

NOTICE OF BOND SALE

Time and Place of Sealed Bids: Bids for the sale of Storm Water Revenue Bonds, Series 2013C, of the City of Storm Lake, State of Iowa, will be received at the office of the City Clerk, City Hall, 620 Erie Street, Storm Lake, Iowa (the "Issuer") at 1:00 o'clock P.M., on the 15th day of April, 2013. The bids will then be publicly opened and referred for action to the meeting of the City Council in conformity with the TERMS OF OFFERING.

The Bonds: The bonds to be offered are the following:

STORM WATER REVENUE BONDS, SERIES 2013C, in the amount of \$1,100,000*, to be dated May 28, 2013 (the "Bonds")

* Adjustment to Principal Amount After Determination of Best Bid. Each scheduled maturity of the Bonds are subject to increase or decrease. Such adjustments shall be made promptly after the sale and prior to the award of bids by the issuer and shall be in the sole discretion of the Issuer. The aggregate issuance amount of the Bonds shall not exceed \$1,100,000. To cooperate with any adjustment in the principal amounts, the Successful Bidder is required, as a part of its bid, to indicate its Initial Reoffering yield and Initial Reoffering price on each maturity of the Bonds (said price shall be calculated to the date as indicated by the Issuer).

The dollar amount bid by the Successful Bidder may be changed if the aggregate principal amount of the Bonds, as adjusted as described below, is adjusted, however the interest rates specified by the Successful Bidder for all maturities will not change. The Issuer's Financial Advisor will make every effort to ensure that the percentage net compensation to the Successful Bidder (the percentage resulting from dividing (i) the aggregate difference between the offering price of the Bonds to the public and the price to be paid to the Issuer (not including accrued interest), less any bond insurance premium and credit rating fee, if any, to be paid by the Successful Bidder, by (ii) the principal amount of the Bonds) does not increase or decrease from what it would have been if no adjustment was made to principal amounts shown in the maturity schedule.

The Successful Bidder may not withdraw or modify its bid once submitted to the Issuer for any reason, including post bond adjustment. Any adjustment shall be conclusive, and shall be binding upon the Successful Bidder.

Manner of Bidding: Open bids will not be received. Bids will be received in any of the following methods:

- Sealed Bidding: Sealed bids may be submitted and will be received at the office of the City Clerk at City Hall, 620 Erie Street, P.O. Box 1086, Storm Lake, Iowa 50588-1086.
- Electronic Internet Bidding: Electronic internet bids will be received at the office of the City Clerk at City Hall, 620 Erie Street, P.O. Box 1086, Storm Lake, Iowa 50588-1086. The bids must be submitted through the PARITY® competitive bidding system.

- Electronic Facsimile Bidding: Electronic facsimile bids will be received at the office of the City Clerk at City Hall, 620 Erie Street, P.O. Box 1086, Storm Lake, Iowa 50588-1086 (facsimile number: 712-732-8000). Electronic facsimile bids will be sealed and treated as sealed bids.

Consideration of Bids: After the time for receipt of bids has passed, the close of sealed bids will be announced. Sealed bids will then be publicly opened and announced. Finally, electronic internet bids will be accessed and announced.

Sale and Award: The sale and award of the Bonds will be held at the Council Chambers, City Hall, 620 Erie Street, Storm Lake, Iowa at a meeting of the City Council on the above date at 5:00 o'clock P.M.

Official Statement: The Issuer has issued an Official Statement of information pertaining to the Bonds to be offered, including a statement of the Terms of Offering and an Official Bid Form, which is incorporated by reference as a part of this notice. The Official Statement may be obtained by request addressed to the City Clerk, City Hall, 620 Erie Street, Storm Lake, Iowa or the Issuer's Financial Consultant, Piper Jaffray & Co., 3900 Ingersoll Avenue, Suite 110, Des Moines, Iowa 50312; Telephone: 515-247-2340, Fax: 515-247-2352

Terms of Offering: All bids shall be in conformity with and the sale shall be in accord with the Terms of Offering as set forth in the Official Statement.

Legal Opinion: The bonds will be sold subject to the opinion of Ahlers & Cooney, P.C., Attorneys of Des Moines, Iowa, as to the legality and their opinion will be furnished together with the printed bonds without cost to the purchaser and all bids will be so conditioned. Except to the extent necessary to issue their opinion as to the legality of the bonds, the attorneys will not examine or review or express any opinion with respect to the accuracy or completeness of documents, materials or statements made or furnished in connection with the sale, issuance or marketing of the bonds.

Rights Reserved: The right is reserved to reject any or all bids, and to waive any irregularities as deemed to be in the best interests of the public.

By order of the City Council of the City of Storm Lake, State of Iowa.

City Clerk, City of Storm Lake, State of Iowa