



February 5, 2021

Town of Munster, Indiana
Attn: Dustin Anderson, Town Manager
1005 Ridge Road
Munster, IN 46321

Re: Underwriter/Placement Agent Engagement Relating to Potential Municipal Securities Transaction for the Town of Munster, Indiana Economic Development Refunding Revenue Bonds, Series 2021 to refinance the Economic Development Revenue Bonds, Series 2011

Dear Mr. Anderson:

The Town of Munster, Indiana (the “Issuer”) and Stifel, Nicolaus & Company, Incorporated (“Stifel”) are entering into this engagement to confirm that they are engaged in discussions related to a potential issue of (or series of issuances of) municipal securities related to the Town of Munster, Indiana Economic Development Refunding Revenue Bonds, Series 2021 that will refinance all or a portion of the Issuer’s Economic Development Revenue Bonds, Series 2011 (the “Issue”), and to formalize Stifel’s role as underwriter or placement agent with respect to the Issue. The Issue is expected to be secured by Tax Increment Finance revenues.

Engagement as Underwriter/Placement Agent

The Issuer is aware of the “Municipal Advisor Rule” of the Securities and Exchange Commission (“SEC”) and the underwriter exclusion from the definition of “municipal advisor” for a firm serving as an underwriter or placement agent for a particular issuance of municipal securities. The Issuer hereby designates Stifel as an underwriter or placement agent for the Issue. The Issuer expects that Stifel will provide advice to Issuer on the structure, timing, terms and other matters concerning the Issue.

If this engagement takes the form of a placement, before Stifel commences its activities as placement agent or at the closing of the placement, the Issuer will be asked to sign a Placement Agent Agreement in the form attached hereto, providing for more detailed terms of this engagement as well as representations and warranties.

Limitation of Engagement

It is the Issuer’s intent that Stifel serve as an underwriter or placement agent for the Issue, subject to satisfying applicable procurement laws or policies, formal approval by the of the Issuer, finalizing the structure of the Issue and executing a bond purchase agreement or placement agent agreement, as applicable. While the Issuer presently engages Stifel as the underwriter or placement agent for the Issue, this engagement letter is preliminary, nonbinding and may be terminated at any time by the Issuer, without penalty or liability for any costs incurred by Stifel. Furthermore, this engagement letter does not restrict the Issuer from entering into the Issue with any other underwriters or placement agents or selecting an underwriting syndicate that does not include Stifel.

Role Disclosure

The Issuer hereby confirms and acknowledges each of the following concerning the role that Stifel would have as an underwriter or placement agent:

- (1) Municipal Securities Rulemaking Board (“MSRB”) Rule G-17 requires underwriters and placement agents to deal fairly at all times with both municipal issuers and investors;
- (2) the underwriter’s primary role is to purchase securities with a view to distribution in an arm’s-length commercial transaction with the Issuer and it has financial and other interests that differ from those of the Issuer;
- (3) the placement agent’s primary role is to place securities directly with an investor or investors on behalf of the issuer without first purchasing the securities;
- (4) unlike a municipal advisor, the underwriter/placement agent does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests;
- (5) the underwriter has a duty to purchase securities from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable; and
- (6) the underwriter will review the official statement for the Issuer’s securities, in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction.¹

Disclosures Concerning the Underwriter’s Compensation and Placement Agent Fee

The underwriter will be compensated by a fee and/or underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the Issue. The placement agent will be compensated by a fee agreed upon with the Issuer in connection with the private placement of the Issue. Payment or receipt of the underwriting fee or discount or placement agent fee will be contingent on the closing of the transaction and the amount of the discount or fee may be based, in whole or in part, on a percentage of the principal amount of the Issue. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter or placement agent may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Conflicts of Interest

Stifel has not identified any additional potential or actual material conflicts that require disclosure.

¹ Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriter is solely for purposes of satisfying the underwriter’s obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

Disclosures Relating to Complex Municipal Securities Financing

Since Stifel has not recommended a “complex municipal securities financing” to the Issuer, additional disclosures regarding the financing structure for the Issue are not required under MSRB Rule G-17.

However, if Stifel recommends, or if the Issue is ultimately structured in a manner considered a “complex municipal securities financing” to the Issuer, this letter will be supplemented to provide disclosure of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to us and are reasonably foreseeable at that time.

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

Sincerely,

Stifel, Nicolaus & Company, Incorporated

By:



Name: Michael Schumaker

Title: Managing Director

The Issuer acknowledges the foregoing.
Accepted and Executed

By: _____

Name: _____

Title: _____

Date: _____