

RESOLUTION NO. 2022-2

**A RESOLUTION MAKING A PRELIMINARY
DETERMINATION TO ISSUE SEWAGE WORKS
REVENUE BONDS OF THE TOWN OF
WESTPORT, INDIANA**

WHEREAS, pursuant to IC 36-9-23, as amended, the Town Council (the "Town Council") of the Town of Westport, Indiana (the "Town") has considered issuing sewage works revenue bonds in one or more series, in an aggregate principal amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) (the "Bonds") to finance (1) the construction and acquisition of improvements and additions to the Town's sewer system; (2) any other related improvements thereto; and (3) expenses incurred in connection with or on account of the issuance of the Bonds (collectively, the "Project"); and

WHEREAS, the Town Council preliminarily finds that it is in the best interests of the Town and its citizens to issue sewage works revenue bonds of the Town for the purpose of financing all or a portion of the costs of the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF WESTPORT, INDIANA, AS FOLLOWS:

Section 1. The Town Council hereby makes a preliminary determination to issue the Bonds, pursuant to IC 36-9-23, as amended, in an original aggregate principal amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) (including bond anticipation notes (the "BAN's"), if the Clerk-Treasurer determines that it is reasonable or necessary to issue BANs in anticipation of the issuance of the Bonds), for the purpose of financing all or a portion of the costs of the Project. The Bonds (a) may be issued in one or more series, (b) with respect to each series of the Bonds, will have a maximum term ending not later than forty years after their date of issuance, and (c) with an estimated maximum interest rate not exceeding one and three-eighths percent (1.375%) per annum (or three percent (3.00%) per annum, with respect to any BANs). The Bonds shall be payable out of revenues of the Town's sewage works system.

Section 2. The Town Council hereby declares its intent, pursuant to Treas. Reg. §1.105-2 and IC 5-1-14-6(c), that costs incurred by or on behalf of the Town in financing costs of the Project be reimbursed from the proceeds of the Bonds.

Section 3. The officers and representatives of the Town and any member of the Town Council are hereby authorized, empowered and directed, on behalf of the Town, to take any other action as such individual deems necessary or desirable to effectuate the foregoing resolutions, and any actions heretofore made or taken be, and hereby are, ratified and approved.

Section 4. This resolution shall be in full force and effect from and after its adoption.

Passed and adopted by the Town Council of the Town of Westport, Indiana, this 14th day of February, 2022.



via Electronic Delivery Only

February 8, 2022

Town of Westport, Indiana
c/o Gloria Alumbaugh, Clerk-Treasurer
207 Johnson Avenue
Westport, Indiana 47283

Re: Engagement Letter for Municipal Advisory Services

Dear Gloria:

We are pleased to submit this engagement letter to you for consideration by the Town of Westport, Indiana (the "Town") regarding our retention to provide municipal advisory services as it relates to the proposed issuance of two (2) bond anticipation notes ("BAN's) and a loan ("Loan") (the BANs and Loan collectively, the "Financing"). The Financing will provide funds to pay the cost of all or a portion of (i) wastewater utility improvements and its related cost and (ii) incidental costs and expense incurred in connection with the issuance of the Financing. It is anticipated that the initial BAN will be to cover pre-construction cost; followed by the second BAN issued through the Indiana Bond Bank for the interim financing for the Loan to be entered into with the USDA-RD to be finalized upon the completion of the Project.

LWG CPAS & ADVISORS, IS A REGISTERED MUNICIPAL ADVISOR

LWG CPAs & Advisors ("LWG"), is a registered municipal advisor under the applicable rules promulgated by the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"). This engagement letter is intended, in part, to comply with the SEC rules and the MSRB rules (collectively, the "Rules"), which require us to disclose certain matters to you and include certain terms herein.

SCOPE OF SERVICES

LWG will provide the municipal advisory services necessary in connection with the Financing, including, but not limited to, the following:

1. Advise on the Financing structures;
2. Assist in coordinating the activities of various participants to the Financing including local counsel, bond counsel, paying agent, lenders (including, but not limited to the Indiana Bond Bank and the USDA - RD) and other consultants;
3. Attend meetings, as requested to discuss the Financing;

- (iii) whether we have investigated or considered other reasonable feasible alternatives to such recommendation that might also or alternatively serve the Town's objectives;

12. Deal honestly and with the utmost good faith with the Town and act in the Town's best interests without regard to the financial or other interests of LWG; and

13. Assist in coordinating the closing and the settlement in connection with the issuance of the Financing (the "Closing").

During this engagement, we will assume and rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Financing and their security. We understand that you will direct your representatives and members of your staff to cooperate with us in this regard. Upon delivery of each obligation at the Closing, our responsibilities as municipal advisor with respect to each segment of the Financing will be concluded.

Our services as municipal advisor are limited to those expressly set forth above. Among other things, our services as municipal advisor do not include:

- (1) in the event the Financing will be sold in a negotiated sale, contacting any financial institutions or other potential purchasers of the Financing for the purpose of soliciting a purchaser of the Financing, providing such purchasers term sheets or otherwise negotiating with any of them as to the terms of the Financing; in such event, we recommend that the Town engage a registered broker-dealer to handle such responsibilities;
- (2) after the Closing, providing any further municipal advice to the Town regarding the Financing; or
- (3) any other matter not specifically set forth above.

ENGAGEMENT TEAM

As a registered municipal advisor under the Rules, all of our advice provided pursuant to this engagement letter will be provided by either a registered municipal advisor principal or a registered municipal advisor representative of LWG. For purposes of this Financing, we anticipate those individuals to be myself and Robert Reynolds; however, we may assign portions of the work to be done to a registered municipal advisor principal or other registered municipal advisor representatives of the firm or to firm personnel, such as staff accountants and secretarial staff, who are not a registered municipal advisor principal or a registered municipal advisor representatives, but who will be acting under the direct supervision of a registered municipal advisor principal or a registered municipal advisor representative of the firm.

transaction or municipal financial product, such as a municipal derivative, a guaranteed investment contract or investment strategy with respect to the use of the proceeds of a municipal security.

We have not entered into any fee-splitting arrangement with any provider of investments or services to the Town. As described above under the caption "COMPENSATION," our fees are not contingent on the size or the closing of the Financing pursuant to this engagement letter. We have no other engagements or relationships that might impair our ability to fulfill our duty of care and duty of loyalty to the Town.

Other Relationships

LWG serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of the Town. For example, LWG serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the Town under this engagement letter. These other clients may, from time to time and depending on the specific circumstances, have competing interests such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, LWG could potentially face a conflict of interest arising from these competing client interests. None of these other engagements or relationships would impair LWG's ability to fulfill its regulatory duties to the Town.

Compensation-Based Conflicts

The fees due under this engagement letter are in a fixed amount established at the outset hereof. The amount is usually based upon an analysis by the Town and LWG of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by LWG. This form of compensation presents a potential conflict of interest, because, if the transaction requires more work than originally contemplated, LWG may suffer a loss. Thus, LWG may recommend less time-consuming alternatives or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

LEGAL OR DISCIPLINARY EVENTS

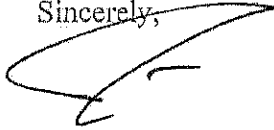
A Civil Judicial Action DRP on Form MA and MA-I was filed with the SEC as a result of a complaint filed by the City of Marion, Indiana against five (5) parties including LWG. Further details regarding the complaint can be found in the Civil Judicial Action DRP on the most recent Form MA available by means of the following link:

<https://www.sec.gov/edgar/searchedgar/companysearch.html>

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We are pleased to have this opportunity to be of service to you. If you have any questions regarding this engagement letter, please call me.

Sincerely,



James P. Higgins

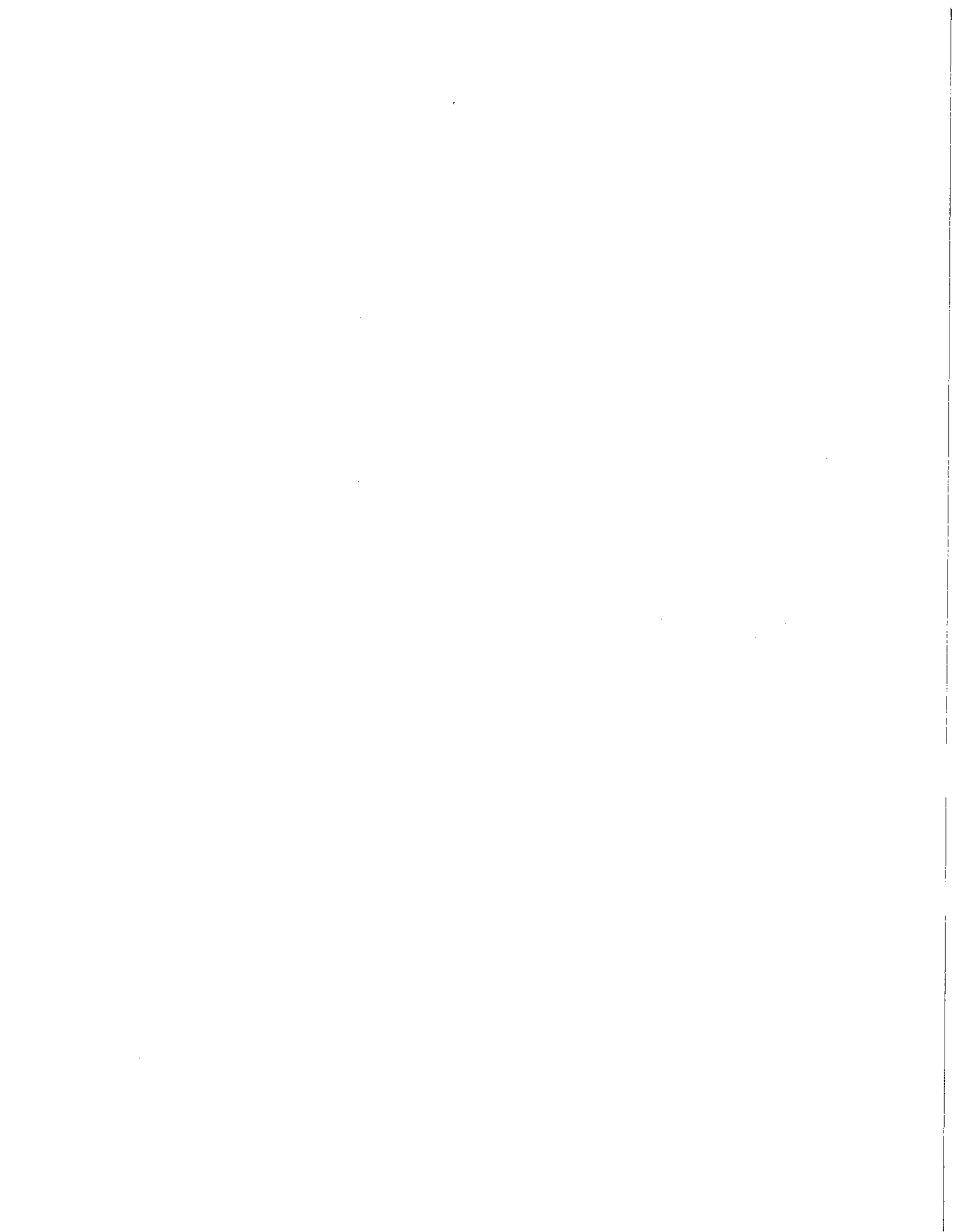
ACKNOWLEDGED AND AGREED TO:

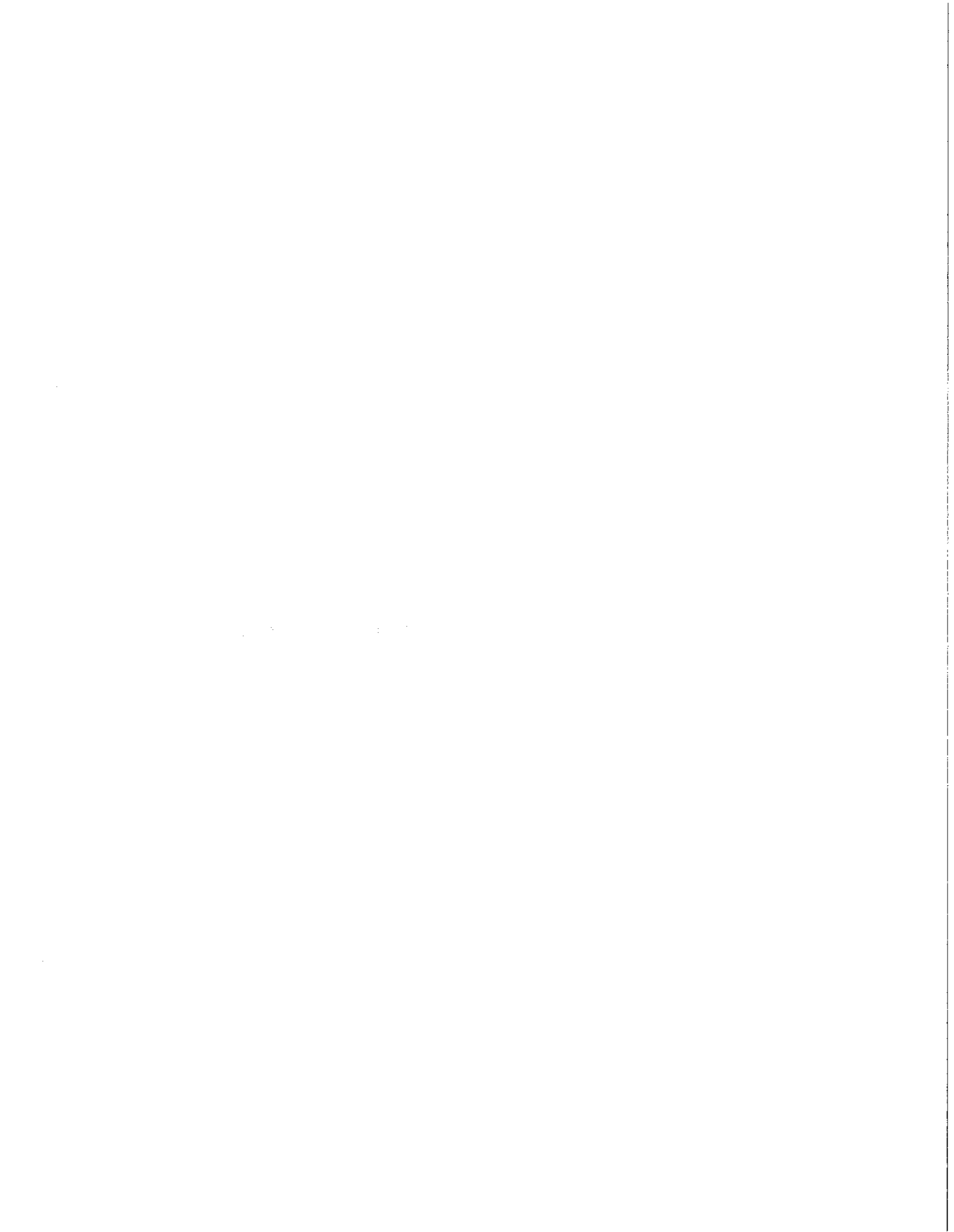
TOWN OF WESTPORT, INDIANA

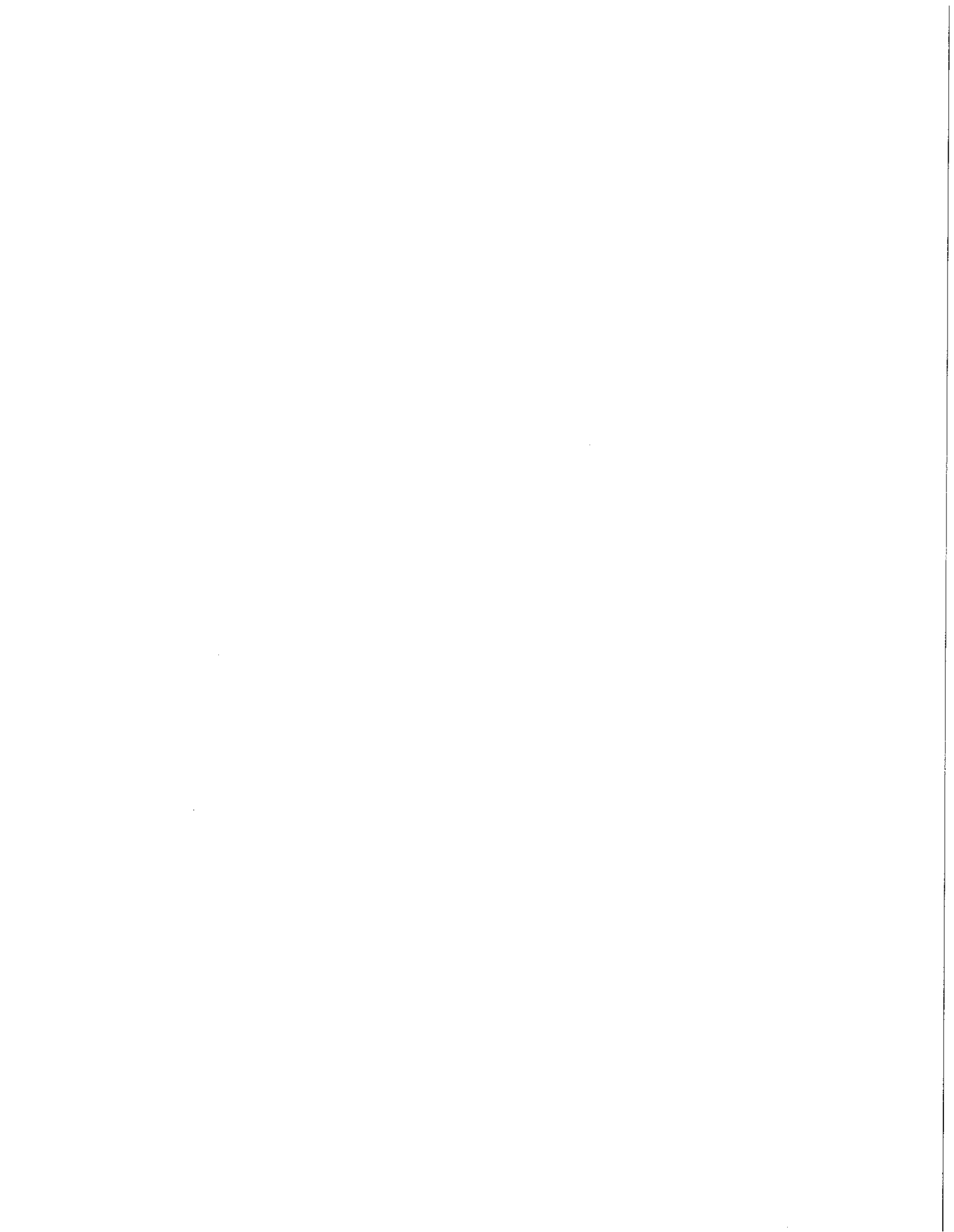
By: Harry Gray III

Title: Town Council President

Date: 2/14/22







INFORMATION FOR MUNICIPAL ADVISORY CLIENTS

Pursuant to MSRB Rule G-10 - Investor and Municipal Advisory Client Education and Protection, LWG is required to notify you at least once each calendar year of the availability of a brochure that is posted on the website of the MSRB (www.msrb.org) that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority. The following is a link directly to the aforementioned brochure:

<http://www.msrb.org/~media/files/resources/MSRB-MA-Clients-Brochure.ashx?la=en>

NOTIFICATIONS

Periodically, there are notifications that must be sent to the client on municipal advisory engagements. LWG will send these notifications to:

Town of Westport, Indiana
c/o Clerk-Treasurer
207 Johnson Avenue
Westport, Indiana 47283

Any notifications to LWG shall be sent to:

LWG CPAs & Advisors
c/o Chief Compliance Officer
1776 North Meridian Street, Suite 500
Indianapolis, Indiana 46202

CONCLUSION

If you agree to our services as municipal advisor to the Town upon the terms set forth herein, please indicate your agreement, on behalf of the Town, by executing the enclosed copy of this letter in the space provided below and return the executed copy to me.

You may terminate our engagement as municipal advisor at any time simply by notifying us. We may terminate and withdraw from our engagement for nonpayment of our fees and expenses as described above.

COMPENSATION

Our total fees will be \$65,000 in connection with this Financing with \$20,000 due upon the Closing of the pre-construction BAN; \$35,000 due upon the Closing of the interim financing with the Indiana Bond Bank and \$10,000 upon the Closing of the Loan with USDA-RD. Such fees will be based on the reasonable value of our services. The primary factors in determining our fees will be the amount of time and applicable hourly billing rates for each registered municipal advisor principal and registered municipal advisor representative and other firm personnel working on this Financing.

Our fees will be paid at the Closing, and we will not submit any statement until the Closing, unless: (1) there is a substantial delay in completing the Financing, in which case, we will submit an invoice for the time and expenses incurred to the date indicated in such invoice, which amount will be applied toward and reduce the fixed fee to be paid at Closing; or (2) the Town notifies us that the Financing will not be completed or it is terminating our services under this engagement letter, in which case, we will submit an invoice for the time and expenses incurred to the date of such notification and our responsibilities as municipal advisor to the Town with respect to the issue of the Financing will be concluded.

MATERIAL CONFLICTS OF INTEREST

General

LWG makes the disclosures set forth below with respect to material conflicts of interest in connection with the scope of services described above under the caption "SCOPE OF SERVICES" under this Engagement Letter (collectively, the "Scope of Services"), together with how LWG addresses or intends to manage or mitigate each conflict.


General Mitigations

As general mitigations of LWG's conflicts, with respect to all of the conflicts disclosed below, LWG mitigates such conflicts through its adherence to its fiduciary duty to the Town, which includes a duty of loyalty to the Town in performing all municipal advisory activities for the Town. This duty of loyalty obligates LWG to deal honestly and with the utmost good faith with the Town and to act in the Town's best interests without regard to LWG's financial or other interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.


There is no affiliate of LWG that is or will provide any advice, service or product to or on behalf of the Town that is directly or indirectly related to the municipal advisory activities to be performed by us pursuant to this engagement letter. We have made no payments, directly or indirectly, to obtain or retain the Town's municipal advisory business pursuant to this engagement letter. We have received no payments from third parties to enlist our recommendation to the Town of the services of any such third party, including with respect to any municipal securities

4. Assist in the drafting of, in conjunction with other members of the working group, documents related to the issuance of the Financing, including but not limited to the term sheet, application, studies and/or reports;
 5. Assist in negotiating and acquiring bond insurance, credit facilities or other adjunct services directed at credit enhancement and security, where applicable and if needed;
 6. Review and analyze bids on sale date, if a competitive sale, or review and advise on pricing if a negotiated sale;
 7. Review the requirements of the USDA-RD annual report inclusive of the required information per the undertaking for the Town's outstanding loans, as required;
 8. Make reasonable inquiries as to the facts that form the basis for any advice we provide to the Town;
 9. Undertake reasonable investigations to determine that we are not basing any recommendation to the Town on materially inaccurate or incomplete information;
 10. Have a reasonable basis for:
 - (a) any advice provided to or on behalf of the Town;
 - (b) any representation made in a certificate that LWG signs that will be reasonably foreseeably relied upon by the Town, any other party involved in the Financing or investors in the Financing; and
 - (c) any information provided to the Town or other parties involved in the Financing in connection with any offering document;
 11. (a) if we make a recommendation to the Town regarding the Financing or the issuance of another series of obligations, have a reasonable basis to believe that the recommendation is suitable for the Town, based on information obtained through reasonable due diligence; and
(b) if the review of a recommendation of another party regarding the Financing or the issuance of another series of obligations is requested by the Town and is within the scope of our municipal advisory services set forth in this letter, determine, based on the information obtained through reasonable diligence, whether such recommendation is or is not suitable for the Town; and
- in either case under clause (a) or (b) above, inform the Town of:
- (i) our evaluation of the material risks, potential benefits, structure and other characteristics of such recommendation;
 - (ii) the basis upon which we reasonably believe that such recommendation is, or (in the case of such recommendation made by another party as described in clause (b) above) is not, suitable for the client; and

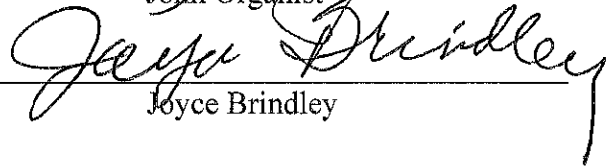
TOWN COUNCIL OF THE TOWN OF
WESTPORT, INDIANA



Harry Pray III



John Organist



Joyce Brindley

Attest:



Gloria Alumbaugh, Clerk-Treasurer