained in the Official Statements has been compiled from records and other materials provided by Town officials and other sources deemed to be reliable. The Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements.

The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the Town and they have no secondary obligations or other responsibility. The Municipal Advisor's fees are expected to be paid from proceeds of the Bonds.

Municipal Advisor Registration:

Baker Tilly is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, Baker Tilly is providing certain specific municipal advisory services to the Town, but is neither a placement agent to the Town nor a broker/dealer and cannot participate in the underwriting of the Bonds.

The offer and sale of the Bonds shall be made by the Town, in the sole discretion of the Town, and under its control and supervision. The Town has agreed that Baker Tilly does not undertake to sell or attempt to sell the Bonds, and will take no part in the sale thereof.

On March 1, 2019, H.J. Umbaugh & Associates, Certified Public Accountants, LLP (“Umbaugh”) effected a business combination with Baker Tilly Virchow Krause, LLP, a financial services and accounting firm (“Umbaugh/Baker Tilly Combination”). Baker Tilly Virchow Krause, LLP also combined with Springsted Incorporated and Springsted Investment Advisors Inc. effective the second quarter of 2019. As part of the Umbaugh/Baker Tilly Combination, (a) the Town consented to the assignment of its engagement to perform municipal advisory services from Umbaugh to Baker Tilly and (b) Umbaugh’s former municipal advisor representatives became representatives of Baker Tilly.

Other Financial Industry Activities and Affiliations:

Baker Tilly Investment Services, LLC (“BTIS”) is registered as an investment adviser with the Securities and Exchange Commission (“SEC”) under the federal Investment Advisers Act of 1940. BTIS provides non-discretionary investment advice with the purpose of helping clients create and maintain a disciplined approach to investing their funds prudently and effectively. BTIS may provide advisory services to the clients of Baker Tilly.

Baker Tilly Virchow Krause, LLP is an advisory, tax and assurance firm headquartered in Chicago, Illinois. Baker Tilly Virchow Krause, LLP and its affiliated entities, have operations in North America, South America, Europe, Asia and Australia. BTIS is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms in 47 territories, with 33,600 professionals.

Baker Tilly Capital, LLC, a wholly-owned subsidiary of Baker Tilly Virchow Krause, LLP is a limited purpose broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority (“FINRA”). Certain representatives of Baker Tilly or BTIS also may be registered representatives of Baker Tilly Capital, LLC.

Baker Tilly has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

LEGISLATIVE PROPOSALS

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Legislation affecting municipal bonds is considered from time to time by the United States Congress and the Executive Branch, including some proposed changes under consideration at the time of issuance of the Bonds. Bond Counsel’s opinion is based upon the law in existence on the date of issuance of the Bonds. It is possible that legislation enacted after the date of issuance of the Bonds or proposed for consideration will have an adverse effect on the excludability of all or a part of the interest on the Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market price of the Bonds.

Legislation affecting municipal bonds is considered from time to time by the Indiana legislature and Executive Branch. It is possible that legislation enacted after the date of the Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the Bonds.

The Town cannot predict the outcome of any such federal or state proposals as to passage, ultimate content or impact if passed, or timing of consideration or passage. Purchasers of the Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

TAX MATTERS

In the opinion of Beers Mallery Backs & Salin, LLP, Fort Wayne, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, the interest on the Bonds is excludable for federal tax income purposes from gross income under Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), and is not a specific preference item for purposes of the federal alternative minimum tax. Such exclusion is conditioned on continuing compliance by Town with the Tax Covenants (as hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Bonds to lose the exclusion from gross income for federal income taxation retroactive to the date of issue. In the opinion of Beers Mallery Backs & Salin, LLP, Fort Wayne, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana ("State"). See Appendix D for the form of Bond Counsel opinion.

The Code imposes certain requirements which must be met subsequent to the issuance of the Bonds as a condition to the exclusion from gross income of interest on the Bonds for federal income tax purposes. The Town will covenant not to take any action, within its power and control, nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code (collectively, "Tax Covenants"). The Ordinance and certain certificates and agreements to be delivered on the date of delivery of the Bonds establish procedures to permit compliance with the requirements of the Code. It is not an event of default under the Ordinance if interest on the Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not in effect on the issue date of the Bonds.

IC 6-5.5 imposes a franchise tax on certain taxpayers (as defined in IC 6-5.5) which, in general, include all corporations which are transacting the business of a financial institution in Indiana. The franchise tax is measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code. Taxpayers should consult their own tax advisors regarding the impact of this legislation on their ownership of the Bonds.

Although Bond Counsel will render an opinion in the item attached as Appendix D hereto, the accrual or receipt of interest on the Bonds may otherwise affect a bondholder's federal income tax or state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, individuals, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors with regard to the federal and State tax consequences of owning the Bonds.

Under existing laws, judicial decisions, regulations and rulings, the Bonds have been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the exception from the 100% disallowance of the deduction for interest expense allocable to interest on tax-exempt obligations acquired by financial institutions. The designation is conditioned on continuing compliance with the Tax Covenants.

ORIGINAL ISSUE DISCOUNT

The initial public offering price of the Bonds maturing on _____ through and including _____ (collectively, the "Discount Bonds") is less than the principal amount payable at maturity. As a result the Discount Bonds will be considered to be issued with original issue discount. A taxpayer who purchases a Discount Bond in the initial public offering at the price listed on the cover page thereof (assuming a substantial amount of such Discount Bond was sold at such price) and who holds such Discount Bond to maturity may treat the full amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes and will not, under present federal income tax law, realize taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period (or shorter period from the date of the original issue) ending on March 1 and September 1 (with straight line interpolation between compounding dates).

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner's tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). Owners of Discount Bonds who dispose of Discount Bonds prior to maturity should consult their tax advisors concerning the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

As described above in "Tax Matters," the original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. Owners of any Discount Bonds should be aware that the accrual of original issue discount in each year may result in a tax liability from these collateral tax consequences even though the owners of such Discount Bonds will not receive a corresponding cash payment until a later year.

Owners who purchase Discount Bonds in the initial public offering but at a price different from the prices listed on the cover page hereof should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discount Bonds. It is possible under the applicable provisions governing the determination of state or local income taxes accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

AMORTIZABLE BOND PREMIUM

The initial offering price of the Bonds maturing on _____ through and including _____ (collectively, the "Premium Bonds"), is greater than the principal amount payable at maturity or call date. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the "Bond Premium"). An owner who acquires a Premium Bond in the initial offering will be required to adjust the owner's basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds (including sale, redemption or payment at maturity or call). The amount of amortizable Bond Premium will be computed on the basis of the owner's yield to maturity, with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of Premium Bonds and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities are found at Section 75 of the Code. Dealers in tax-exempt securities are urged to consult their own tax advisors concerning treatment of Bond Premium.

LITIGATION

A lawsuit was filed in the Steuben Superior Court on February 15, 2019 by the Steuben Lakes Regional Waste District (the "SLRWD") against the Town under Cause No.: 76D01-1902-PL-000077 (the "Lawsuit"). The Lawsuit seeks declaratory relief by the SLRWD in the form of a Court order determining that a certain Interlocal Agreement dated

September 19, 2006 between SLRWD and the Town and governing the Town's acceptance and treatment of SLRWD's wastewater delivered to the Town's Sewage Works through a sanitary sewer line referred to as the North Snow Base/Fremont Extension (the "Extension") is terminable at-will, subject to reasonable notice. The complaint states that upon completion of a new sewage works extension by the SLRWD, the SLRWD intends to terminate the Interlocal Agreement and connect those users connected to the Extension to the SLRWD's new sewage works extension for treatment by the SLRWD. The Town has been providing sewage treatment services to the SLRWD pursuant to the Interlocal Agreement since on or about September 19, 2006. The complaint filed by the SLRWD contains no prayer for damages or attorneys' fees.

To the knowledge of the officers and counsel for the Town, there is no litigation pending or threatened, against the Town, which in any way questions or affects the validity of the Bonds, or any proceedings or transactions relating to the issuance, sale or delivery thereof. Other than the Lawsuit, to the knowledge of the officers and counsel for the Town, there is no litigation pending or threatened, against the Town, which in any way questions or affects the collection of revenues of the Sewage Works, or the pledge of Net Revenues to the payment of the Bonds.

The officers and counsel for the Town will certify at the time of delivery of the Bonds that there is no litigation pending or in any way threatened questioning the validity of the Bonds, or any of the proceedings had relating to the authorization, issuance and sale of the Bonds, the Bond Ordinance or the Project.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Beers Mallers Backs & Salin, LLP, Fort Wayne, Indiana, Bond Counsel, whose approving opinion will be available at the time of delivery of the Bonds. Beers Mallers Backs & Salin, LLP has not been asked nor has it undertaken to review the accuracy or sufficiency of this Official Statement, and will express no opinion thereon. The form of opinion of Bond Counsel is included as Appendix D of this Official Statement.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The remedies available to the bondholders upon a default under the Bond Ordinance are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies provided in the Bond Ordinance may not be readily available or may be limited. Under federal and State environmental laws certain liens may be imposed on property of the Town from time to time, but the Town has no reason to believe, under existing law, that any such lien would have priority over the lien on the Net Revenues pledged to the payment of debt service of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the Town, the State of Indiana and the United States of America and bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

These exceptions would encompass any exercise of federal, State or local police powers (including the police powers of the Town), in a manner consistent with the public health and welfare. Enforceability of the Bond Ordinance in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

The Town certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the Town and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

This Official Statement and its execution are duly authorized.

TOWN OF FREMONT, INDIANA

By: 
President, Town Council

Attest: 
Clerk-Treasurer

APPENDIX i

OFFICIAL NOTICE OF INTENT TO SELL BONDS
TOWN OF FREMONT, INDIANA
SEWAGE WORKS REVENUE BONDS OF 2019

Upon not less than twenty-four (24) hours' notice given prior to the ninetieth (90th) day after this notice is first published, the Town of Fremont, Indiana (the "Town") 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 Town, % Baker Tilly Municipal Advisors, LLC, 8365 Keystone Crossing, Suite 300, P.O. Box 40458, Indianapolis, Indiana 46240-0458; (317) 465-1500 or via e-mail to eric.walsh@bakertilly.com and bids@bakertilly.com, on or before 11:00 a.m. (EDT) on August 19, 2019, the person's name, address, and telephone number. Interested persons may also furnish an e-mail address. Bids may also be submitted electronically via PARITY® in accordance with this notice, until the time and date identified in 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 Baker Tilly Municipal Advisors, LLC, at the address set forth above, or PARITY at (212) 849-5021. The undersigned Clerk-Treasurer 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 by e-mail if an e-mail address has been received. It is anticipated that the sale will occur on August 20, 2019.

At the time designated for the sale, the Town will receive at the offices of Baker Tilly Municipal Advisors, LLC, 8365 Keystone Crossing, Suite 300, P.O. Box 40458, Indianapolis, Indiana 46240-0458; (317) 465-1500, or by e-mail to bids@bakertilly.com, and consider bids for the purchase of the following described Bonds:

Town of Fremont, Indiana, Sewage Works Revenue Bonds of 2019 (the "Bonds"),
in the principal amount of Three Million Nine Hundred Thousand Dollars
(\$3,900,000).

The Bonds shall be in 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, and payable on March 1 and September 1 of each year beginning March 1, 2020; interest shall be calculated on the basis of a three hundred sixty (360) - day year comprised of twelve (12) thirty (30) - day months; interest payable by check mailed one (1) 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 as of the fifteenth day of the month preceding each interest payment date; maturing or subject to mandatory redemption on March 1 and September 1 beginning on March 1, 2020, through and including not later than September 1, 2040, on the dates and amounts as provided by the Town prior to the sale. The Town reserves the right to adjust the maturity schedule following the sale in order to accomplish approximately level annual debt service based upon the rates bid by the successful bidder.

A bid may designate that a given maturity or maturities of the Bonds shall constitute a term bond, and the semi-annual amounts set forth in the schedules provided for the Bonds 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 schedules provided for the Bonds. The Bonds maturing on and after March 1, 2029 may be redeemed, prior to maturity, at the option of the Town, in whole or in part, in such order of maturity as the Town shall direct and, by lot, within maturities (each \$5,000 of principal shall be considered as a bond for this purpose), on any date not earlier than September 1, 2028, at face value and without premium, plus in each case accrued interest to the date fixed for redemption.

Each bid, including bids submitted via PARITY®, 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 5.0% 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% 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 Town, to be determined by computing the total interest on all of the Bonds to their maturities based upon the schedules provided by the Town 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, 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 not submitted via PARITY® must be on a customary bid form which shall be either enclosed in a sealed envelope addressed to the undersigned Clerk-Treasurer, or sent via e-mail to bids@bakertilly.com and marked "Bid for Town of Fremont Revenue Bonds of 2019". The successful bidder (the "Purchaser") will be notified and instructed to submit a good faith deposit ("Deposit") in the form of cash, certified or cashier's check or wire transfer in the amount of one percent (1%) of the aggregate principal amount of the Bonds. If a check is submitted, it shall be drawn on a bank or trust company which is insured by the Federal Deposit Insurance Corporation and shall be submitted to the Town (or wire transfer such amount as instructed by the Town) by the Purchaser not later than 3:30 p.m. (EDT) on the next business day following the award. If such Deposit is not received by that time, the Town 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 Town as liquidated damages.

The Purchaser shall make payment for the Bonds to the registrar (the "Registrar") for the Bonds and accept delivery thereof from the Registrar within five (5) days after being notified that the Bonds are ready for delivery. It is anticipated that the Bonds will be ready for delivery within thirty (30) days after the date of sale. If the Town fails to have the Bonds ready for

delivery prior to the close of banking hours on the forty-fifth (45th) day after the date of sale, the bidder may secure the release of his bid upon request in writing, filed with the Town. The Purchaser is expected to apply to a securities depository registered with the Securities and Exchange Commission (SEC) to make such Bonds depository-eligible. If the Bonds are reoffered, the successful bidder will also be required to certify to the Town the initial reoffering price to the public of a substantial amount of each maturity of the Bonds.

All provisions of the bid form and Preliminary Official Statement (as hereinafter defined) are incorporated herein. As set forth in the Preliminary Official Statement, the Purchaser agrees by submission of their bid to assist the Town in establishing the issue price of the Bonds under the terms outlined therein and shall execute and deliver to the Town at closing an “issue price” certificate, together with supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgement of the Purchaser, the Town, and bond counsel.

The Bonds may be initially issued in a Book-Entry-Only system with no physical distribution of bond certificates made to the public. In this case, one bond certificate will be issued for each maturity in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), and immobilized in its custody. The Purchaser, 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 Purchaser therefore 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 Town 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 Town; 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 Beers Mellers Backs & Salin, LLP, bond counsel of Fort Wayne, 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 Purchaser at the expense of the Town.

The Bonds are being issued under the provisions of I.C. §36-9-23, and an Ordinance adopted by the Town on January 17, 2017 and amended on July 1, 2019. The Bonds are being issued for the purpose of paying the costs of certain additions, improvements and extensions to the sewage works of the Town, to fund a portion of a debt service reserve fund, and to pay the related incidental expenses to be incurred in connection therewith and on account of the issuance of the Bonds. The Bonds are a special indebtedness of the Town payable solely from the Sewage Works Sinking Fund (the “Sinking Fund”), to be provided from the net revenues (such net

revenues being the gross revenues of the sewage works remaining after deduction only for the payment of the reasonable expenses of operation, repair and maintenance, excluding transfers for payment in lieu of property taxes) of the sewage works of the Town. The Town has reserved the right to issue additional bonds ranking on a parity with the Bonds now being offered, upon certain terms and conditions specifically set forth in the Ordinance authorizing issuance of the Bonds. The Town shall not be obligated to pay the Bonds or the interest thereon except from the above-described Sinking Fund, and the Bonds shall not in any respect constitute a corporate indebtedness of the Town, within the provisions and limitations of the constitution of the State of Indiana. All bidders shall be deemed to be advised as to the provisions of the above-mentioned Ordinance and the aforesaid I.C. §3-9-23.

In the opinion of bond counsel, under the federal statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is excludable from gross income for purposes of federal income taxation. The Bonds are subject to the Internal Revenue Code of 1986 as in effect on the date of their issuance (“Code”) which imposes limitations on the issuance of obligations like the Bonds under federal tax law. The Town has covenanted to comply with those limitations to the extent required to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes. The Town has designated the Bonds for purposes of Section 265(b)(3) of the Code to qualify for the \$10,000,000 annual exception from 100% disallowance, in the case of banks and other financial institutions, of the deduction for interest expense allocable to tax-exempt obligations.

The Town has prepared a Preliminary Official Statement (the “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 Baker Tilly Municipal Advisors, LLC, 8365 Keystone Crossing, Suite 300, P.O. Box 40458, Indianapolis, Indiana 46240-0458. Within seven (7) business days of the sale, the Town will provide the Purchaser with up to twenty (20) copies of the Final Official Statement (the “Final Official Statement”) at the Town'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 Preliminary Official Statement must be made and pricing and other information necessary to complete the Final Official Statement must be submitted by the Purchaser within two (2) business days following the sale to be included in the Final Official Statement.

The Town has agreed to enter into a Continuing Disclosure Undertaking Agreement in order to permit the Purchaser to comply with the SEC Rule 15(c)2-12, as amended to the date hereof. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement. The Continuing Disclosure Undertaking Agreement will be executed and delivered by the Town at the closing of the issuance of the Bonds.

Further information relative to the Bonds and a copy of the Preliminary Official Statement may be obtained upon application to Baker Tilly Municipal Advisors, LLC, 8365 Keystone Crossing, Suite 300, P.O. Box 40458, Indianapolis, Indiana 46240-0458. If bids are submitted by mail, they should be addressed to the Town, attention Baker Tilly Municipal

Advisors, LLC, 8365 Keystone Crossing, Suite 300, P.O. Box 40458, Indianapolis, Indiana 46240-0458.

Dated this 29th day of July, 2019.

Kathy Parsons, Clerk-Treasurer

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APPENDIX A

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*The General Information section contains information regarding the tax base of the Town of Fremont; however, NO PROPERTY TAXES ARE PLEDGED TO PAYMENT OF THE BONDS.

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TOWN OF FREMONT, INDIANA

SYSTEM OVERVIEW

The Town of Fremont (the “Town”) operates a municipal Sewage Works, providing services to 928 users both inside and outside the Town. The wastewater treatment plant was built in 1952 and the collection system was completed in 1954. The treatment plant is an extended aeration type and can treat up to 900,000 gallons of wastewater per day. The separated sanitary sewer collection system includes ten lift stations and 16 miles of sewers ranging from a 2.5-inch forced main pipe to a 10-inch gravity main. The last major improvement to the system was in 2004 with the addition of a belt press and a press building.

Annual Sewage Works Flow Data					
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Capacity (GPD)	900,000	900,000	900,000	900,000	900,000
Average Daily Flow (GPD)	256,000	281,000	300,000	299,000	290,000
Peak Flow (GPD)	768,000	590,000	517,000	408,000	749,000

RATES

The rates for the Sewage Works are set and approved by the Town Council. The last rate increase was adopted March 20, 2017.

RATE HISTORY

<u>Year</u>	<u>Date Approved</u>	<u>Ordinance</u>	<u>Bill – 4,000 Gallons</u>	
			<u>Inside Town Limits</u>	<u>Outside Town Limits</u>
2006	November 21, 2006	2006-21	\$20.16	\$30.24
2012	January 17, 2012	2012-01	\$22.88	\$34.32
2013	January 17, 2012	2012-01	\$23.24	\$34.88
2014	January 17, 2012	2012-01	\$22.68	\$35.60
2015	January 17, 2012	2012-01	\$24.20	\$36.40
2018	March 20, 2017	2017-01	\$33.04	\$49.52

Approved by the Town Council.

DEBT SERVICE COVERAGE

<u>Year</u>	<u>Net Revenues</u>	<u>Debt Service</u>	<u>Coverage</u>
2014	\$227,133	\$211,961	107%
2015	\$289,725	\$209,299	138%
2016	\$261,737	\$211,351	124%
2017	\$248,926	\$214,151	116%
2018	\$374,038	\$211,551	177%

Source: Historical Financial Statements.

USER CONNECTIONS

Based upon information provided by utility billing personnel, the number of Sewage Works customers is reported as follows:

<u>Year</u>	<u>Number of Customers</u>
2009	906
2010	894
2011	890
2012	898
2013	920
2014	911
2015	922
2016	916
2017	922
2018*	928

* As of December 31, 2018.

CUSTOMER USE

<u>Percent of Total Consumption</u>				
	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Other*</u>
2014	33.27%	30.09%	16.52%	20.12%
2015	33.04%	28.84%	18.57%	19.55%
2016	34.78%	25.03%	19.14%	21.05%
2017	35.98%	26.93%	15.01%	22.08%
2018	35.81%	25.13%	15.83%	23.23%

<u>Percent of Total Revenues</u>				
	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Other*</u>
2014	32.59%	30.53%	12.57%	24.31%
2015	33.06%	29.10%	14.13%	23.71%
2016	34.24%	25.64%	14.63%	25.49%
2017	35.78%	26.72%	11.36%	26.14%
2018	35.16%	25.20%	11.90%	27.74%

*Includes Government, Educational and Church.

LARGE USERS

The following is a list of the ten largest users of the Sewage Works, according to the utility records. Total billed revenue for the twelve months ended December 31, 2018 was \$866,502. The ten largest users as presented below accounted for approximately 44 percent of billed revenue.

<u>Name</u>	<u>Type of Business</u>	<u>Twelve Months Ended December 31, 2018</u>		
		<u>Usage (Gallons)</u>	<u>Billed Revenue</u>	<u>%</u>
Town of Clear Lake (1)	Municipality	12,747,000	\$148,680	17.16%
Steuben Lakes Regional Waste District (2)	Waste district	5,316,000	61,414	7.09%
New Horizons Baking Company, Inc.	Commercial baker	5,709,000	38,134	4.40%
Pilot Travel Center	Gas station	3,468,000	34,491	3.98%
Cardinal IG Company /Cardinal Glass Industries	Mfg. insulated windows	3,355,000	22,378	2.58%
Holiday Inn Express	Hotel	2,040,000	20,505	2.37%
Cold Heading Co.	Mfg. automotive bolts and fasteners	2,080,000	13,751	1.59%
Fremont Hotels, LLC	Hotel	1,338,000	13,556	1.56%
Dutt Hospitality, Inc.	Hotel	1,292,000	12,694	1.46%
Fremont Community Jr/Sr High School	Public education	<u>1,858,000</u>	<u>12,112</u>	<u>1.40%</u>
Totals		<u>39,203,000</u>	<u>\$377,715</u>	<u>43.59%</u>

(1) On March 29, 2017 the Town of Clear Lake filed a petition with the Indiana Utility Regulatory Commission (“IURC”) in Cause No. 44925 seeking review of the rates and charges to them. On June 21, 2017 Fremont filed a motion to dismiss the petition for lack of jurisdiction. On November 21, 2017 the IURC granted Fremont’s motion to dismiss Clear Lake’s petition. Fremont has been charging Clear Lake the rates in accordance with Ordinance No. 2017-01 since May 2018 and in March 2019 Clear Lake was reclassified from Class I to Class II rates.

(2) A lawsuit was filed in the Steuben Superior Court on February 15, 2019 by the Steuben Lakes Regional Waste District (the “SLRWD”) against the Town under Cause No.: 76D01-1902-PL-000077 (the “Lawsuit”). The Lawsuit seeks declaratory relief by the SLRWD in the form of a Court order determining that a certain Interlocal Agreement dated September 19, 2006 between SLRWD and the Town and governing the Town’s acceptance and treatment of SLRWD’s wastewater delivered to the Town’s Sewage Works through a sanitary sewer line referred to as the North Snow Base/Fremont Extension (the “Extension”) is terminable at-will, subject to reasonable notice. The complaint states that upon completion of a new sewage works extension by the SLRWD, the SLRWD intends to terminate the Interlocal Agreement and connect those users connected to the Extension to the SLRWD’s new sewage works extension for treatment by the SLRWD. The Town has been providing sewage treatment services to the SLRWD pursuant to the Interlocal Agreement since on or about September 19, 2006. The complaint filed by the SLRWD contains no prayer for damages or attorneys’ fees.

GENERAL PHYSICAL AND DEMOGRAPHIC INFORMATION

LOCATION

The Town of Fremont is located in Steuben County in the northeastern corner of Indiana. Steuben County (the "County") is bordered to the north by the Michigan State line and to the east by the Ohio State line. The Town is approximately 50 miles north of Fort Wayne, 175 miles Northeast of Indianapolis, 135 miles southwest of Detroit, Michigan, and 160 miles east of Chicago, Illinois.

GENERAL CHARACTERISTICS

The Town is located three miles east of Interstate 69 and three miles from the Indiana Toll Road (I 80-90). U.S. Highway 20 is eight miles south of the Town, while U.S. 12 is fifteen miles to the north. The Town is intersected by Indiana highways 120 and 827.

The Town has a park system, which offers recreational activities to area residents. There are approximately 100 natural lakes within Steuben County, with many offering public boat launches and beaches. Pokagon State Park is located just outside of Fremont on the shores of Lake James and Snow Lake.

Library services are available to the Town's area residents through the Fremont Public Library. Numerous cultural and athletic attractions are offered through Trine University in the nearby City of Angola. Visitors to Fremont and the immediate area have access to four hotels, an outlet mall, two wineries, and a buffalo farm. Fremont is home to several industries, some of which recently expanded. Fremont also features an excellent school system with three schools. The Town recently completed a downtown revitalization project and is home to a 150-acre shovel-ready site.

ADMINISTRATION AND STAFF

The management of the Fremont Municipal Sewage Works is under the direction of a five-member elected Town Council. The day to day operations of the sewage works is the responsibility of the full-time Superintendent. The Sewage Works currently employs 3 personnel with no union representation. The elected clerk-treasurer is responsible for the financial records of the sewage works.

PLANNING AND ZONING

The Town of Fremont has a nine-member Plan Commission to provide orderly growth for residential, commercial and industrial areas within the Town and a two-mile jurisdiction surrounding its limits. The Town also has a five-member Board of Zoning Appeals.

EDUCATION

The Fremont Community School Corporation serves residents of the Town of Fremont, operating one high school, one middle school and one elementary school. The superintendent's office reports 2018-2019 enrollment for the School Corporation at 970 students, with approximately 68 certified and 78 non-certified employees. Special programs exist throughout the school system for all grade levels in the areas of Special Education, Title I, and English as a New Language. A few special education services such as physical therapy, occupational therapy, hearing impaired, speech impaired, etc., are shared services with other school corporations. Programming for academically talented students is also available at each school building.

PENSION OBLIGATIONS

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3)

govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capitol Avenue, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

Town contributions for the year ended December 31, 2018 were \$108,996. This is inclusive of all Town employees and includes three employment contributions through sewage works revenues.

Other Postemployment Benefits

Upon termination, the Town will pay 25% of any unused, accrued sick days for employees. In order to become eligible for this benefit, employees must be employed by the Town for at least 10 years.

GENERAL ECONOMIC AND FINANCIAL INFORMATION

COMMERCE AND INDUSTRY

Cardinal Glass Industries, Inc. was established in the Town of Fremont in 1998 and manufactures insulated windows. The company employs 314 workers according to company personnel. In August 2018, Cardinal Glass Industries, Inc. received approval on a 10-year tax abatement for a \$4.3 million expansion that brought 45 additional jobs to the facility. The project included \$300,000 for new building equipment and \$4 million for building expansion. In March 2019, Cardinal Glass Industries received another approval on a 5-year tax abatement for a \$3.1 million expansion to add new machinery and equipment to its Fremont facility. No additional jobs are expected to be created with this expansion.

Miller Waste Mills, a textile waste processing manufacturer, produces natural fiber-based recycled products. In March 2019, the company received approval on a 4-year tax abatement for a \$1.5 million expansion to add new machinery and expand into more of its building. The expansion is expected to create 10 additional jobs.

Dexter Axle Company has been manufacturing parts for the automotive industry in Fremont since 1985. In October 2015, the company acquired the North American assets of AL-KO Axis, a manufacturer of axles and other components for trailers and towable equipment. The new combined company name is DexKo Global Inc. and the company manufactures global trailer axles and chassis. Company personnel report employment at 237.

Cold Heading Company operates two manufacturing plants in Fremont, a rolling and AJAX metal processing plant and a heading plant. The company also operates an additional plant in Steuben County in nearby Hudson, Indiana. In 2016, the company announced plans to double the size of its manufacturing facilities in Fremont and create 30 new jobs by 2019, according to an article in Trade & Industry Development.

Metaldyne BSM, LLC was established in Fremont in 2009. The plant provides assembly and machining services to the automotive industry for companies such as Chrysler, Mitsubishi, Nissan, and Hyundai. According to company personnel, employment is at 142.

New Horizons Baking Company, Inc., has been operating in the Midwest since 1967. The company has been operating a facility in Fremont, Indiana since 1979 as a commercial baker, providing a variety of baked goods such as hamburger buns and English muffins to quick service restaurants and food service markets.

In 2015, Carver Non-Woven Technologies, a manufacturer of non-woven parts, established operations in Fremont, Indiana. The company invested \$17 million to renovate the former Amcast Automotive plant. The facility began commercial production in July 2016 and is now in phase two of installation work. The additional installation involves adding three production lines for a total of six. The facility manufactures high-end, lower weight, quality products for automotive, recreational vehicle and household products.

LARGE EMPLOYERS

Below is a list of the Town's largest employers. The number of employees shown are as reported by company personnel unless otherwise noted. Because of reporting time lags and other factors inherent in collecting and reporting such information, the statistics may not reflect recent employment levels.

<u>Name</u>	<u>Year Established</u>	<u>Type of Business</u>	<u>Reported Employment</u>
Cardinal IG Company /Cardinal Glass Industries	1998	Mfg. insulated windows	314
Dexter Axle Company (A subsidiary of Dexko Global)	1985	Mfg. parts for automotive industry	237
General Aluminum Mfg. Company	-	Mfg. aluminum die castings	150 (1)
Fremont Community Schools	-	Public education	146 (2)
Metaldyne BSM, LLC	2009	Assembly and machining operation	142
LaGrange Products	1962	Mfg. lined metal tanks	115
New Horizons Baking Company, Inc.	1979	Commercial baker	100 (1)
Letica Corporation	1983	Mfg. rigid plastic packaging	90
Western Consolidated Technologies	-	Mfg. cut rubber products	75
Wenzel Metal Spinning, Inc.	1982	Metal spinning	70

(1) Per the 2018 Harris Indiana Services Directory.

(2) Includes 68 certified and 78 non-certified staff.

EMPLOYMENT

<u>Year</u>	<u>Unemployment Rate</u>	
	<u>Steuben County</u>	<u>Indiana</u>
2014	4.8%	6.0%
2015	3.9%	4.8%
2016	3.7%	4.4%
2017	2.9%	3.6%
2018	2.7%	3.4%
2019, March	3.0%	3.9%

Source: Indiana Business Research Center. Data collected as of May 16, 2019.

BUILDING PERMITS

Provided below is a summary of the number of building permits and estimated construction costs for the Town.

<u>Year</u>	<u>Residential</u>
	<u>Total Permits</u>
2014	40
2015	23
2016	27
2017	29
2018	28

Source: Steuben County Building Department

POPULATION

<u>Year</u>	<u>Town of Fremont</u>		<u>Steuben County</u>	
	<u>Population</u>	<u>Percent of Change</u>	<u>Population</u>	<u>Percent of Change</u>
1970	1,043	11.31%	20,159	17.31%
1980	1,180	13.14%	24,694	22.50%
1990	1,407	19.24%	27,446	11.14%
2000	1,696	20.54%	33,214	21.02%
2010	2,138	26.06%	34,185	2.92%
2018, Est.	2,178	1.87%	34,586	1.17%

Source: U.S. Census Bureau

AGE STATISTICS

	<u>Town of Fremont</u>	<u>Steuben County</u>
Under 25 Years	831	11,437
25 to 44 Years	613	7,815
45 to 64 Years	469	9,843
65 Years and Over	225	5,090
Totals	<u>2,138</u>	<u>34,185</u>

Source: U.S. Census Bureau's 2010 Census

EDUCATIONAL ATTAINMENT

<u>Years of School Completed</u>	<u>Persons 25 and Over</u>	
	<u>Town of Fremont</u>	<u>Steuben County</u>
Less than 9th grade	5.0%	3.1%
9th to 12th grade, no diploma	5.7%	7.6%
High school graduate	45.3%	37.5%
Some college, no degree	20.7%	21.2%
Associate's degree	10.5%	10.3%
Bachelor's degree	9.6%	12.8%
Graduate or professional degree	3.2%	7.6%

Source: U.S. Census Bureau's 2013-2017 American Community Survey 5-Year Estimates

MISCELLANEOUS ECONOMIC INFORMATION

	<u>Town of Fremont</u>	<u>Steuben County</u>	<u>Indiana</u>
Per capita income, past 12 months*	\$28,197	\$26,902	\$26,117
Median household income, past 12 months*	\$41,617	\$52,749	\$50,433
Average weekly earnings in manufacturing (3rd qtr. of 2018)	N/A	\$864	\$1,131
Land area in square miles - 2010	2.21	308.94	35,826.11
Population per land square mile - 2010	965.3	110.7	181.0
Retail sales in 2012:			
Total retail sales	N/A	\$613,763,000	\$85,857,962,000
Sales per capita**	N/A	\$17,954	\$13,242
Sales per establishment	N/A	\$3,317,638	\$3,974,722

*In 2017 inflation-adjusted dollars – 5-year estimates

**Based on 2010 Population.

Source: Bureau of Census Reports and the Indiana Business Research Center. Data collected as of May 16, 2019.

<u>Employment and Earnings - Steuben County 2017</u>	<u>Earnings (In 1,000s)</u>	<u>Percent of Earnings</u>	<u>Labor Force</u>	<u>Distribution of Labor Force</u>
Manufacturing	\$317,805	37.86%	5,479	26.41%
Other*	134,644	16.05%	3,068	14.78%
Services	120,295	14.34%	4,262	20.54%
Government	72,258	8.61%	1,605	7.73%
Retail Trade	60,264	7.18%	2,499	12.04%
Transportation and warehousing	56,097	6.69%	853	4.11%
Construction	42,597	5.08%	873	4.21%
Finance, insurance and real estate	21,954	2.62%	1,323	6.37%
Information	7,125	0.85%	108	0.52%
Farming	3,304	0.39%	564	2.72%
Forestry, fishing, related activities	2,154	0.26%	79	0.38%
Mining	578	0.07%	40	0.19%
Totals	\$839,075	100.00%	20,753	100.00%

* In order to avoid disclosure of confidential information, specific earnings and employment figures are not available for the utilities, wholesale trade and specific service sectors. The data is incorporated here.

Source: Bureau of Economic Analysis and the Indiana Business Research Center. Data collected as of May 16, 2019.

<u>Adjusted Gross Income</u>	<u>Year</u>	<u>Steuben County Total</u>
	2013	\$700,271,730
	2014	734,384,248
	2015	771,261,333
	2016	779,582,191
	2017	845,160,319

Source: Indiana Department of Revenue

SCHEDULE OF INDEBTEDNESS

The following schedule shows the outstanding indebtedness of the Town and the taxing units within and overlapping its jurisdiction as of May 16, 2019, including issuance of the Bonds, as reported by the respective taxing units.

<u>Direct Debt</u>	<u>Original Par Amount</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Self-Supporting Revenue Debt (1)			
Sewage Works Revenue Bonds of 2019	\$3,900,000	09/01/40	\$3,900,000
Waterworks Revenue Bonds of 2000 (SRF)	693,748	07/01/20	<u>101,000</u>
Subtotal			<u>4,001,000</u>
Tax Supported			
Town Hall Building Corp., First Mortgage Bonds, Series 2004	1,320,000	01/15/29	<u>725,000</u>
Subtotal			<u>725,000</u>
Total Direct Debt			<u><u>\$4,726,000</u></u>
 <u>Overlapping Debt</u>	 <u>Total Debt</u>	 Percent Allocable to <u>Town (2)</u>	 Amount Allocable to <u>Town</u>
Tax Supported			
Steuben County	\$4,970,000	3.61%	\$179,417
Fremont Community School Corporation (3)	9,930,593	10.69%	1,061,580
Northeast Indiana Solid Waste Management	27,686	1.11%	<u>307</u>
Total Overlapping Debt			<u><u>\$1,241,304</u></u>

(1) Does not include Sewage Works Revenue Bonds of 2006, which will mature on September 1, 2019.

(2) Based upon the 2018 payable 2019 net assessed valuation of the respective taxing units.

(3) The School Corporation anticipates issuing \$5.17 million of First Mortgage Bonds in late 2019.

The schedule presented above is based on information furnished by the obligors or other sources and is deemed reliable. The Town makes no representation or warranty as to its accuracy or completeness.

DEBT RATIOS

The following presents the ratios relative to the revenue supported indebtedness of the taxing units within and overlapping the Town as of May 16, 2019, including issuance of the Bonds.

	Direct Sewage Works Revenue Supported Debt <u>\$3,900,000</u>	Direct Waterworks Revenue Supported Debt <u>\$101,000</u>	Total Direct Utility Revenue Debt <u>\$4,001,000</u>
Per capita (1)	\$1,790.63	\$46.37	\$1,837.01
Per user (2)			
Sewage Works	\$4,202.59		
Waterworks		\$116.63	

(1) According to the U.S. Census Bureau, the estimated 2018 population of the Town is 2,178.

(2) Based upon the billing records, the current number of users are as follows:

Sewage	928
Water	866

Note: Does not include Sewage Works Revenue Bonds 2006, which will mature on September 1, 2019.

SCHEDULE OF HISTORICAL NET ASSESSED VALUATION

(As Provided by the Steuben County Auditor's Office)

<u>Year</u> <u>Payable</u>	<u>Real Estate</u>	<u>Utilities</u>	<u>Personal</u> <u>Property</u>	<u>Total</u> <u>Taxable Value</u>
2015	\$61,266,346	\$3,047,790	\$41,599,510	\$105,913,646
2016	60,208,934	3,129,590	43,203,947	106,542,471
2017	59,926,964	3,311,140	46,197,663	109,435,767
2018	60,134,777	4,682,470	46,150,144	110,967,391
2019	64,361,795	4,060,570	43,875,154	112,297,519

NOTE: Net assessed valuations represent the assessed value less certain deductions for mortgages, veterans, the aged and the blind, as well as tax-exempt property.

Real property is valued for assessment purposes at its true tax value as defined in the Real Property Assessment Rule, 50 IAC 2.4, the 2011 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.4, and the 2011 Real Property Assessment Guidelines ("Guidelines"), as adopted by the DLGF. In the case of agricultural land, true tax value is the value determined in accordance with the Guidelines adopted by the DLGF and IC 6-1.1-4-13. In the case of all other real property, true tax value is defined as "the market value-in-use of a property for its current use, as reflected by the utility received by the owner or by a similar user, from the property."

P.L. 180-2016 revises the factors used to calculate the assessed value of agricultural land. This legislation is retroactive to the January 1, 2016 assessment date and applies to each assessment date thereafter. The revised factors enacted in the legislation may reduce the total assessed value of agricultural land, which could shift property tax liability from agricultural property owners to other property owners. In addition, the reduction in the assessed value of agricultural land may result in a reduction of the total assessed value of a . Lower assessed values of a may result in higher tax rates in order for a to receive its approved property tax levy.

Real property assessments are annually adjusted to market value based on sales data. The process of adjusting real property assessments to reflect market values has been termed "trending" by the DLGF.

The Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal method, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they produce accurate and uniform values throughout the jurisdiction and across all classes of property. The Manual specifies the standards for accuracy and validation that the DLGF uses to determine the acceptability of any alternative appraisal method.

NOTE: THE BONDS ARE NOT PAYABLE FROM PROPERTY TAXES

DETAIL OF NET ASSESSED VALUATION
 Assessed 2018 for Taxes Payable in 2019
 (As Provided by the Steuben County Auditor's Office)

	<u>Town of Fremont</u>
Gross Value of Land	\$17,793,800
Gross Value of Improvements	<u>105,422,000</u>
Total Gross Value of Real Estate	123,215,800
Less: Mortgage Exemptions, Veterans, Blind	
Age 65 & Other Exemptions	(40,994,376)
Tax Exempt Property	(2,276,600)
TIF	<u>(15,583,029)</u>
Net Assessed Value of Real Estate	<u>64,361,795</u>
Business Personal Property	56,760,930
Less: Deductions	(11,469,400)
TIF	<u>(1,416,376)</u>
Net Assessed Value of Personal Property	<u>43,875,154</u>
Net Assessed Value of Utility Property	<u>4,060,570</u>
Total Net Assessed Value	<u><u>\$112,297,519</u></u>

NOTE: THE BONDS ARE NOT PAYABLE FROM PROPERTY TAXES

COMPARATIVE SCHEDULE OF CERTIFIED TAX RATES

Per \$100 of Net Assessed Valuation

	<u>Year Taxes Payable</u>				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Detail of Certified Tax Rate:					
General	\$0.4188	\$0.4448	\$0.4554	\$0.4743	\$0.5243
Lease Rental Payment	0.0806	0.0693	0.0725	0.0848	0.0752
Fire	0.1867	0.1911	0.1786	0.1759	0.1448
Park & Recreation	0.0186	0.0190	0.0208	0.0204	0.0192
Cumulative Capital Development	<u>0.0453</u>	<u>0.0453</u>	<u>0.0437</u>	<u>0.0437</u>	<u>0.0437</u>
Totals	<u><u>\$0.7500</u></u>	<u><u>\$0.7695</u></u>	<u><u>\$0.7710</u></u>	<u><u>\$0.7991</u></u>	<u><u>\$0.8072</u></u>
Total District Certified Tax Rate (1)					
Town of Fremont	\$1.4772	\$1.7294	\$1.6861	\$1.7867	\$1.7906

(1) Includes certified tax rates of overlapping taxing units.

Source: DLGF Certified Budget Orders for the Town.

NOTE: THE BONDS ARE NOT PAYABLE FROM PROPERTY TAXES

PROPERTY TAXES LEVIED AND COLLECTED

<u>Collection Year</u>	<u>Certified Taxes Levied</u>	<u>Circuit Breaker Tax Credit</u> (1)	<u>Certified Taxes Levied Net of Circuit Breaker Tax Credit</u>	<u>Taxes Collected</u>	<u>Collected as Percent of Gross Levy</u>	<u>Collected as Percent of Net Levy</u>
2015	\$815,202	(\$906)	\$814,296	\$826,354	101.37%	101.48%
2016	817,073	(1,483)	815,590	800,593	97.98%	98.16%
2017	850,183	(1,269)	848,914	854,894	100.55%	100.70%
2018	894,633	(1,455)	893,178	899,394	100.53%	100.70%
2019	910,622	(2,383)	908,239	(.....In Process of Collections.....)		

(1) Circuit Breaker Tax Credits allocable to the Town per the DLGF.

Source: The Steuben County Auditor's Office and the DLGF Certified Budget Orders for the Town.

Article 10, Section 1 of the Constitution of the State of Indiana (the "Constitutional Provision") provides that, for property taxes first due and payable in 2012 and thereafter, the Indiana General Assembly shall, by law, limit a taxpayer's property tax liability to a specified percentage of the gross assessed value of the taxpayer's real and personal property. Indiana Code § 6-1.1-20.6 (the "Statute") authorizes such limits in the form of a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit (the "Circuit Breaker Tax Credit"). For property assessed as a homestead (as defined in Indiana Code § 6-1.1-12-37), the Circuit Breaker Tax Credit is equal to the amount by which the property taxes attributable to the homestead exceed 1% of the gross assessed value of the homestead. Property taxes attributable to the gross assessed value of other residential property, agricultural property, and long-term care facilities are limited to 2% of the gross assessed value, property taxes attributable to other non-residential real property and personal property are limited to 3% of the gross assessed value. The Statute provides additional property tax limits for property taxes paid by certain senior citizens.

The Statute categorizes property taxes levied to pay Debt Service Obligations as "protected taxes," regardless of whether the property taxes were approved at a referendum, and all other property taxes as "unprotected taxes." The total amount of revenue to be distributed to the fund for which the protected taxes were imposed shall be determined without applying the Circuit Breaker Tax Credit. The application of the Circuit Breaker Tax Credit must reduce only the amount of unprotected taxes distributed to a fund. The political subdivision may allocate the reduction by using a combination of unprotected taxes of the political subdivision in those taxing districts in which the Circuit Breaker Tax Credit caused a reduction in protected taxes. The tax revenue and each fund of any other political subdivisions must not be affected by the reduction.

NOTE: THE BONDS ARE NOT PAYABLE FROM PROPERTY TAXES

LARGE TAXPAYERS

The following is a list of the ten largest taxpayers located within the Town.

<u>Name</u>	<u>Type of Business</u>	<u>2018/2019 Net Assessed Valuation</u>	<u>Percent of Total Net Assessed Valuation (1)</u>
Cardinal IG Company / Cardinal Glass Industries (2)	Mfg. insulated windows	\$14,431,490	12.85%
Cold Heading Company /Ajax Metal Processing (2)	Mfg. automotive bolts and fasteners	14,297,520	12.73%
New Horizons Baking Company, Inc. (2)	Commercial baker	7,816,780	6.96%
Letica Corporation (2)	Mfg. rigid plastic packaging	6,419,940	5.72%
General Aluminum Mfg. Company /Metalloy Corporation	Mfg. aluminum die castings	6,036,210	5.38%
Dexter Axle Company (Subsidiary of DexKo Global) (2)	Mfg. parts for automotive industry	3,078,910	2.74%
NIPSCO (Northern Public Service Company) (2)	Public utility	2,945,510	2.62%
Metaldyne BSM, LLC (2)	Assembly and machining operation	2,721,170	2.42%
Wenzel Metal Spinning, Inc./Wenzel Holding Corporation/Wenzel Acquisition LLC (2)	Metal spinning	2,312,140	2.06%
KMI Industries LTD/Kowester Metals, Inc.	Sheet metal fabrication	<u>1,987,330</u>	<u>1.77%</u>
Totals		<u><u>\$62,047,000</u></u>	<u><u>55.25%</u></u>

(1) The total net assessed valuation of the Town is \$112,297,519 for taxes payable in 2019, according to the Steuben County Auditor's office.

(2) Located in a tax increment allocation area; therefore, all or a portion of the taxes are captured as TIF and not distributed to individual taxing units.

Source: County Auditor's office and the DLGF. Individual parcel data is submitted by the County Auditor to the DLGF once a year for preparation of the county abstract.

NOTE: THE BONDS ARE NOT PAYABLE FROM PROPERTY TAXES

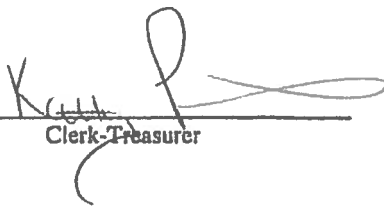
The Town certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the Town and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

This Official Statement and its execution are duly authorized.

TOWN OF FREMONT

By: 
President, Town Council

Attest:


Clerk-Treasurer

APPENDIX B

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ACCOUNTANTS' FORECAST AND COMPILATION REPORT

June 26, 2019

Town Council
Town of Fremont
P.O. Box 602
Fremont, Indiana 46737-0602

We have compiled the accompanying forecasted comparative schedule of selected financial information arising from cash transactions, the forecasted comparative schedule of cash receipts and disbursements (and supplementary data) of the Fremont Municipal Sewage Works (the "Sewage Works") as of December 31, 2019, 2020, and 2021 and for the calendar years then ending in accordance with attestation standards established by the American Institute of Certified Public Accountants. The financial forecast is presented on the cash basis of accounting used by the Utility, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We have also compiled the accompanying comparative schedule of selected financial information arising from cash transactions and the comparative schedule of cash receipts and disbursements as of December 31, 2016, 2017, and 2018, and as of April 30, 2019 and for the periods then ended and supplementary data. We have not audited or reviewed the accompanying historical financial statements and supplementary data, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting.

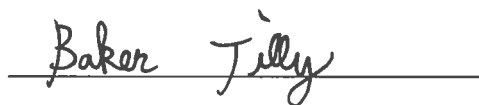
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Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The financial statements are presented on the cash basis of accounting used by the Fremont Municipal Sewage Works, which is a comprehensive basis of accounting other than the generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusion about the Utility's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed on such matters.

A handwritten signature in cursive script that reads "Baker Tilly". The signature is written in black ink and is positioned above a solid horizontal line that extends across the width of the signature.

FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS
Fremont, Indiana
FORECASTED FINANCIAL STATEMENTS

FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS

**FORECASTED COMPARATIVE SCHEDULE OF SELECTED FINANCIAL
INFORMATION ARISING FROM CASH TRANSACTIONS**
(Rounded to the nearest \$100)

<u>Cash and Cash Equivalents:</u>	As of		
	12/31/2019	12/31/2020	12/31/2021
Operating Fund	\$300,000	\$300,000	\$300,000
Sinking Fund:			
Bond and interest	85,900	85,700	88,100
Debt service reserve	140,500	166,900	193,300
Improvement Fund	571,600	650,200	702,500
Wastewater Deposit	39,900	39,900	39,900
Construction Fund	2,135,000	-	-
Total Cash and Cash Equivalents	\$3,272,900	\$1,242,700	\$1,323,800
<u>Bonded Indebtedness:</u>			
Proposed Sewage Works Revenue Bonds of 2019	\$3,900,000	\$3,760,000	\$3,620,000

(The Accountants' Compilation Report and the summary of significant accounting policies, assumptions and notes are an integral part of this statement.)

FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS

FORECASTED COMPARATIVE SCHEDULE OF CASH

RECEIPTS AND DISBURSEMENTS

(Rounded to the nearest \$100)

	Calendar Year Ending December 31,		
	<u>2019</u>	<u>2020</u>	<u>2021</u>
Operating Receipts:			
Sewage collections	\$919,700	\$919,700	\$919,700
Bulk dumping	9,600	9,600	9,600
Contract receipts	8,400	8,400	8,400
Penalties	23,500	23,500	23,500
Total Operating Receipts	<u>961,200</u>	<u>961,200</u>	<u>961,200</u>
Operating Disbursements:			
Salaries and wages	189,800	195,500	201,300
FICA	13,400	13,800	14,200
PERF	20,500	21,100	21,800
Health insurance	64,800	68,100	71,500
Uniforms	4,600	4,800	4,900
Repairs and maintenance	50,000	51,500	53,100
Outside lab work	5,300	5,400	5,600
Professional services	29,100	29,900	30,800
Materials and supplies	6,500	6,700	6,900
Chemicals	23,900	24,600	25,300
Office supplies	4,800	5,000	5,100
Travel and education	3,000	3,100	3,200
Insurance	13,600	14,000	14,400
Unemployment	100	200	200
Telephone	1,900	1,900	2,000
Purchased power	95,300	98,100	101,100
Natural gas	4,000	4,100	4,200
Fuel	3,700	3,800	3,900
Miscellaneous	2,000	2,000	2,100
Total Operating Disbursements	<u>536,300</u>	<u>553,600</u>	<u>571,600</u>
Net Operating Receipts	<u>424,900</u>	<u>407,600</u>	<u>389,600</u>
Non-Operating Receipts:			
Interest income	14,200	16,900	9,600
Tap fees	3,300	3,300	3,300
Miscellaneous	2,700	2,700	2,700
Bond Proceeds	3,900,000	-	-
Total Non-Operating Receipts	<u>3,920,200</u>	<u>22,900</u>	<u>15,600</u>
Non-Operating Disbursements:			
2006 Bonds - principal	205,000	-	-
2006 Bonds - interest	8,500	-	-
2018 Bonds - principal	-	140,000	140,000
2018 Bonds - interest	-	118,000	116,400
Paying agent fee	900	900	900
Project costs	1,316,500	2,135,000	-
Capital improvements	66,800	66,800	66,800
Total Non-Operating Disbursements	<u>1,597,700</u>	<u>2,460,700</u>	<u>324,100</u>
Increase (decrease) in cash and cash equivalents	2,747,400	(2,030,200)	81,100
Beginning cash and cash equivalents	<u>525,500</u>	<u>3,272,900</u>	<u>1,242,700</u>
Ending cash and cash equivalents	<u>\$3,272,900</u>	<u>\$1,242,700</u>	<u>\$1,323,800</u>

(The Accountants' Compilation Report and the summary of significant accounting policies, assumptions and notes are an integral part of this statement.)

FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES

See Accountants' Compilation Report

These financial forecasts present, to the best of management's knowledge and belief, expected cash flows of the Fremont Municipal Sewage Works (the "Utility") for the forecast period. Accordingly, the forecast reflects management's judgment of the expected conditions and its expected course of action as of June 26, 2019, the date of this forecast. The financial forecast is based on management's assumptions concerning future events and circumstances. The assumptions disclosed herein, while not all-inclusive, are those which management believes are significant to the forecast or are key factors upon which the financial results of the enterprise depend.

Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur subsequent to June 26, 2019, the date of this forecast. Therefore, the actual results achieved during the forecast period could vary from the forecast and the variations may be material. Management does not intend to revise this forecast to reflect changes in present circumstances or the occurrence of unanticipated events.

The financial forecast has been prepared in conjunction with the following:

- (1) The issuance of \$3,900,000 principal amount of Proposed Sewage Works Revenue Bonds of 2019 (the "Proposed Bonds") by the Town of Fremont, which were issued to fund upgrades and improvements at the wastewater treatment facility, upgrades and improvements to pump stations within the sanitary sewer collection system, to fund a portion of the debt service reserve and to pay for engineering and bond issuance costs.

Significant Accounting Policies

Reporting Entity

The Fremont Municipal Sewage Works (the "Utility") is owned and operated by the Town of Fremont, Indiana. The Utility provides sewer services for the greater Sewage Works area. These services primarily consist of residential, commercial and industrial customers. The Utility had 928 customers at December 31, 2018. Utility receipts are generated through user fees.

Basis of Accounting

The Utility is a component unit (enterprise fund) of the Town of Fremont, whose accounts are maintained, and financial statements are presented, on the cash basis of accounting. Under the cash basis of accounting, revenues are recognized when received and expenses are recognized when paid. Therefore, receivables and payables, inventories, accrued income and expenses, and utility plant and depreciation, which may be material in amount, are not reflected in these statements and these statements are not intended to present the overall financial position or results of operation in conformity with generally accepted accounting principles.

(Continued on next page)

FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS

(Cont'd)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES

See Accountants' Compilation Report

Significant Assumptions and Notes

(1) Proposed Bond Issue

The Utility, acting through the Town Council of the Town of Fremont (the "Town Council"), has proposed to construct certain improvements to the sewage treatment facility and collection system using long-term bonds. The project is estimated to cost \$3,900,000. The project includes construction costs of approximately \$3,084,000, engineering costs of approximately \$520,000, estimated costs of issuance and litigation cost reimbursement of approximately \$164,300 and a deposit to the debt service reserve account of approximately \$131,700. The Town proposes to finance the balance with a 21-year revenue bond in the amount of \$3,900,000.

(2) Receipts

(A) Forecasted annual operating and non-operating receipts for the forecast period are based upon the recorded results of operations for the twelve months ended December 31, 2018, adjusted as follows:

- (i) Normalized sewage collections, bulk dumping, and penalties for the 36.5% rate increase adopted by the Town Council on March 20, 2017 and effective with May 2018 billings/collections.
- (ii) Normalized sewage collections for the reclassification of Clear Lake as a Class II Outside User beginning March 1, 2019.
- (iii) Contract receipts, tap fees, and miscellaneous income are assumed at the 3-year average of 2016 – 2018 receipts.
- (iv) Interest income based on average cash balances and a 0.75% annual rate of return.

(3) Operating Disbursements

(A) Forecasted operating disbursements for calendar year 2019 are based upon the recorded results of operations for the twelve months ended April 30, 2019 adjusted for cost estimates provided by management and an allowance for inflation. Forecasted operating disbursements have been adjusted as follows:

- (i) Salaries and wages, FICA, PERF, and Health insurance for 2019 are based on annualized 2019 payments. For 2020 and 2021 health insurance assumes an annual inflation allowance of 5.0%
- (ii) Repairs and maintenance, outside lab work, professional services, materials and supplies, chemicals, and fuel for 2019 are assumed at a 3-year average of 2016 – 2018 expenditures.
- (iii) Purchased power for 2019 through 2021 is assumed at the 2018 amount plus an annual 3% inflationary allowance increase.
- (iv) All other forecasted operating disbursements assume an annual inflationary allowance increase of 3%.

(Continued on next page)

FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS

(Cont'd)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES

See Accountants' Compilation Report

(4) Debt Service

(A) Principal and interest payments on Proposed Bonds are forecasted to average approximately \$260,500 per year as shown on page B-11. The Proposed Bonds are assumed to be dated September 4, 2019 and are amortized at the assumed annual interest rates as shown on page B-11.

(B) It is assumed the Debt Service Reserve Account requirement will be partially funded through bond proceeds with the remaining funding from net revenues over a five-year period. Based on the proposed amortization schedules, the debt service reserve is assumed to equal approximately \$263,500 once fully funded.

(5) Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired.

(6) Deposits and Investments

Deposits, made in accordance with IC 5-13, with financial institutions in the State of Indiana at year-end, are entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Town to invest in securities, including but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

(7) Pension Liabilities

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. All full-time employees are eligible to participate in this defined benefit plan. The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

(8) Risk Management

The Town is exposed to various risks to loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding post-employment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding post-employment benefits); and natural disasters are covered by commercial insurance from independent third parties.

(Continued on next page)

FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS

(Cont'd)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES

See Accountants' Compilation Report

(9) Capital Additions

The Utility's cash expenditures for replacement and improvements are assumed based on the Utility's multi-year capital improvement plan.

(10) Restricted Accounts

(A) Operation and Maintenance Fund – Operating Account – The forecasted balance is based on forecasted cash flows and historical trends. Assumes the fund is reimbursed for part of litigation costs previously paid.

(B) Sinking Fund - Bond and Interest Account - The forecasted balance assumes that the bond payments are paid in the current year.

(C) Sinking Fund - Debt Service Reserve Account - The requirement for the Proposed Bonds is assumed to equal the maximum annual principal and interest payments, which is \$263,463. The requirement is assumed to be partially funded at closing with Proposed Bond proceeds and the remainder to be funded from net revenues over a five-year period.

(D) Wastewater Deposit Fund – Assumed to remain at April 30, 2019 amounts.

(E) Construction Funds – Based on bond proceeds available for the project.

(F) Improvement Fund - The forecasted balance consists of the remaining forecasted cash and investment balances not provided for above.

(11) Bonded Indebtedness

Long-term debt consists of sewage works revenue bonds secured by the net revenues of the Utility. The amortization of the Proposed Bonds is shown on page B-11 and the amortization of the Sewage Works Revenue Bonds of 2006 (The "2006 Bonds") is shown on page B-18.

FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS

GENERAL COMMENTS

The Town of Fremont, Indiana, proposes to issue \$3,900,000 par amount of Sewage Works Revenue Bonds of 2019. Proceeds from the sale of the Proposed Bonds, after payment of issuance costs and funding a portion of the debt service reserve, will be used to provide funds to be applied to the costs of the upgrades and improvements to the wastewater treatment facility and pump stations.

The Proposed Bonds will be secured by the Net Revenues of the Sewage Works defined as the gross revenues less operation, repair and maintenance expenses excluding transfers for payment in lieu of property taxes.

Schedule of Estimated Sources and Uses of Funds - Page B-10

This schedule presents estimated project costs and sources of funding. The project costs are based on bids. The Project (to be financed with the proceeds of the Proposed Bonds) includes upgrades and improvements at the wastewater treatment facility and upgrades and improvements to pump stations within the sanitary sewer collection system.

The Proposed Bonds will be the primary source of funding for the expected costs of the projects.

Schedule of Amortization of \$3,900,000 Proposed Principal Amount of Sewage Works Revenue Bonds of 2019 - Page B-11

The amortization of the \$3,900,000 par amount of Proposed Bonds is presented in this schedule. The Proposed Bonds are anticipated to be dated September 4, 2019 and will mature over a period of approximately 21 years, ending September 1, 2040. Principal and interest are scheduled to be payable semiannually on March 1st and September 1st, beginning March 1, 2020 at tax-exempt interest rates resulting from a competitive sale.

Computation of Forecasted Bond Coverage – Current - Page B-12

This schedule presents the forecasted annual debt service coverage based upon the forecasted annual principal and interest payments on the 2006 Bonds and Proposed Bonds assuming semiannual interest rates on the Proposed Bonds as shown on page B-11. The computations are based upon forecasted operating revenues and non-operating income less the forecasted annual operation and maintenance expenses for the forecasted calendar years 2019, 2020 and 2021.

Computation of Forecasted Bond Coverage – Scenario #1 - Page B-13

This schedule presents an alternative forecast that assumes that Steuben Lakes Regional Waste District is no longer a Fremont customer beginning January 1, 2021.

Schedule of Present Sewage Rates and Charges - Pages B-14

This schedule displays the current Sewage Works rates and charges that were adopted by the Town on March 20, 2017. The rates were effective with the May 2018 billings.

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FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS
Fremont, Indiana

SUPPLEMENTAL INFORMATION TO FORECASTED
FINANCIAL STATEMENTS

FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS

SCHEDULE OF ESTIMATED SOURCES AND USES OF FUNDS

(Based on Bids)

Estimated Uses of Funds:

Estimated Construction Costs:

Wastewater Treatment Plant:

Base bid WWTP improvements	\$1,675,000	
Vortex unit	42,000	
UV upgrades	110,000	
Clarifier covers	31,000	
Site lighting	30,000	
Subtotal		<u>\$1,888,000</u>

Pump Station Rehabilitation:

Base bid pump stations 1 through 4	895,000	
Water street pump station	138,250	
Follet pump station	72,115	
Sanitary manhole coating	15,575	
Subtotal		<u>1,120,940</u>

Construction Contingency		<u>75,000</u>
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Total Estimated Construction Costs		<u>3,083,940</u>
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Estimated Non-Construction Costs:

Engineering		520,000
Allowance for bond issuance costs and rounding		90,357
Debts service reserve		131,703
Allowance for underwriter's discount (1%)		39,000
Reimbursement of litigation costs		35,000
Total Estimated Non-Construction Costs		<u>816,060</u>

Total Estimated Uses of Funds		<u><u>\$3,900,000</u></u>
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Estimated Sources of Funds:

Proposed Sewage Works Revenue Bonds of 2019		<u><u>\$3,900,000</u></u>
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(The Accountants' Compilation Report and the accompanying
comments are an integral part of this statement.)

FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS

**SCHEDULE OF AMORTIZATION OF \$3,900,000 PROPOSED PRINCIPAL
AMOUNT OF SEWAGE WORKS REVENUE BONDS OF 2019**

Principal payable semiannually, March 1st and September 1st, beginning March 1, 2020

Interest payable semiannually, March 1st and September 1st

Assumed interest rates as shown

Assumes Bonds dated September 4, 2019

Payment Date	Principal	Principal*	Interest	Interest	Total	Bond Year Total
	Balance		Rate(s)			
	(-----In \$1,000's-----)		(%)	(-----In Dollars-----)		
3/1/2020	\$3,900	\$70	1.90	\$58,857.42	\$128,857.42	
9/1/2020	3,830	70	1.90	59,190.00	129,190.00	\$258,047.42
3/1/2021	3,760	70	2.00	58,525.00	128,525.00	
9/1/2021	3,690	70	2.00	57,825.00	127,825.00	256,350.00
3/1/2022	3,620	75	2.10	57,125.00	132,125.00	
9/1/2022	3,545	75	2.10	56,337.50	131,337.50	263,462.50
3/1/2023	3,470	75	2.20	55,550.00	130,550.00	
9/1/2023	3,395	75	2.20	54,725.00	129,725.00	260,275.00
3/1/2024	3,320	75	2.30	53,900.00	128,900.00	
9/1/2024	3,245	75	2.30	53,037.50	128,037.50	256,937.50
3/1/2025	3,170	80	2.40	52,175.00	132,175.00	
9/1/2025	3,090	80	2.40	51,215.00	131,215.00	263,390.00
3/1/2026	3,010	80	2.50	50,255.00	130,255.00	
9/1/2026	2,930	80	2.50	49,255.00	129,255.00	259,510.00
3/1/2027	2,850	80	2.60	48,255.00	128,255.00	
9/1/2027	2,770	85	2.60	47,215.00	132,215.00	260,470.00
3/1/2028	2,685	85	2.70	46,110.00	131,110.00	
9/1/2028	2,600	85	2.70	44,962.50	129,962.50	261,072.50
3/1/2029	2,515	85	2.80	43,815.00	128,815.00	
9/1/2029	2,430	90	2.80	42,625.00	132,625.00	261,440.00
3/1/2030	2,340	90	3.00	41,365.00	131,365.00	
9/1/2030	2,250	90	3.00	40,015.00	130,015.00	261,380.00
3/1/2031	2,160	90	3.10	38,665.00	128,665.00	
9/1/2031	2,070	95	3.10	37,270.00	132,270.00	260,935.00
3/1/2032	1,975	95	3.20	35,797.50	130,797.50	
9/1/2032	1,880	95	3.20	34,277.50	129,277.50	260,075.00
3/1/2033	1,785	95	3.30	32,757.50	127,757.50	
9/1/2033	1,690	100	3.30	31,190.00	131,190.00	258,947.50
3/1/2034	1,590	100	3.40	29,540.00	129,540.00	
9/1/2034	1,490	100	3.40	27,840.00	127,840.00	257,380.00
3/1/2035	1,390	105	3.50	26,140.00	131,140.00	
9/1/2035	1,285	105	3.50	24,302.50	129,302.50	260,442.50
3/1/2036	1,180	110	3.60	22,465.00	132,465.00	
9/1/2036	1,070	110	3.60	20,485.00	130,485.00	262,950.00
3/1/2037	960	110	3.70	18,505.00	128,505.00	
9/1/2037	850	115	3.70	16,470.00	131,470.00	259,975.00
3/1/2038	735	115	3.80	14,342.50	129,342.50	
9/1/2038	620	120	3.80	12,157.50	132,157.50	261,500.00
3/1/2039	500	120	3.90	9,877.50	129,877.50	
9/1/2039	380	125	3.90	7,537.50	132,537.50	262,415.00
3/1/2040	255	125	4.00	5,100.00	130,100.00	
9/1/2040	130	130	4.00	2,600.00	132,600.00	262,700.00
Totals		<u>\$3,900</u>		<u>\$1,569,654.92</u>	<u>\$5,469,654.92</u>	<u>\$5,469,654.92</u>

Average annual debt service for the 21 bond years ending 9/1/2040

\$260,459.76

* Preliminary, subject to change. Following the receipt of bids and determination of the successful bidder, the Issuer reserves the right to adjust principal maturities of the bonds to provide for approximately level debt service payments.

(The Accountants' Compilation Report and the accompanying
comments are an integral part of this statement.)

FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS

COMPUTATION OF FORECASTED BOND COVERAGE - CURRENT

(Amounts rounded to the nearest \$100)

	<u>Calendar Year Ending December 31,</u>		
	<u>2019</u>	<u>2020</u>	<u>2021</u>
Forecasted Annual Operating Receipts (1)	\$961,200	\$961,200	\$961,200
Forecasted Annual Non-Operating Receipts (2)	<u>20,200</u>	<u>22,900</u>	<u>15,600</u>
Total Available Receipts	981,400	984,100	976,800
Less: Forecasted Annual Cash Operating Disbursements (1)	<u>(536,300)</u>	<u>(553,600)</u>	<u>(571,600)</u>
Forecasted Net Receipts Available for Debt Service	<u>\$445,100</u>	<u>\$430,500</u>	<u>\$405,200</u>
Forecasted Annual Principal and Interest Payment on the Outstanding and Proposed Bonds	<u>\$213,500 (3)</u>	<u>\$258,000 (4)</u>	<u>\$256,400 (4)</u>
Forecasted Debt Service Coverage	<u>208%</u>	<u>167%</u>	<u>158%</u>

(1) See page B-4.

(2) Includes interest income, tap fees, and miscellaneous receipts.

(3) Based on 2006 Bonds.

(4) See page B-11.

(The Accountants' Compilation Report and the accompanying
comments are an integral part of this statement.)

FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS

COMPUTATION OF FORECASTED BOND COVERAGE - SCENARIO #1

(Amounts rounded to the nearest \$100)

	Calendar Year Ending December 31,		
	2019	2020	2021
Forecasted Annual Operating Receipts (1)	\$961,200	\$961,200	\$961,200
Less: Steuben Lakes Reduction	-	-	(77,500)
Forecasted Annual Miscellaneous Income (2)	20,200	22,900	15,600
 Total Available Receipts	 981,400	 984,100	 899,300
Less: Forecasted Annual Cash Operating Disbursements (3)	(536,300)	(553,600)	(571,600)
 Forecasted Net Receipts Available for Debt Service	 \$445,100	 \$430,500	 \$327,700
 Forecasted Annual Principal and Interest Payment on the Outstanding and Proposed Bonds	 \$213,500 (3)	 \$258,000 (4)	 \$256,400 (4)
 Forecasted Debt Service Coverage	 208%	 167%	 128%

(1) See page B-4.

(2) Includes interest income, tap fees, and miscellaneous receipts.

(3) Based on 2006 Bonds.

(4) See page B-11.

(The Accountants' Compilation Report and the accompanying
comments are an integral part of this statement.)

FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS
SCHEDULE OF PRESENT SEWAGE RATES AND CHARGES

Monthly Metered Consumption (1)

<u>Inside Town Limits</u>		
Class I - Residential	Metered Charge (per 1,000 gallons)	\$8.26
	Minimum Charge (per month)	24.82
Class II - Commercial under 1,000,000 gallons	Metered Charge (per 1,000 gallons)	7.18
	Minimum Charge (per month)	43.13
Class III - Commercial over 1,000,000 gallons	Metered Charge (per 1,000 gallons)	6.54
	Minimum Charge (per month)	157.22
<u>Outside Town Limits</u>		
Class I - Residential	Metered Charge (per 1,000 gallons)	12.38
	Minimum Charge (per month)	37.23
Class II - Commercial under 1,000,000 gallons	Metered Charge (per 1,000 gallons)	10.76
	Minimum Charge (per month)	64.69
Class III - Commercial over 1,000,000 gallons	Metered Charge (per 1,000 gallons)	9.80
	Minimum Charge (per month)	235.82

Monthly Unmetered Consumption (1)

<u>Inside Town Limits</u>	
Class I - Residential	\$41.37
Class II - Commercial under 1,000,000 gallons	244.42
Class III - Commercial over 1,000,000 gallons	8,208.85
<u>Outside Town Limits</u>	
Class I - Residential	62.05
Class II - Commercial under 1,000,000 gallons	366.62
Class III - Commercial over 1,000,000 gallons	12,313.27

Bulk Dumping Charge (per gallon) (1) \$0.095

- (1) Per ordinance No. 2017-01 adopted March 20, 2017.
Effective with May 2018 bills and collections.

(The Accountants' Compilation Report and the accompanying
comments are an integral part of this statement.)

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FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS
Fremont, Indiana

SUPPLEMENTARY HISTORICAL DATA

FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS

COMPARATIVE SCHEDULE OF SELECTED FINANCIAL INFORMATION
ARISING FROM CASH TRANSACTIONS
(Unaudited)

	As of			
	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>4/30/2019</u>
<u>Cash and Cash Equivalents:</u>				
Operating Fund	\$236,383	\$109,175	\$173,705	\$184,485
Sinking Fund	294,000	288,988	286,575	352,034
Improvement Fund	194,351	24,628	25,940	27,025
Wastewater Deposit	33,750	37,050	39,300	39,900
Sewer Line Maintenance	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash and Cash Equivalents	<u><u>\$763,484</u></u>	<u><u>\$459,841</u></u>	<u><u>\$525,520</u></u>	<u><u>\$603,444</u></u>
 <u>Bonded Indebtedness:</u>				
Sewage Works Revenue Bonds of 2006				
<i>Final maturity: September 1, 2019</i>				
<i>Interest rate: 4.150%</i>	<u><u>\$590,000</u></u>	<u><u>\$400,000</u></u>	<u><u>\$205,000</u></u>	<u><u>\$205,000</u></u>

(See Accountants' Compilation Report and the accompanying
summary of accounting policies.)

FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS

COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

(Unaudited)

	For the Twelve Months Ended			
	12/31/2016	12/31/2017	12/31/2018	4/30/2019
Operating Receipts:				
Sewage collections	\$726,724	\$696,508	\$866,502	\$939,216
Bulk dumping	7,651	5,030	7,013	3,722
Contract receipts (Lake George RSD)	4,215	7,253	13,804	13,174
Penalties	11,260	16,247	17,230	17,016
Total Operating Receipts	749,850	725,038	904,549	973,128
Operating Disbursements:				
Salaries and wages	177,094	183,345	183,496	184,564
FICA	12,556	13,865	13,318	13,405
PERF	18,168	17,642	20,067	20,222
Health insurance	55,773	55,066	63,873	64,524
Uniforms	3,036	3,706	3,736	4,505
Repairs and maintenance	66,088	23,755	60,242	62,567
Outside lab work	7,588	3,284	4,982	4,250
Professional services	15,541	36,420	35,248	26,168
Materials and supplies	7,769	7,730	4,148	8,994
Chemicals	23,873	24,134	23,674	16,578
Office supplies	3,701	4,093	4,847	4,671
Travel and education	2,788	1,893	3,406	2,950
Insurance	13,202	13,563	13,161	13,161
Unemployment	797	152	130	143
Telephone	1,747	1,865	2,015	1,832
Purchased power	80,135	81,870	92,511	100,276
Natural gas	1,760	2,914	3,787	3,880
Fuel	3,193	4,168	5,954	4,708
Miscellaneous	1,033	1,626	1,754	1,914
Total Operating Disbursements	495,842	481,091	540,349	539,312
Net Operating Receipts	254,008	243,947	364,200	433,816
Non-Operating Receipts:				
Interest income	431	364	3,800	6,945
Tap fees	3,500	3,000	3,500	3,500
Deposits (net)	1,800	3,300	2,250	2,500
Miscellaneous	3,798	1,615	2,538	2,496
Total Non-Operating Receipts	9,529	8,279	12,088	15,441
Non-Operating Disbursements:				
2006 Bonds - principal	180,000	190,000	195,000	195,000
2006 Bonds - interest	31,351	24,151	16,551	12,529
Paying agent fee	400	400	400	400
Project costs	110,526	138,346	32,812	33,330
Litigation costs*	-	187,507	44,776	63,820
Capital improvements	402	15,465	21,070	20,320
Total Non-Operating Disbursements	322,679	555,869	310,609	325,399
Increase (decrease) in cash and cash equivalents	(59,142)	(303,643)	65,679	123,858
Beginning cash and cash equivalents	822,626	763,484	459,841	479,586
Ending cash and cash equivalents	\$763,484	\$459,841	\$525,520	\$603,444

* To be partially reimbursed from bond proceeds.

(See Accountants' Compilation Report and the accompanying summary of accounting policies.)

FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS

COMPARISON OF FUND BALANCES AND REQUIRED RESERVES

	As of 4/30/2019 (Unaudited)	Minimum Balance Required	Ref.	Variance
<u>Cash and Cash Equivalents:</u>				
Operating Fund	\$184,485	\$89,385	(1)	\$95,100
Sinking Fund:	352,034			
Bond and Interest Account	-	138,085	(2)	
Debt Service Reserve Account	-	214,152	(3)	(203)
Improvement Fund	27,025	-	(4)	27,025
Wastewater Deposit	39,900	39,900	(5)	-
Totals	<u>\$603,444</u>	<u>\$481,522</u>		<u>\$121,922</u>

- (1) **Operation and Maintenance Fund**- Per amended and restated Bond Ordinance No. 2004-15. Section 12(a) requires an amount equal to two months of operation and maintenance expense to be maintained in this Fund.

Forecasted 2019 cash operating expenses	\$536,300
Times factor for 2 months (2 months/12 months)	<u>0.16667</u>
Minimum balance required	<u>\$89,385</u>

Sinking Fund

- (2) **Bond and Interest Account** - Per amended and restated Bond Ordinance No. 2004-15. Section 12(b) requires an amount equal to one-twelfth (1/12) of the next succeeding principal payment and one-sixth (1/6) of the next succeeding interest payment to be deposited in this Fund each month.

	Amount	Factor	Total
2006 bond principal due 9/1/2019	\$205,000	8/12	\$136,667
2006 bond interest due 9/1/2019	4,254	2/6	<u>1,418</u>
Minimum balance required			<u>\$138,085</u>

- (3) **Debt Service Reserve Account** - Per amended and restated Bond Ordinance No. 2004-15. Section 12(b) requires an amount equal to the maximum annual debt service on the Bonds to be funded over a period of five years. The reserve should be fully funded at \$214,151.26.

Minimum balance required	<u>\$214,152</u>
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- (4) **Improvement Fund** - Per the amended and restated Bond Ordinance No. 2004-15. Section 12(c) allows for the establishment of an Improvement Fund to pay for future capital expenditures. No reserve required.

- (5) Restricted for return to customers.

(See Accountants' Compilation Report and the accompanying summary of accounting policies.)

FREMONT (INDIANA) MUNICIPAL SEWAGE WORKS

**SCHEDULE OF AMORTIZATION OF \$205,000 OUTSTANDING PRINCIPAL
AMOUNT OF SEWAGE WORKS REVENUE BONDS OF 2006**

**Principal payable annually on September 1st.
Interest payable semiannually March 1st and September 1st.**

<u>Payment Date</u>	<u>Principal Balance</u> (-----In \$1,000's-----)	<u>Principal</u>	<u>Interest Rate(s)</u> (%)	<u>Interest</u>	<u>Total</u> (-----In Dollars-----)	<u>Bond Year Total</u>
9/1/2019	\$205	<u>\$205</u>	4.150	<u>\$4,253.75</u>	<u>\$209,253.75</u>	<u>\$209,253.75</u>
Totals		<u><u>\$205</u></u>		<u><u>\$4,253.75</u></u>	<u><u>\$209,253.75</u></u>	<u><u>\$209,253.75</u></u>

(See Accountants' Compilation Report and the accompanying
summary of accounting policies.)

APPENDIX C

AMENDED AND RESTATED ORDINANCE NO. 2016-12

An Ordinance concerning the construction of additions and improvements to the sewage works of the Town of Fremont; authorizing the issuance of sewage works revenue bonds to apply on the cost thereof; providing for the collection, segregation and distribution of the revenues of the sewage works; the safeguarding of the interests of the owners of said revenue bonds; other matters connected therewith, and repealing ordinances inconsistent herewith

WHEREAS, the Town of Fremont, Indiana (the "Town"), has heretofore established, constructed and financed its sewage works (as hereinafter defined), and now owns and operates said sewage works pursuant to I.C. §36-9-23 *et. seq.*, as in effect on the issue date of the bonds authorized herein, and other applicable laws; and

WHEREAS, the Town Council (the "Council") of the Town finds that certain additions, improvements and extensions to said sewage works are necessary; that preliminary plans, specifications and estimates have been or will be prepared and filed by the engineers employed by the Town for the construction of said additions, improvements and extensions (as more fully set forth in summary fashion in Exhibit "A" attached hereto and made a part hereof) (the "Project"); which plans and specifications have been or will be submitted to all governmental authorities having jurisdiction, particularly the Indiana Department of Environmental Management, and have been or will be approved by said Town and the aforesaid governmental authorities and are incorporated herein by reference and open for inspection at the office of the Clerk-Treasurer of the Town as required by law; and

WHEREAS, the Council has received bids for the Project which bids are subject to the Town's determination to construct the Project and subject to the Town obtaining funds to pay for the Project, but that on the basis of the estimates of the engineers employed by the Town the cost of the Project, including all incidental expenses, is an estimated amount not to exceed Four Million Two Hundred Thousand Dollars (\$4,200,000.00); and

WHEREAS, the Council finds that the Town may have some funds on hand for application on the costs of the Project, but that said funds on hand are not certain at this time; therefore, the entire cost of the Project shall be financed by the issuance of sewage works revenue bonds, in one or more series in an aggregate amount not to exceed Four Million Two Hundred Thousand Dollars (\$4,200,000.00); and

WHEREAS, the Town has heretofore issued pursuant to Amended and Restated Ordinance No. 2004-15 (the "2006 Ordinance") certain "Sewage Works Revenue Bonds of 2006" (the "2006 Bonds"), originally issued on December 21, 2006 in the amount of \$1,075,000.00, and now outstanding in the amount of \$205,000.00, and maturing over a period ending September 1, 2019, which 2006 Bonds constitute a first charge upon the Net Revenues (hereinafter defined) of the sewage works; and

WHEREAS, the bonds authorized by this Ordinance were to be issued on a parity with the 2006 Bonds, provided that certain conditions were met; and

WHEREAS, Town Council of the Town has been advised that, due to various delays in the Project and the issuance of the bonds herein authorized, the 2006 Bonds will mature prior to, and no longer be deemed outstanding or entitled to the pledge of the Net Revenues at the time of the issuance of the bonds authorized herein; and

WHEREAS, that the Town Council of the Town has been advised that the Ordinance authorizing the bonds should be amended and restated to remove any reference to the 2006 Bonds, and to reflect that only the bonds authorized by this Ordinance will constitute a first charge on the Net Revenues of the sewage works; and

WHEREAS, the bonds to be issued pursuant to this Ordinance will be issued subject to the provisions of the laws of the State of Indiana, including, without limitation, §36-9-23 and §5-1-11, each as in effect on the issue date of the bonds authorized herein (collectively the "Act"), and the terms and restrictions of this Ordinance; and

WHEREAS, the Council of the Town now finds that all conditions precedent to the adoption of an Ordinance authorizing the issuance of said bonds have been complied with in accordance with the provisions of the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FREMONT, STEUBEN COUNTY, INDIANA, THAT ORDINANCE 2016-12 IS AMENDED AND RESTATED AS FOLLOWS::

Section 1. Authorization of Project. The Town may proceed with the Project in accordance with the cost estimates, and the plans and specifications heretofore prepared or to be prepared and filed by the consulting engineers employed by the Town, which cost estimates, plans and specifications are now on file or will be subsequently placed on file in the office of the Town Clerk-Treasurer, and are hereby adopted and approved, and by reference made a part of this Ordinance as fully as if the same were attached hereto and incorporated herein. Two copies of any additional final plans and specifications and cost estimates will be placed on file in the office of the Clerk-Treasurer of the Town and be open for public inspection pursuant to I.C. §36-1-5-4. The maximum estimated cost of construction of said Project is expected not to exceed \$4,200,000.00, and investment earnings on the bond proceeds. The terms "sewage works," "sewage works system," "works," "system," and words of like import where used in this Ordinance shall be construed to mean the Town's existing sewage works system and includes all real estate and equipment used in connection therewith and appurtenances thereto, and all extensions, additions, and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired. The Project shall be constructed in accordance with the plans and specifications heretofore mentioned, which plans and specifications are hereby approved. Said Project shall be constructed and the bonds herein authorized shall be issued pursuant to and in accordance with the Act.

Section 2. Issuance of Bonds. The Town shall issue its sewage works revenue bonds in one or more series in the aggregate amount not to exceed Four Million Two Hundred Thousand Dollars (\$4,200,000.00), designated "Sewage Works Revenue Bonds of 201__" with the year and any series or other references added, revised or removed as appropriate (the "Bonds"), for the purpose of procuring funds to apply on the cost of the Project, the payment of costs of issuance, including a premium for municipal bond insurance and a debt reserve surety, if necessary, and any and all other costs related to the Project. The Bonds shall be issued and sold at a price not less than 98% of the par value, in fully registered form in denominations of \$5,000.00 each, or integral multiples thereof; numbered consecutively from 1 up; originally dated as of the first day of the month in which they are issued or sold or their date of delivery, as determined by the Clerk-Treasurer with the advice of the Town's municipal advisor; and shall bear interest at a rate or rates not exceeding 6.5% per annum (the exact rate or rates to be determined by bidding). Interest is payable semiannually on March 1 and September 1 in each year, commencing on a March 1 or September 1 that follows the date of issuance of the Bonds, as determined by the Clerk-Treasurer with the advice of the Town's municipal advisor. Principal shall be payable in lawful money of the United States of America, at the principal office of the Paying Agent (as hereinafter defined) and such Bonds shall mature semiannually on March 1 and September 1, over a period ending no later than September 1, 2040. Advertisement of such dates shall constitute selection by the Clerk-Treasurer thereof in accordance with the foregoing terms. The Bonds will be payable solely out of and constitute a first charge against the Net Revenues (herein defined as gross revenues of the sewage works of the Town after deduction only for the payment of the reasonable expenses of operation, repair and maintenance, and excluding transfers for payment in lieu of property taxes ("PILOTs")) of the sewage works of the Town. If the Bonds are issued in series, each series of Bonds shall rank on a parity with one another for all purposes, including the pledge of Net Revenues.

Interest on the Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months. All or a portion 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 on March 1 and September 1 in the years as determined by the successful bidder for such Bonds, but in no event later than the last serial maturity date of the Bonds as determined in accordance with the above paragraph. 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 the principal payment dates which were determined in accordance with the above paragraph.

Section 3. Book-Entry Provisions. The Bonds may initially be issued and held in book-entry form on the books of the central depository system, Depository Trust Company, its successors, or any successor central depository system appointed from time to time (the "Clearing Agency"), without physical distribution of Bonds to the public. If, and as long as the book entry system is used, the following provisions of this Section shall apply:

One definitive bond of each maturity shall be delivered to the Clearing Agency and held in its custody. The Town may, in connection therewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of the Bonds as are necessary or appropriate to accomplish or recognize such book-entry form bonds.

So long as the Bonds remain and are held in book-entry form on the books of a Clearing Agency, then (1) any such bond may be registered upon the Registration Record in the name of such Clearing Agency, or any nominee thereof, including Cede & Co.; (2) the Clearing Agency in whose name such Bond is so registered shall be, and the Town and the Registrar (as hereinafter defined) may deem and treat such Clearing Agency as the absolute owner and holder of such Bond for all purposes of this Ordinance, including, without limitation, receiving payment of the principal of and interest and premium, if any, on such Bond, the receiving of notice and the giving of consent; (3) neither the Town nor the Registrar shall have any responsibility or obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any Bond, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any Bond or any responsibility or obligation hereunder with respect to the receiving of payment of principal of or interest or premium, if any, on any Bond, the receiving of notice or the giving of consent; and (4) the Clearing Agency is not required to present any Bond called for partial redemption, if any, prior to receiving payment so long as the Registrar and the Clearing Agency have agreed to the method for noting such partial redemption.

If the Town receives notice from the Clearing Agency which is currently the registered owner of the Bonds to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a Clearing Agency for the Bonds or it is elected to discontinue the use of such Clearing Agency as a Clearing Agency for the Bonds, then the Town and the Registrar each shall do or perform or cause to be done or performed all acts or things, necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for the Bonds and to transfer the ownership of each of the Bonds to such person or persons, including any other Clearing Agency, as the holders of the Bonds may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the Bonds, shall be paid by the Town.

So long as the Bonds remain and are held in book-entry form on the books of a Clearing Agency, the Registrar shall be entitled to request and rely upon a certificate or other written representation from the Clearing Agency or any participant or indirect participant with respect to the identity of any beneficial owner of Bonds as of a record date selected by the Registrar. For purposes of determining whether the consent, advice, direction or demand of a registered owner of a Bond has been obtained, the Registrar shall be entitled to treat the beneficial owners of the Bonds as the bondholders and any consent, request, direction, approval, objection or other instrument of such beneficial owner may be obtained in the fashion described in this Ordinance.

So long as the Bonds remain and are held in book-entry form on the books of the Clearing Agency, the provisions of its standard form of Letter of Representations, if executed in connection with the issuance of the Bonds, as amended and supplemented, or any Blanket Issuer Letter of Representations filed by the Town shall govern. The Registrar, by accepting the duties of Registrar under this Ordinance, agrees that it will (i) undertake the duties of agent required thereby and that those duties to be undertaken by either the agent or the Town shall be the responsibility of the Registrar, and (ii) comply with all requirements of the Clearing Agency,

including without limitation same day funds settlement payment procedures. Further, so long as the Bonds remain and are held in book-entry form, the provisions of this Section of this Ordinance shall control over conflicting provisions in any other section of this Ordinance.

Section 4. Registrar and Paying Agent. The Clerk-Treasurer is hereby authorized and directed to serve, or to appoint any bank or trust company to serve, as registrar and paying agent for the Bonds (the "Registrar" or the "Paying Agent"). The Registrar is hereby charged with the responsibility of authenticating the Bonds, and shall keep and maintain at its principle office books for the registration and transfer of the Bonds. The Clerk-Treasurer is hereby authorized to enter into such agreements or understandings with such institution as will enable such institution to perform the services required of the Registrar and Paying Agent. The Clerk-Treasurer is authorized to pay such fees as such institution may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid from the Sewage Works Sinking Fund continued hereunder to pay the principal of and interest on the Bonds and fiscal agency charges.

The principal of and premium, if any, on the Bonds, shall be payable at the principal office of the Paying Agent. All payments of interest on the Bonds shall be paid by check mailed one business day prior to the interest payment date to the registered owners thereof, as of the fifteenth day of the month preceding each interest payment date ("Record Date"), at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner on or before such Record Date. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). All payments on the Bonds shall be made in any coin or currency of the United States of America, which on the date of such payment, shall be legal tender for the payment of public and private debts.

Each Bond shall be transferable or exchangeable only upon the books of the Town kept for that purpose at the principal office of the Registrar, by the registered owner thereof in person, or by its attorney duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the Town. The Town and the Registrar and Paying Agent for the Bonds may treat and consider the person in whose name such Bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

Interest on the Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date of the Bonds unless the Bonds are authenticated after the fifteenth day of the month preceding an interest payment date and on or

before such interest payment date in which case they shall bear interest from such interest payment date, or unless the Bonds are authenticated on or before the 15th day of the month immediately preceding the first interest payment date, in which case they shall bear interest from the original date, until the principal shall be fully paid.

Section 5. Redemption of Bonds. (a) The Bonds of this issue maturing on or after a date not earlier than September 1, 2025 (the "Initial Call Maturity") as determined by the Clerk-Treasurer with the advice of the Town's municipal advisor, shall be redeemable at the option of the Town on the interest payment date either preceding or next preceding (as determined by the Clerk-Treasurer with the advice of the Town's municipal advisor) the Initial Call Maturity, and on any date thereafter, on thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the Town, and by lot within a maturity, at face value and without a premium, plus in each case accrued interest to the date fixed for redemption. Advertisement or negotiation of such dates shall constitute selection by the Clerk-Treasurer thereof in accordance with the foregoing terms.

(b) If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the Town, any Bonds maturing as term bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Bond maturing as a term bond so delivered or canceled shall be credited by the Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date. Each Five Thousand Dollars (\$5,000) of principal amount shall be considered a separate bond for purposes of optional and mandatory redemption. If less than an entire maturity is called for redemption at one time, the Bonds to be redeemed shall be selected by lot by the Registrar. If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

(c) Notice of redemption shall be given not less than thirty (30) days prior to the date fixed for redemption by mail unless such redemption notice is waived by the registered owner of the Bond or Bonds redeemed. Such notice shall be mailed to the address of the registered owner as shown on the registration record of the Town as of the date which is forty-five (45) days prior to such redemption date. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the Town. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

Section 6. Execution of Bonds; Pledge of Net Revenues to Bonds. The Bonds shall be signed in the name of the Town by the manual or facsimile signature of the President of the Council and attested by the manual or facsimile signature of its Clerk-Treasurer, who shall affix the seal of said Town to each of said Bonds manually or shall have the seal imprinted or impressed thereon by facsimile. These officials, by the signing of a Signature and No Litigation Certificate (or other similar certificate), shall adopt as and for their own proper signatures their facsimile signatures appearing on said Bonds.

The Bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Indiana, subject to the provisions for registration herein. The Bonds shall also be authenticated by the manual signature of the Registrar, and no Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed.

The Bonds, and any bonds hereafter issued on parity therewith, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the sewage works of the Town. The Town shall not be obligated to pay said Bonds or the interest thereon except from the Net Revenues of said sewage works, and said Bonds shall not constitute an indebtedness of the Town within the meaning of the provisions and limitations of the constitution of the State of Indiana.

Section 7. Form of Bonds. The form and tenor of the Bonds shall be substantially as set forth on Exhibit "B" attached hereto, all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof.

Section 8. Preparation and Sale of Bonds. The Clerk-Treasurer of the Town is hereby authorized and directed to have said Bonds prepared, and the President of the Council and Clerk-Treasurer are hereby authorized and directed to execute said Bonds in the form and manner herein provided. The Clerk-Treasurer of the Town is hereby authorized and directed to deliver said Bonds to the respective purchasers thereof after sale made in accordance with the provisions of this Ordinance, provided that at the time of said delivery the Clerk-Treasurer shall collect the full amount which the respective purchasers have agreed to pay therefor, which amount shall not be less than 98% of the face value of the Bonds. The Bonds herein authorized, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the Town, payable out of the Net Revenues of the Town's sewage works to be set aside into the Sinking Fund as herein provided. The proceeds derived from the sale of the Bonds shall be and are hereby set aside for application on the cost of the Project hereinbefore referred to, and the expenses necessarily incurred in connection with the Bonds. The proper officers of the Town are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this Ordinance.

Section 9. Bond Sale Notice. The Bonds shall be sold at public sale. The Clerk-Treasurer of the Town shall cause to be published either (i) a notice of bond sale in the Town's designated newspaper under I.C. §5-3-1, two times, at least one week apart, the first publication made at least fifteen (15) days before the date of the sale and the second publication being made at least three (3) days before the date of the sale, or (ii) a notice of intent to sell in the Town's

designated newspaper and the *Court & Commercial Record*, all in accordance with I.C. §5-1-11 and I.C. §5-3-1. A notice or summary notice of sale may also be published in the *Court & Commercial Record* or in *The Bond Buyer* in New York, New York. The notice shall state the character and amount of the Bonds, the maximum rates of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Clerk-Treasurer and the attorneys employed by the Town shall deem advisable and any summary notice may contain any information deemed so advisable. The notice may state that the winning bidder will agree to assist the Town in establishing the issue price of the Bonds under Treas. Reg. 1.148-1(f) ("Issue Price Regulation"). The criteria for establishing the issue price under the Issue Price Regulation may be set forth in the preliminary Official Statement or bid form. The notice may provide, among other things that the successful bidder will be notified and instructed to submit a good faith deposit which may consist of either a certified or cashier's check or a wire transfer in the amount equal to 1% of the principal amount of the Bonds described in the notice to guarantee performance on the part of the successful bidder. If a check is submitted, it shall be drawn on a bank or trust company which is insured by the Federal Deposit Insurance Corporation and shall be submitted to the Town (or shall wire transfer such amount as instructed by the Town) not later than 3:30 p.m. (Eastern Standard Time) on the next business day following the award. No interest on the good faith deposit shall accrue to the successful bidder. In the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the same as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then said check and the proceeds thereof shall be the property of the Town and shall be considered as its liquidated damages on account of such default. The bidders for said Bonds will be required to name the rate or rates of interest which the Bonds are to bear, not exceeding the maximum rate hereinbefore fixed, and that such interest rate or rates shall be in multiples of one-eighth (1/8) or one-hundredths (1/100) of one percent (1%). The rate bid on a maturity shall be equal to or greater than the rate bid on the immediately preceding maturity. No conditional bid or bid for less than 98% of the face amount of the Bonds will be considered. The opinion of Beers Mallers Backs & Salin, LLP, bond counsel of Fort Wayne, Indiana, approving the legality of said Bonds, will be furnished to the purchaser at the expense of the Town.

The Bonds shall be awarded by the Clerk-Treasurer of the Town to the best bidder who has submitted its bid in accordance with the terms of this Ordinance, I.C. §5-1-11 and the notice. The best bidder will be the one who offers the lowest net interest cost to the Town, to be determined by computing the total interest on all of the Bonds to their maturities and deducting the premium bid, if any, and adding thereto the discount bid, if any. The right to reject any and all bids shall be reserved. If an acceptable bid is not received on the date of sale, the sale may 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 Town than the best bid received at the time of the advertised sale will be considered.

Section 10. Use of Proceeds. The accrued interest received at the time of the delivery of the Bonds, if any, and premium, if any, shall be deposited in the Sewage Works Sinking Fund hereinafter continued. The remaining proceeds from the sale of the Bonds shall be deposited in a bank or banks which are legally designated depositories for the funds of the Town, in a special account or accounts to be designated as "Town of Fremont Sewage Works Construction Account" (the "Construction Account"). The funds in the Construction Account shall be

expended only for the purpose of paying the cost of the Project, or as otherwise required by the Act or for the expenses of issuance of the Bonds. The cost of obtaining the legal services of Beers Mallers Backs & Salin, LLP and Baker Tilly Municipal Advisors, LLC shall be considered as a part of the cost of the Project on account of which the Bonds are issued. Any balance or balances remaining unexpended in such special account or accounts after completion of the Project, which are not required to meet unpaid obligations incurred in connection with such Project, shall either (1) be paid into the Sinking Fund and used solely for the purposes of said Sinking Fund; (2) to maintain debt service reserve fund for the bonds at the level required under the terms of this Ordinance; and in all events (3) be used in accordance with I.C. §5-1-13, as amended and supplemented.

Section 11. Revenues. All revenues derived from the operation of the sewage works and from the collection of sewer rates and charges shall be deposited in the "Sewage Works Revenue Fund" (the "Revenue Fund"), hereby continued, and segregated and deposited as set forth in this Ordinance. Of these revenues the proper and reasonable expenses of operation, repair and maintenance of the sewage works shall be paid, the principal and interest of all bonds and fiscal agency charges of registrars or paying agents shall be paid, the reserve shall be funded, and the cost of replacements, extensions, additions and improvements shall be paid.

Section 12. Operation and Maintenance Fund. The "Sewage Works Operation and Maintenance Fund" (the "Operation and Maintenance Fund") is hereby continued. There shall be transferred from the Revenue Fund and credited to the Operation and Maintenance Fund on the last day of each calendar month, a sufficient amount of the revenues of the sewage works so that the balance in the Operation and Maintenance Fund shall be sufficient to pay the expenses of operation, repair and maintenance for the then next succeeding two (2) calendar months. The moneys credited to the Operation and Maintenance Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the sewage works on a day-to-day basis, but none of the moneys in the fund shall be used for PILOTS, depreciation, replacements, improvements, extensions or additions. Any moneys in said Operation and Maintenance Fund may be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the outstanding bonds of the sewage works.

Section 13. Sewage Works Sinking Fund. There is hereby continued a sinking fund for the payment of the principal of and interest on revenue bonds which by their terms are payable from the Net Revenues of the sewage works, and the payment of any fiscal agency charges in connection with the payment of bonds and interest, which fund shall be designated the "Sewage Works Sinking Fund" (the "Sinking Fund"). There shall be set aside and deposited in said Sinking Fund, as available, and as hereinafter provided, a sufficient amount of the Net Revenues of the sewage works, after the payment of the reasonable expense of operation, repair and maintenance of the works, to meet the requirements of the Bond and Interest Account and Reserve Account hereby continued. Such payments of Net Revenues shall continue until the balances in the Bond and Interest Account, plus the balance in the Reserve Account, equals the principal of and interest on all of the then outstanding bonds of the sewage works to their final maturity.

(a) Bond and Interest Account. There is hereby created, within said Sinking Fund, the Bond and Interest Account. There shall be credited on the last day of each calendar month from the Revenue Fund and credited to the Bond and Interest Account an amount of the Net Revenues equal to the sum of (i) at least one-sixth (1/6) of the interest on all outstanding bonds payable on the next interest payment date, and (ii) at least one-sixth (1/6) of the principal (on all then outstanding bonds payable from the Sinking Fund on the next succeeding principal and interest payment dates, until the amount so credited shall equal the principal payable on the then next succeeding six (6) calendar months and the interest payment during the next six (6) calendar months. There shall similarly be credited to the account any amount necessary to pay the bank fiscal agency charges for paying principal of and interest on outstanding bonds as the same become payable. The Town shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or to the bank fiscal agency sufficient moneys to pay the interest and principal on the due dates thereof together with the amount of bank fiscal agency charges.

(b) Reserve Account. There is hereby created, within said Sinking Fund, the Reserve Account. On the date of delivery of the Bonds, funds on hand of the sewage works and Bond proceeds available for such purpose may be deposited into the Reserve Account. The initial balance or the balance accumulated in the Reserve Account shall equal but not exceed the least of (i) the maximum annual debt service on the Bonds and any other parity bonds of the Town payable from Net Revenues of the sewage works that may be hereafter issued ("Parity Bonds") (ii) 125% of the average annual debt service on the Bonds and any Parity Bonds or (iii) 10% of the proceeds of the Bonds and any other Parity Bonds (the "Reserve Requirement"). If the initial deposit into the Reserve Account does not cause the balance therein to equal the Reserve Requirement or if no deposit is made, the Town shall deposit a sum of Net Revenues into the Reserve Account on the last day of each calendar month until the balance therein equals the Reserve Requirement. The monthly deposits shall be equal in amount and sufficient to accumulate the Reserve Requirement within five years of the date of delivery of the Bonds.

The Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on the Bonds, and the moneys in the Reserve Account shall be used to pay current principal and interest on the Bonds and any Parity Bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account and Reserve Account. In the event moneys in the Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on the Bonds, then such depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account and Reserve Account. Any moneys in the Reserve Account in excess of the Reserve Requirement shall either be transferred to the Sewage Works Improvement Fund or be used for the purchase of outstanding bonds or installments of principal of fully registered bonds at a price not exceeding par and accrued interest.

Section 14. Sewage Works Improvement Fund. After meeting the requirements of the Operation and Maintenance Fund and the Sinking Fund, any excess revenues may be transferred or credited to the "Sewage Works Improvement Fund" (the "Improvement Fund"), hereby

continued, and said Improvement Fund shall be used for improvements, replacements, additions and extensions of the sewage works, and to make payments representing PILOTs. Moneys in the Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sinking Fund, or may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation, repair and maintenance of the sewage works.

Section 15. Maintenance of Accounts. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the Town. The Operation and Maintenance Fund and the Sewage Works Improvement Fund may be maintained in a single account, or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the Town and apart from the Sinking Fund account or accounts. All moneys deposited in the accounts shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that moneys therein may be invested in obligations in accordance with the applicable laws, including particularly I.C. §5-13, as amended or supplemented, and in the event of such investment the income therefrom shall become a part of the funds invested and shall be used only as provided in this Ordinance.

Section 16. Maintenance of Books and Records. The Town shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from said sewage works and all disbursements made on account of the sewage works, also all transactions relating to said sewage works.

Section 17. Rate Covenant. The Town covenants and agrees that it will establish and maintain just and equitable rates and charges for the use of and the service rendered by the sewage works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the sewage works by or through any part of the sewage system of the Town, or that in any way uses or is served by the sewage works; and that such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expense of operation, repair, and maintenance of the sewage works and for the sums required to be paid into the Sinking Fund by the Act and this Ordinance. Such rates and charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair, and maintenance of the sewage works and the requirements of the Sinking Fund. The rates and charges so established shall apply to any and all use of such works by and service rendered to the Town, and shall be paid by the Town as the charges accrue.

Section 18. Defeasance of Bonds. If, when any of the Bonds issued hereunder shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds or any portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds or any portion thereof shall be paid; or (i) sufficient moneys, or (ii) direct obligations of (including obligations issued or held in book entry

form on the books of) the Department of the Treasury of the United States of America, the principal of and the interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds issued hereunder or any designated portion thereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the Town's sewage works.

Section 19. Additional Bond Provisions. The Town reserves the right to authorize and issue additional bonds, payable out of the Net Revenues of its sewage works, ranking on a parity with the Bonds authorized by this Ordinance, for the purpose of financing the cost of future additions, extensions and improvements to the sewage works, or to refund obligations, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the revenues of the sewage works shall have been paid in accordance with their terms. The Reserve Requirement shall be satisfied for the additional Parity Bonds either at the time of delivery of the additional Parity Bonds or over a five year or shorter period, in a manner which is commensurate with the requirements established in Section 13(b) of this Ordinance.

(b) The Net Revenues of the sewage works in the fiscal year immediately preceding the issuance of any such bonds shall not be less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of all then outstanding bonds of the sewage works, and the additional bonds proposed to be issued; or, prior to the issuance of said Parity Bonds, the sewage rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations would have produced Net Revenues for said year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds of the sewage works payable from the revenues of the sewage works, and the additional Parity Bonds proposed to be issued. For purposes of this subsection, the records of the sewage works shall be analyzed and all showings shall be prepared by a certified public accountant employed by the Town for that purpose.

(c) The interest on the additional Parity Bonds shall be payable semiannually on March 1 and September 1, and the principal of, or mandatory sinking fund redemption dates for, the additional Parity Bonds shall be payable semiannually on March 1 and September 1, in the years in which such principal, respectively, are payable.

Section 20. Further Covenants of the Town; Maintenance, Insurance, Pledge Not to Encumber, Subordinate, Indebtedness, and Contract with Bondholders. For the purpose of further safeguarding the interests of the holders of the Bonds, it is specifically provided as follows:

(a) All contracts let by the Town in connection with the construction of said Project shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance

with their terms, and such contractors shall also be required to carry such employer's liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Said Project shall be constructed under the supervision and subject to the approval of such competent engineers as shall be designated by the Town. All estimates for work done or material furnished shall first be checked by the engineers and approved by the Town.

(c) So long as any of the Bonds herein authorized are outstanding, the Town shall at all times maintain its sewage works in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the Bonds herein authorized are outstanding, the Town shall acquire and maintain insurance coverage, including fidelity bonds, to protect the sewage works and its operations. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds and condemnation awards shall be used to replace or repair the sewage works; or if not used for that purpose shall be applied as Net Revenues of the sewage works.

(e) So long as any of the Bonds herein authorized are outstanding, the Town shall not sell, transfer, lease or otherwise encumber the sewage works, or any portion thereof, and shall not sell, lease or otherwise dispose of any part of the same except replaced equipment which shall become worn or obsolete.

(f) Except as hereinbefore provided in Section 19 hereof, so long as any of the Bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said sewage works shall be authorized, executed, or issued by the Town except such as shall be made subordinate and junior in all respects to the Bonds herein authorized, unless all of the Bonds herein authorized are redeemed, retired or defeased pursuant to Section 18 hereof coincidentally with the delivery of such additional bonds or other obligations.

(g) The provisions of this Ordinance shall constitute a contract by and between the Town and the owners of the Bonds herein authorized, and after the issuance of said Bonds, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of said Bonds nor shall the Town adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of said Bonds, or the interest thereon remain unpaid. Except for the changes set forth in Section 23(a)-(g), this Ordinance may be amended, however, without the consent of Bond owners, if the Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds.

(h) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds herein authorized for the uses and purposes herein set forth, and the owners of the Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Ordinance and of the Act. The provisions of this

Ordinance shall also be construed to create a trust in the portion of the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of said fund as in this Ordinance set forth. The owners of said Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the Act hereinbefore referred to, including the right to have a receiver appointed to administer said sewage works, in the event of default in the payment of the principal of or interest on any of the Bonds herein authorized or in the event of default in respect to any of the provisions of this Ordinance or the Act.

Section 21. Investment of Funds. (a) The Clerk-Treasurer of the Town is hereby authorized to invest moneys pursuant to I.C. §5-1-14-3, as amended or supplemented, and the provisions of this Ordinance (subject to applicable requirements of federal law to insure such yield is the then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds under federal law.

(b) The Clerk-Treasurer of the Town shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts continued or referenced herein. In order to comply with the provisions of the Ordinance, the Clerk-Treasurer of the Town is hereby authorized and directed to employ consultants or attorneys from time to time to advise the Town as to requirements of federal law to preserve the tax exclusion. The Treasurer of the Town may pay any fees as operation expenses of the sewage works.

Section 22. Tax Covenants. In order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as existing on the date of issuance of the Bonds (the "Code") and as an inducement to purchasers of the Bonds, the Town represents, covenants and agrees that:

(a) The sewage works will be available for use by members of the general public. No person or entity other than the Town or another state or local governmental unit will use more than 10% of the proceeds of the Bonds or property financed by the Bond proceeds other than as a member of the general public. No person or entity other than the Town or another state or local governmental unit will own property financed by Bond proceeds or will have any actual or beneficial use of such property pursuant to a lease, management, service or incentive payment contract, an arrangement including take-or-pay or other type of output contracts or any other type of arrangement that conveys other special legal entitlements and differentiates that person's or entity's use of such property from use by the general public, unless such use in the aggregate relate to no more than 10% of the proceeds of the Bonds. If the Town enters into a management contract for all or a portion of the sewage works, the terms of the contract will comply with the Regulations and IRS Revenue Procedure 2017-33, as it may be amended, supplemented or superseded from time to time, so that the contract will not give rise to private business use under the Code and the Regulations unless such use in the aggregate will not relate to more than 10% of the proceeds of the Bonds.

(b) No more than 10% of the principal of or interest on the Bonds is (under the terms of the Bonds, this Ordinance or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for private business use or payments in respect of such

property, or to be derived from payments (whether or not to the Town) in respect of such property or borrowed money used or to be used for a private business use.

(c) No more than 5% of the Bond proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond proceeds.

(d) The Town reasonably expects, as of the date hereof, that the Bonds will not meet either the private business use test described in paragraph (a) and (b) above or the private loan test described in paragraph (c) above during the entire term of the Bonds.

(e) No more than 5% of the proceeds of the Bonds will be attributable to private business use as described in (a) and private security or payments described in (b) attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any government use of proceeds of the issues (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(f) The Town will not take any action nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal tax purposes of interest on the Bonds pursuant to Section 103 of the Code, nor will the Town act in any other manner which would adversely affect such exclusion, and it will not make any investment or do any other act or thing during the period that the Bonds are outstanding which would cause the Bonds to be private activity bonds under the meaning of Section 141 of the Code.

(g) It shall be not an event of default under this Ordinance if the interest on any Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Bonds.

(h) The Town represents that:

(1) The Town is a governmental unit with general taxing powers, which powers include the power to impose taxes of general applicability that, when collected, may be used for the general purposes of the Town;

(2) The Bonds are not private activity bonds as defined in Section 141 of the Code;

(3) At least 95% of the net proceeds of the Bonds will be used for local governmental activities of the Town or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the Town;

(4) The aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the Town and all units subordinate to the Town, including on-behalf-of

issuers and subordinate entities as those terms are defined in Regulations Section 1.148-8(c)(2), is not reasonably expected to exceed \$5,000,000 in the year of issuance; and

(5) The Town has not been formed or availed to otherwise avoid the purposes of the \$5,000,000 size limitation.

Therefore, the Town meets the requirements of Section 148(f)(4)(D) of the Code and will not have to rebate any arbitrage profits to the United States.

(i) The Town represents that:

(1) The Bonds are not private activity bonds as defined in Section 141 of the Code;

(2) The Town hereby designates the Bonds as qualified tax-exempt obligations for purposes of Section 265(b) of the Code;

(3) The reasonably anticipated amount of qualified tax-exempt obligations (including qualified 501(c)(3) obligations and tax-exempt leases but excluding other private activity bonds) which will be issued by the Town and all entities subordinate to the Town during the year of issuance does not exceed \$10,000,000;

(4) The Town has not and will not designate more than \$10,000,000 of qualified tax-exempt obligations during the year of issuance.

Therefore, the Bonds qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to newly acquired tax-exempt obligations.

(j) These covenants are based solely on current law in effect and in existence on the date of delivery of the Bonds.

Section 23. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section or as otherwise permitted in this Ordinance, and not otherwise, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds issued pursuant to this Ordinance and then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Town of such Ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the Town for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental Ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this Ordinance; or

(b) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or

(c) The creation of a lien upon or a pledge of the revenues of the sewage works ranking prior to the pledge thereof created by this Ordinance; or

(d) A preference or priority of any Bond or Bonds issued pursuant to this Ordinance over any other Bond or Bonds issued pursuant to the provisions of this Ordinance; or

(e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental Ordinance; or

(f) A reduction in the Reserve Requirement; or

(g) The extension of mandatory sinking fund redemption dates, if any.

If the owners of not less than sixty-six and two-thirds percent (66 23/%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental Ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk-Treasurer of the Town, no owner of any Bond issued pursuant to this Ordinance shall have any right to object to the adoption of such supplemental Ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Town or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the Town and all owners of Bonds issued pursuant to the provisions of this Ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the Town and of the owners of the Bonds authorized by this Ordinance, and the terms and provisions of the Bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the Town and the consent of the owners of all the Bonds issued pursuant to this Ordinance then outstanding.

Section 24. Other Action. The President, the Clerk-Treasurer, or any other officer of the Town may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the issuance of the Bonds and the other documents for the financing (including obtaining any rating, bond insurance, or any other form of credit enhancement for the Bonds if determined to be economically advantageous and desirable and with the favorable recommendation of the municipal advisor to the Town) as they deem necessary or desirable in connection therewith, and such determination shall be conclusively evidenced by the execution thereof. The acquisition of a municipal bond insurance policy is hereby deemed economically advantageous in the event the difference between the present value cost of (a) the total debt service on the Bonds if issued without municipal bond insurance and (b) the total debt service on

the Bonds if issued with municipal bond insurance, is greater than the cost of the premium on the municipal bond insurance policy. If such an insurance policy is purchased, the President and the Clerk-Treasurer are hereby authorized to execute and deliver all agreements with the provider of the policy to the extent necessary to comply with the terms of such insurance policy and the commitment to issue such policy. Such agreement shall be deemed a part of this ordinance for all purposes and is hereby incorporated herein by reference.

Section 25. Official Statement and Continuing Disclosure. The Bonds may be offered and sold pursuant to an Official Statement (the "Official Statement"), to be made available and distributed in such manner, at such times, for such periods and in such number of copies as may be required pursuant to Rule 15c2-12 promulgated by the United States Securities and Exchange Commission (the "Rule"). The Council hereby authorizes the President and Clerk-Treasurer to approve the form of Preliminary Official Statement upon the advice of counsel with such approval to be conclusively evidenced by signature of the President and Clerk-Treasurer thereon. The Council hereby authorizes the President and Clerk-Treasurer to deem "final" the Preliminary Official Statement, as of its date, in accordance with provisions of the Rule, subject to completion as permitted by the Rule, and the Council further authorizes the distribution of the deemed final Official Statement. The Council hereby authorizes and directs the President and Clerk-Treasurer, upon the advice of the counsel to place into final form and distribute and cause to be delivered the final Official Statement in accordance with the Rule, and further authorizes the President and Clerk-Treasurer to execute the final Official Statement. If the Bonds are subject to the Rule, a Continuing Disclosure Undertaking Agreement for the Bonds is hereby authorized and approved by the Council, and the Council authorizes the President and the Clerk-Treasurer to complete, execute, and attest the same on behalf of the Town based upon the advice of the municipal advisor and the Town's counsel. Notwithstanding any other provision of this Ordinance, failure of the Town to comply with the Continuing Disclosure Undertaking Agreement shall not be considered an event of default under the Bonds or this Ordinance.

Section 26. Tax Exemption. Notwithstanding any other provisions of this Ordinance, the covenants and authorizations contained in this Ordinance (the "Tax Sections") which are designed to preserve the exclusion of interest on the Bonds from gross income under federal law ("Tax Exemption") need not be complied with if the Town receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 27. Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided that the adoption of this Ordinance shall not be construed as amending or repealing the 2006 Ordinance or as adversely affecting the rights of the holders of the 2006 Bonds.

Section 28. Rates and Charges. The present rates and charges of the sewage works are set forth in Ordinance No. 2017-01, adopted on March 20, 2017, which ordinance is incorporated herein by reference.

Section 29. Headings. The heading or title of the general sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Ordinance

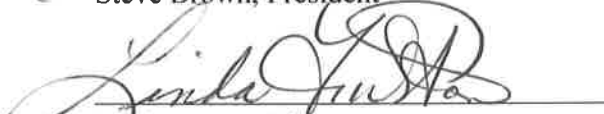
Section 30. Effective Date. This Ordinance shall be in full force and effect from and after its passage.

Passed and adopted by the Town Council of the Town of Fremont on the 1st day of July, 2019, by the vote of 4 ayes and 0 nays.

TOWN COUNCIL OF THE TOWN
OF FREMONT, INDIANA

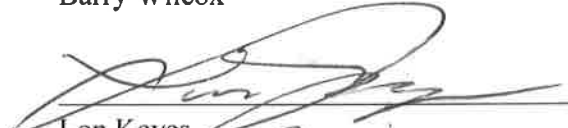


Steve Brown, President



Linda Fulton, Vice President

Barry Wilcox



Lon Keyes



Craig Adolph

ATTEST:



Kathy Parsons, Clerk-Treasurer

30V903904

EXHIBIT "A"

PROJECT DESCRIPTION

This project, as described herein, includes upgrades and improvements at the wastewater treatment facility to maintain sewage treatment capacity, improve maintenance, replace aging equipment and structures, and continue compliance with state and federal regulations, including but not limited to, the following major components:

- Headworks – Structure Improvements
- New Bar Screen and Grit Removal Equipment and Building
- Headworks Pump Station Improvements and Equipment Replacement
- Aeration Tank Blowers (Replacement of blowers in Administration Building)
- Aerobic Digester Improvements (New Blowers, piping and aeration drop pipes)
- New Sludge Storage & Dewatering Building (New Building)
- Misc. Site and Drainage Improvements (New storm sewer to address stormwater runoff)
- Final Clarifier Covers

This project, as described herein, includes upgrades and improvements to pump stations within the sanitary sewer collection system. In general, the upgrades may include installation of new equipment including submersible pumps, controls panels and electrical lines, replacement of piping and valves, coating of concrete surfaces and piping, installation of new manhole structures and sewer lines near the lift stations and miscellaneous site work. The construction work and improvements will be within the general vicinity of the existing lift stations that are located in existing right-of-way and/or right-of-way. Project will include, but not limited to, six (6) pump stations as noted below:

- Pump Station 1 (North 100 East)
- Pump Station 2 (Peace Lutheran)
- Pump Station 3 (Travelers Inn)
- Pump Station 4 (Mall)
- Pump Station 5 (Water Street)
- Pump Station 6 (Follett Street)

EXHIBIT "B"

UNITED STATES OF AMERICA

TOWN OF FREMONT
SEWAGE WORKS REVENUE BONDS OF 201__

STATE OF INDIANA

COUNTY OF STEUBEN

<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Original</u> <u>Date</u>	<u>Authentication</u> <u>Date</u>	[CUSIP]
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REGISTERED OWNER:

PRINCIPAL SUM:

The Town of Fremont (the "Town"), in Steuben County, State of Indiana, for value received, hereby promises to pay to the Registered Owner (named above) or registered assigns, solely out of the special revenue fund hereinafter referred to, the principal sum set forth above on the Maturity Date set forth above (unless this Bond be subject to and shall have been duly called for redemption and payment as provided for herein), and to pay interest hereon until the Principal Sum shall be fully paid at the rate per annum specified above from the interest payment date to which interest has been paid next preceding the Authentication Date of this Bond unless this Bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date, or unless this Bond is authenticated on or before _____, 20__, in which case it shall bear interest from the Original Date, which interest is payable semiannually on the first day of March and September of each year, beginning on _____, 20__. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

The principal of this Bond is payable at the principal office of _____ (the "Registrar" or "Paying Agent"), in the _____ of _____, Indiana. All payments of interest on this Bond shall be paid by check mailed one business day prior to the interest payment date to the registered owner hereof, as of the fifteenth day of the month preceding such payment, at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall wire transfer payments by 1:00 p.m. (New York Town time) so such payments are received at the depository by 2:30 p.m. (New York Town time). All payments on the Bond shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

This Bond shall not constitute an indebtedness of the Town within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the Town shall not be obligated to pay this Bond or the interest hereon except from the special fund provided from the Net Revenues (as hereinafter defined).

This Bond is one of an authorized issue of Bonds of the Town, of like date, tenor and effect, except as to numbering, interest rate, and dates of maturity, in the total aggregate amount of _____ Dollars (\$_____) (the "Bonds"), numbered from 1 up, issued for the purpose of providing funds to be applied on the cost of the construction of additions and improvements to the Town's sewage works, and to pay incidental expenses, as authorized by an Amended and Restated Ordinance adopted by the Town Council of the Town on the 1st day of July, 2019, entitled "An Ordinance concerning the construction of additions and improvements to the sewage works of the Town of Fremont; authorizing the issuance of sewage works revenue bonds to apply on the cost thereof; providing for the collection, segregation and distribution of the revenues of the sewage works; the safeguarding of the interests of the owners of said revenue bonds; other matters connected therewith, and repealing ordinances inconsistent herewith" (the "Ordinance"), and in strict compliance with the provisions of I.C. §5-1-11 and I.C. §36-9-23, each as in effect on the issue date of the Bonds (collectively the "Act").

Pursuant to the provisions of said Act and the Ordinance, the principal and interest of this Bond and all other Bonds of said issue, and any bonds hereafter issued on a parity therewith, are payable solely from the Sewage Works Sinking Fund (the "Sinking Fund") to be provided from the Net Revenues (defined as the gross revenues after the deduction only for the payment of the reasonable expenses of operation, repair and maintenance, and excluding transfers for payment in lieu of property taxes) of the sewage works of the Town.

The Town irrevocably pledges the entire Net Revenues of said sewage works to the prompt payment of the principal of and interest on the Bonds authorized by the Ordinance, of which this is one, and any bonds ranking on a parity therewith, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair, and maintenance of said sewage works, and for the payment of the sums required to be paid into said Sinking Fund under the provisions of the Act and the Ordinance. If the Town or the proper officers of the Town shall fail or refuse to so fix, maintain and collect sufficient rates and charges for those purposes, or if there be a default in the payment of the interest on or principal of this Bond, the owner of this Bond shall have all of the rights and remedies provided for in the Act, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this Bond and the interest hereon.

[The Bonds shall be initially issued in a Book Entry System (as defined in the Ordinance). The provisions of this Bond and of the Ordinance are subject in all respects to the provisions of the Letter of Representations between the Town and The Depository Trust Company, or any substitute agreement, effecting such Book Entry System.]

The Town further covenants that it will set aside and pay into its Sinking Fund a sufficient amount of the Net Revenues of said works to meet (a) the interest on all bonds which by their terms are payable from the revenues of the sewage works, as such interest shall fall due,

(b) the necessary fiscal agency charges for paying the bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the sewage works, as such principal shall fall due, and (d) an additional amount to maintain the reserve required by the Ordinance. Such required payments shall constitute a first charge upon all the Net Revenues of said works.

The Bonds of this issue maturing on _____ 1, 20____, and thereafter, are redeemable at the option of the Town on _____ 1, 20____, or any date thereafter, on thirty (30) days' notice, in whole or in part, in the order of maturity and by lot within a maturity, at face value, and without premium, plus in each case accrued interest to the date of redemption.

[The Bonds maturing on _____ 1, 20____ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on the dates and in the amounts set forth below:

<u>Date</u>	<u>Amount</u>
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*

* Final Maturity]

Each Five Thousand Dollars (\$5,000.00) principal amount shall be considered a separate bond for purposes of optional [and mandatory] redemption. If less than an entire maturity is called for redemption, the Bonds to be called for redemption shall be selected by lot within a maturity by the Registrar. [If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.]

Notice of redemption shall be mailed to the address of the registered owner as shown on the registration records of the Town, as of the date which is forty-five (45) days prior to such redemption date, not less than thirty (30) days prior to the date fixed for redemption unless notice is waived by the registered owner of this Bond. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the Town. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

If this Bond shall not be presented for payment or redemption on the date fixed therefor, the Town may deposit in trust with its depository bank, an amount sufficient to pay such Bond or the redemption price, as the case may be, and thereafter the registered owner shall look only to the funds so deposited in trust with said bank for payment and the Town shall have no further obligation or liability in respect thereto.

This Bond is transferable or exchangeable only upon the books of the Town kept for that purpose at the office of the Registrar, by the registered owner hereof in person, or by its attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the

same aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. The Town, the Registrar and any paying agent for this Bond may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

This Bond is subject to defeasance prior to redemption or payment as provided in the Ordinance referred to herein. THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE. The Ordinance may be amended without the consent of the owners of the Bonds as provided in the Ordinance, if the Town Council determines, in its sole discretion, that the amendment shall not adversely affect the rights of any of the owners of the Bonds.

The Bonds maturing in any one year are issuable only in fully registered form in the denomination of \$5,000.00 or any integral multiple thereof. This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

The Town has designated the Bonds as qualified tax-exempt obligations to qualify the Bonds for the \$10,000,000 exception from the provisions of Section 265(b) of the Internal Revenue Code of 1986 relating to the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the preparation and complete execution, issuance and delivery of this Bond have been done and performed in regular and due form as provided by law.

IN WITNESS WHEREOF, the Town of Fremont, in Steuben County, Indiana, has caused this Bond to be executed in its corporate name by the manual or facsimile signature of the President, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Clerk-Treasurer.

TOWN OF FREMONT, STEUBEN COUNTY,
INDIANA

[SEAL]

By: 
Steve Brown, Council President

Attest:


Kathy Parsons, Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this Bond is one of the Bonds described in the Ordinance.

As Registrar

By: _____
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(please print or typewrite name of Assignee)

(please print or typewrite the social security or other identifying number of Assignee)

(please print or typewrite address of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, Attorney, to transfer the within Bond in the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name as it on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

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APPENDIX D

FORM OF BOND COUNSEL OPINION

Upon delivery of the Bonds in definitive form, Beers Mallers Backs & Salin, LLP, Bond Counsel, proposes to render the following opinion with respect to the Bonds substantially in the form set forth below.

September 4, 2019

Re: Town of Fremont
Sewage Works Revenue Bonds of 2019
Total Issue: \$3,900,000.00
Dated: September 4, 2019

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Fremont, Indiana (the "Issuer") of \$3,900,000.00 of its Sewage Works Revenue Bonds of 2019, dated September 4, 2019 (the "Bonds"). We have examined the law and the certified transcript of proceedings of the Issuer had relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render this opinion. We have relied upon the certified transcript of proceedings and certificates of public officials of the Issuer, including the Issuer's tax covenants and representations (the "Tax Representations"), and we have not undertaken to verify any facts by independent investigation.

Based upon our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds are the valid and binding special revenue obligations of the Issuer enforceable in accordance with the terms and provisions thereof, and together with any additional bonds on a parity therewith hereafter issued, will be secured by a pledge of and payable solely out of the special fund heretofore legally established and designated as the "Sewage Works Sinking Fund," to which fund there has been legally pledged the net revenues (such net revenues being the gross revenues of the sewage works remaining after deduction only for the payment of the reasonable expenses of operation, repair and maintenance, excluding transfers for payment in lieu of property taxes) of the sewage works.

2. Under statutes, decisions, regulations and rulings existing on this date, interest on the Bonds is exempt from income taxation in the State of Indiana ("State"). This opinion relates only to the exemption of interest on the Bonds from State income taxes.

3. Under federal statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, and is not a specific

preference item for purposes of the federal alternative minimum tax. This opinion is conditioned on continuing compliance by the Issuer with the Tax Representations. Failure to comply with the Tax Representations could cause interest on the Bonds to lose the exclusion from gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the Official Statement or any other offering material relating to the Bonds and we express no opinion thereon.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity. It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to the valid exercise of the constitutional powers of the Issuer, the State and the United States of America.

Very truly yours,

APPENDIX E

\$3,900,000.00
TOWN OF FREMONT, INDIANA
SEWAGE WORKS REVENUE BONDS OF 2019

CONTINUING DISCLOSURE UNDERTAKING CERTIFICATE

THIS CONTINUING DISCLOSURE UNDERTAKING CERTIFICATE (“Certificate”) is made as of September 4, 2019 by the **Town of Fremont, Indiana**, a municipal corporation organized and existing under the laws of the State of Indiana (“Obligor”), for the purpose of permitting _____, as underwriter (“Underwriter”) of the Bonds, to purchase the Obligor’s Sewage Works Revenue Bonds of 2019, in the principal amount of \$3,900,000.00 (“Bonds”) in compliance with the Securities and Exchange Commission (“SEC”) Rule 15c2-12 (the “SEC Rule”) as published in the Federal Register on November, 17, 1994.

WHEREAS, the Obligor is an Obligated Person (as defined in the SEC Rule) because the Net Revenues (as defined in the hereinafter defined Ordinance) is the only source of funds (other than bond proceeds) pledged to pay the principal and interest due on the Bonds; and

WHEREAS, the Underwriter, by its agreement to purchase the Bonds, accepts and assents to this Certificate and the exchange of such purchase and acceptance for the promises of Obligor contained herein, and hereby assigns all its rights hereunder, as promise, the holders of the Bonds;

NOW, THEREFORE, in consideration of the payment for and acceptance of any Bonds by the Underwriter, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Obligor hereby promises to the Underwriter:

Section 1. Definitions. The words and terms defined in this Certificate shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Those words and terms not expressly defined herein and used herein with initial capitalization where rules of grammar do not otherwise require capitalization, shall have the meanings assigned to them in the SEC Rule.

- (i) “Bondholder” or “holder” or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond, including the holders of beneficial interests in the Bonds.
- (ii) “EMMA” means an internet-based electronic filing system called the “Electronic Municipal Market Access” system as described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board (“MSRB”) as further described in Section 4(e) hereof.
- (iii) “Final Official Statement” means the Official Statement dated as of August ____, 2019, relating to the Bonds, including any document or set of documents included

by specific reference to such document or documents previously provided to MSRB.

- (iv) “MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto for the purposes of the SEC Rule, which is the sole central repository, through the operation of EMMA, as provided in Section 5(e) hereof.

Certificate Section 2. Term. The term of this Certificate is from the date of delivery of the Bonds by the Obligor to the earlier of: (i) the date of the last payment of principal or redemption price, if any, of, and interest to accrue on, all the Bonds, (ii) the date the Bonds are defeased under Section 18 of the Bond Ordinance adopted by the Obligor on January 17, 2017 and amended on July 1, 2019 (the “Ordinance”), or (iii) the date of rescission as described in Section 10 hereof.

Section 3. Obligated Persons. (a) The Obligor hereby represents and warrants as of the date hereof that it is the only Obligated Person with respect to the Bonds. If the Obligor, at its sole discretion, determines that it is no longer an Obligated Person, this Certificate shall no longer apply to the Obligor.

(b) The Obligor hereby represents and warrants that no Obligated Person is an obligated person (within the meaning of the SEC Rule) with respect to more than \$10,000,000.00 in aggregate amount of outstanding municipal securities, including the Bonds and excluding municipal securities that were offered in a transaction exempt from the SEC Rule pursuant to paragraph (d)(1) of the SEC Rule.

Section 4. Provision of Annual Information. (a) The Obligor hereby undertakes to provide at least annually to the MSRB through EMMA, the most current copy of financial information of the Obligor which is customarily prepared by of for the Obligor, as required by Indiana law in effect at the time such financial information is prepared (the “Annual Information”).

As of the date of this Certificate, the Obligor is required by law to prepare, or cause to be prepared, the following Annual Information:

- Audit or Examination Report (“SBOA Report”) of the Obligor prepared by the Indiana State Board of Accounts (“SBOA”)
- Annual Financial Report of the Obligor

The Annual Information shall be filed by the June 30 immediately following each annual period. Such disclosure of Annual Information shall first occur by June 30, 2020, and shall be made by June 30 of every year thereafter, if the Annual Information is delivered to the Obligor by June 30 of each annual period. If, however, the Obligor has not received the Annual Information by such June 30 annual date, the Obligor agrees post the Annual Information within 60 days of the Obligor’s receipt thereof.

(b) If any Annual Information relating to the Obligor referred to in paragraph (a) of this Section 4 no longer can be generated because the operations to which they are related have been materially changed or discontinued, a statement to that effect, provided by the Obligor to the MSRB, along with any other Annual Information required to be provided under this Certificate, shall satisfy the undertaking to provide such Annual Information. To the extent available, the Obligor shall cause to be filed along with the other Annual Information operating data similar to that which can no longer be provided.

(c) The Obligor agrees to make a good faith effort to obtain Annual Information. However, failure to provide Annual Information because it is not available to the Obligor shall not be deemed to be a breach of this Certificate. The Obligor further agrees to supplement the Annual Information filing when such data is available.

(d) Annual Information required to be provided pursuant to this Section 4 may be provided by a specific reference to such Annual Information already prepared and previously provided to the MSRB or filed with the SEC; however, if such document is a final official statement, it must also be available from the MSRB.

(e) The Obligor must file all continuing disclosure filings under this Certificate with the MSRB through the EMMA system, solely by transmitting such filings to EMMA at www.emma.msrb.org and shall be accompanied by identifying information as prescribed by the MSRB.

(f) The Obligor or a Dissemination Agent (as defined in Section 7) must provide all filings in electronic format, in the form of a word searchable portable document format (PDF).

Section 5. Accounting Principles. The Obligor's financial information will be prepared with financial reporting provisions as prescribed by the SBOA, as in effect from time to time, as described in the SBOA Report and notes accompanying the SBOA Report or those principals mandated by state law from time to time. The SBOA Report of the Obligor, as described in Section 4(a) hereof is either (i) an audit of the Obligor's financial statements conducted in accordance with auditing standards generally accepted and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; or (ii) an examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

Section 6. Reportable Events. The Obligor shall disclose the following events, in a timely manner within 10 business days of the occurrence of any of the following events, if material (which determination of materiality shall be made by the Obligor in accordance with the standards established by federal securities laws), to the MSRB:

- (i) non-payment related defaults;
- (ii) modifications to the rights of Bondholders;

- (iii) Bond calls;
- (iv) release, substitution or sale of property securing repayment of the Bonds;
- (v) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the obligated person, or entry into or termination of a definitive agreement relating to the foregoing;
- (vi) appointment of a successor or additional trustee or the change of name of a trustee; and
- (vii) solely as to the Bonds and any obligations issued after the date hereof which are subject to the SEC Rule, incurrence of a financial obligation (as defined in the SEC Rule) of the Obligor or agreement to covenants, events of default, remedies, priority rights, or other similar terms of financial obligation of the Obligor, any of which affect security holders.

The Obligor shall disclose the following events, in a timely manner within 10 business days of the occurrence of any of the following events, regardless of materiality, to the MSRB:

- (i) principal and interest payment delinquencies;
- (ii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) substitution of credit or liquidity providers, or their failure to perform;
- (v) defeasances;
- (vi) rating changes;
- (vii) adverse tax opinions or other material events affecting the tax exempt status of the Bonds; the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material events, notices or determinations with respect to the tax status of the securities;
- (viii) tender offers;
- (ix) bankruptcy, insolvency, receivership or similar event of the obligated person; and
- (x) solely as to the Bonds and any obligations issued after the date hereof which are subject to the SEC Rule, default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial

obligation (as defined in the SEC Rule) of the Obligor, any of which reflect financial difficulties.

The Obligor may from time to time choose to provide notice of the occurrence of any other event, in addition to those listed above, if, in the judgment of the Obligor, such other event is material with respect to the Bonds and should be disclosed, but the Obligor does not commit to provide any such notice of the occurrence of any material event except those events set forth above.

Section 7. Use of Agent. The Obligor may, at its sole discretion, utilize an agent (“Dissemination Agent”) in connection with the dissemination of any information required to be provided by the Obligor pursuant to the terms of the SEC Rule and this Certificate. If a Dissemination Agent is selected for these purposes, the Obligor shall provide prior written notice thereof (as well as notice of replacement or dismissal of such agent) to the MSRB.

Further, the Obligor may, at its sole discretion, retain counsel or others with expertise in securities matters for the purpose of assisting the Obligor in making judgments with respect to the scope of its obligations hereunder and compliance therewith, all in order to further the purposes of this Certificate.

Section 8. Failure to Disclose. If, for any reason, the Obligor fails to provide the audited financial statements or Annual Information as required by this Certificate, the Obligor shall provide notice of such failure in a timely manner to the MSRB.

Section 9. Remedies. (a) The purpose of this Certificate is to enable the Underwriter to purchase the Bonds by providing for an undertaking by the Obligated Person in satisfaction of the SEC Rule. This Certificate is solely for the benefit of the Bondholders and creates no new contractual or other rights for, nor can it be relied upon by, the SEC, underwriter, brokers, dealers, municipal securities dealers, potential customers, other Obligated Persons or any other third party. The sole remedy against the Obligor for any failure to carry out any provision of this Certificate shall be for specific performance of the Obligor’s disclosure obligations hereunder and not for money damages of any kind or in any amount or for any other remedy. The Obligor’s failure to honor its covenants hereunder shall not constitute a breach or default of the Bonds, the Ordinance, or any other agreement to which the Obligor is a party.

(b) Subject to paragraph (d) of this Section 9, in the event the Obligor fails to provide any information required of it by the terms of this Certificate, any Bondholder may pursue the remedy set forth in the preceding paragraph in any court of competent jurisdiction in the county in which the Obligor is located. An affidavit to the effect that such person is a Bondholder supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue this remedy.

(c) Subject to paragraph (d) of this Section 9, any challenge to the adequacy of the information provided by the Obligor by the terms of this Certificate may be pursued only by holders of not less than 25% in principal amount of Bonds then outstanding in any court of

competent jurisdiction in the county in which the Obligor is located. An affidavit to the effect that such persons are holders of Bonds supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue the remedy set forth in the preceding paragraph.

(d) Prior to pursuing any remedy under this Certificate, a Bondholder shall give notice to the Obligor, via registered or certified mail, of such breach and its intent to pursue such remedy. Fifteen (15) days after mailing of such notice, and not before, a Bondholder may pursue such remedy under this Certificate. The Obligor's failure to honor its covenants hereunder shall not constitute a breach or default of the Bonds, the Ordinance or any other agreement to which the Obligor is a party.

Section 10. Modification of Agreement. The Obligor may, from time to time, amend or modify this Certificate without the consent of or notice to the Bondholders if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Obligor, or type of business conducted, (ii) this Certificate, as so amended or modified, would have complied with the requirements of the SEC Rule on the date hereof, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances, and (iii) such amendment or modification does not materially impair the interests of the Bondholders, as determined by (A) nationally recognized bond counsel; or (B) an approving vote of the holders of the Bonds pursuant to the Ordinance; or (b) such amendment or modification (including an amendment or modification which rescinds this Certificate) is permitted by the SEC Rule, as then in effect.

Section 11. Interpretation Under Indiana Law. It is the intention of the parties hereto that this Certificate and the rights and obligations of the parties hereunder shall be governed by and construed and enforced in accordance with, the laws of the State of Indiana.

Section 12. Severability Clause. In case any provision in this Certificate shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 13. Successors and Assigns. All covenants and agreements in this Certificate made by the Obligor shall bind its successors, whether so expressed or not.

Section 14. Notices. All notices required to be given under this Certificate shall be made at the following addresses:

If to the Obligor: Town of Fremont, Indiana
 Attn: Clerk-Treasurer
 P.O. Box 602
 205 N. Tolford Street
 Fremont, Indiana 46737

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Obligor has caused this Certificate to be executed as of the 4th day of September, 2019.

TOWN OF FREMONT, INDIANA, as Obligor

Steve Brown, President

ATTEST:

Kathy Parsons, Clerk-Treasurer

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APPENDIX F

APPENDIX F

This Appendix F is based on Alternative II (Hold-the-Offering-Price Rule (as defined below) May Apply if Competitive Sale Requirements (as described below) are Not Satisfied) contained in the Model Issue Price Documents published by the Securities Industry and Financial Markets Association (“SIFMA”) on May 1, 2017. The Town of Fremont, Indiana (“Issuer”) intends that in the event that the competitive sale requirements are not satisfied (i.e. 3 bids are not received), the issue prices will be established by either: (1) certification by the bidder at the time of award as to maturities that meet the 10% test (as defined below), or (2) certification by the bidder on the closing date as to maturities that meet the hold-the-offering-price rule.

(a) The winning bidder shall assist the Issuer in establishing the issue price of the Bonds (as defined in the preliminary official statement) and shall execute and deliver to the Issuer 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 hereto as Schedule I with respect to Bonds that satisfy the competitive sale requirements or Schedule II with respect to Bonds that do not satisfy the competitive sale requirements, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Issuer and bond counsel. All actions to be taken by the Issuer to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer’s municipal advisor identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer’s municipal advisor.

(b) The Issuer 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 Issuer shall disseminate the 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 Issuer 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 Issuer 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 the Notice.

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

(c) In the event that the competitive sale requirements are not satisfied, the Issuer shall so advise the winning bidder. The Issuer 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 Issuer if any maturity of the Bonds satisfies the 10% test

as of the date and time of the award of the Bonds. The Issuer 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 Issuer 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.

(d) 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.

(e) The winning bidder shall promptly advise the Issuer 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.

(f) The Issuer 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 Issuer 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.

(g) 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.

(h) 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 the Notice. Further, for purposes of this Appendix:

- (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 Issuer (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 Issuer 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 Issuer.

Schedule I

\$3,900,000 SEWAGE WORKS REVENUE BONDS OF 2019 ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. *Reasonably Expected Initial Offering Price.*

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.¹

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. *Defined Terms.*

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is August 20, 2019.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph 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).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury

*Preliminary, subject to change.

¹ Treas. Reg. §1.148-1(f)(3)(i)(B) requires that all bidders have an equal opportunity to bid to purchase bonds. If the bidding process affords an equal opportunity for bidders to review other bids prior to submitting their bids, then this representation should be modified to describe the bidding process.

Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the arbitrage certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

Schedule II

\$3,900,000*

SEWAGE WORKS REVENUE BONDS OF 2019

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (“[SHORT NAME OF UNDERWRITER]”)[the “Representative”][, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the Bonds.*** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) *Issuer* means Town of Fremont, Indiana.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is August 20, 2019.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph 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).

*Preliminary, subject to change.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM][the Representative's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By: _____

Name: _____

Dated:[ISSUE DATE]

SCHEDULE A
(Attached)

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