

NOTICE OF PRELIMINARY ACCEPTANCE

RELATING TO THE

INVITATION TO TENDER BONDS DATED SEPTEMBER 16, 2024

made by

**NORTHEAST OHIO REGIONAL SEWER DISTRICT
(the “District”)**

to the Holders of

TAX-EXEMPT TARGET BONDS

Northeast Ohio Regional Sewer District
Wastewater Improvement Refunding Revenue Bonds
Series 2016

Northeast Ohio Regional Sewer District
Wastewater Improvement Refunding Revenue Bonds
Series 2017

Northeast Ohio Regional Sewer District
Wastewater Improvement Refunding Revenue Bonds
Series 2019

TAXABLE TARGET BONDS

Northeast Ohio Regional Sewer District
Wastewater Improvement Refunding Revenue Bonds
Series 2020
(Federally Taxable)

Northeast Ohio Regional Sewer District
Wastewater Improvement Refunding Revenue Bonds
Series 2021
(Federally Taxable)

(Base CUSIP 663903)

*The purpose of this Notice of Preliminary Acceptance dated October 1, 2024 (the “**Notice of Preliminary Acceptance**”) is to provide notice of the District’s preliminary acceptance for purchase of certain Target Bonds. All terms used herein and not otherwise defined are used as defined in the Invitation (hereinafter defined).*

Pursuant to the Invitation to Tender Bonds dated September 16, 2024 as supplemented by the Pricing Notice dated September 24, 2024 (as it may be further amended or supplemented, including the cover page, inside cover pages and Appendices, the “**Invitation**”), the District invited Bondholders to tender Target Bonds for cash (the “**Tender Offer**”) at the purchase price (the “**Offer Purchase Price**”) set forth in the Pricing Notice as follows:

- With respect to each CUSIP of the Tax-Exempt Target Bonds, each Offer Purchase Price will be the applicable purchase prices expressed as a dollar amount per \$100 principal amount of the Tax-Exempt Target Bonds plus accrued interest (“**Accrued Interest**”) on such Tax-Exempt Target Bonds tendered for purchase to but not including the Settlement Date.
- With respect to each CUSIP of the Taxable Target Bonds, each Offer Purchase Price will be based on a yield (each a “**Purchase Yield**”) equal to the applicable fixed spread (each, a “**Fixed Spread**”) to be added to the yield on the relevant benchmark United States Treasury Security (the “**Benchmark Treasury Security**”) plus Accrued Interest on such Taxable Target Bonds tendered for purchase to but not including the Settlement Date.

The Tender Offer expired at 5:00 p.m., Eastern time, on September 30, 2024.

The principal amounts of Target Bonds of each CUSIP that the District is preliminarily accepting for purchase are set forth on Schedule 1 hereto. The District has set the Fixed Spreads for the Taxable Target Bonds of each CUSIP pursuant to the terms of the Pricing Notice dated September 24, 2024.

For the Taxable Target Bonds, the applicable Fixed Spread for a CUSIP, expressed as an interest rate percentage, will be added to the yield on the Benchmark Treasury Security corresponding thereto to arrive at the Purchase Yield used to calculate the Purchase Price for each maturity and corresponding CUSIP of the Taxable Target Bonds. The Treasury Security Yield on each Benchmark Treasury Security will be determined at approximately 10:00 a.m., Eastern time, on October 2, 2024, and the Notice of Purchase Prices will be provided on October 2, 2024, all in accordance with the Tender Offer.

On October 2, 2024, unless such date is extended by the District (the “**Final Acceptance Date**”), the District will announce its acceptance for purchase of the Target Bonds, if any, from among those Target Bonds of such CUSIP initially accepted for purchase as listed on Schedule 1 hereto. The District has no obligation to accept for purchase any tendered Target Bonds and the District’s obligation to pay for Target Bonds validly tendered (and not validly withdrawn) and accepted pursuant to the Tender Offer is subject to the terms and conditions of the Tender Offer including, *inter alia*, satisfaction or waiver of the Financing Conditions (as defined in the Tender Offer) on or prior to the Settlement Date.

Should the District determine to purchase some but not all of the tendered Target Bonds of a particular CUSIP, it will accept such Target Bonds tendered for purchase on a *pro rata* basis as described in the Tender Offer.

The Tender Offer, including the Preliminary Official Statement relating to the District’s Wastewater Improvement Refunding Revenue Bonds, Series 2024, a portion of the proceeds of which will be used to purchase the tendered Target Bonds, if such Target Bonds are purchased, and the Pricing Notice dated September 24, 2024 are available: (i) at the Municipal Securities Rulemaking Board through its EMMA website, currently located at <http://emma.msrb.org>, using the CUSIP numbers for the Target Bonds, and (ii) on the website of the Information Agent and Tender Agent at <https://www.globic.com/neorsd>.

Any questions are to be directed to the Information Agent and Tender Agent at (212) 227-9622.

October 1, 2024

SCHEDULE 1

The tables below provides a listing of the respective principal amount of the Target Bonds of each CUSIP that have been preliminarily accepted for purchase by the District.

TAX-EXEMPT TARGET BONDS

Series	CUSIP (Base No. 663903) ⁽¹⁾	Maturity Date (11/15)	Interest Rate (%)	Outstanding Principal Amount (\$)	Par Call Date	Principal Amount Tendered for Purchase (\$)	Preliminary Principal Amount Accepted (\$)*
2016	GM8	2034	3.000	\$6,100,000	5/15/2025	\$6,100,000	\$6,100,000
2016	GN6	2035	3.000	6,285,000	5/15/2025	220,000	220,000
2016	GP1	2036	3.000	6,475,000	5/15/2025	130,000	130,000
2017	HJ4	2035	3.000	9,970,000	5/15/2028	-	-
2017	HK1	2036	3.000	11,870,000	5/15/2028	460,000	460,000
2017	HN5 ⁽²⁾	2040	3.250	45,245,000	5/15/2028	305,000	305,000
2019	HQ8	2033	3.000	22,505,000	11/15/2029	7,135,000	7,135,000
2019	HR6	2034	3.000	24,555,000	11/15/2029	6,365,000	6,365,000
2019	HS4	2035	3.000	25,260,000	11/15/2029	9,765,000	9,765,000
2019	HV7	2038	3.000	36,220,000	11/15/2029	1,120,000	1,120,000
2019	HW5	2039	3.000	37,265,000	11/15/2029	250,000	250,000
2019	HX3	2040	3.000	<u>38,345,000</u>	11/15/2029	<u>3,285,000</u>	<u>3,285,000</u>
Total				\$270,095,000		\$35,135,000	\$35,135,000

*Preliminary, subject to change.

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⁽²⁾ Denotes term bond maturity.

TAXABLE TARGET BONDS

Series	CUSIP (Base No. 663903) ⁽¹⁾	Maturity Date (11/15)	Interest Rate (%)	Outstanding Principal Amount (\$)	Par Call Date	Principal Amount Tendered for Purchase (\$)	Preliminary Principal Amount Accepted (\$)*
2020	JD5	2025	2.023	\$ 1,760,000	N/A	\$ -	\$ -
2020	JE3	2026	2.138	1,795,000	N/A	-	-
2020	JF0	2027	2.268	1,835,000	N/A	585,000	585,000
2020	JG8	2028	2.299	1,875,000	N/A	325,000	325,000
2020	JH6	2029	2.349	1,915,000	N/A	1,060,000	1,060,000
2020	JJ2	2030	2.419	9,195,000	11/15/2029	1,320,000	1,320,000
2020	JK9	2031	2.519	10,355,000	11/15/2029	5,225,000	5,225,000
2020	JL7	2032	2.569	10,620,000	11/15/2029	4,410,000	4,410,000
2020	JM5	2033	2.669	5,805,000	11/15/2029	1,205,000	1,205,000
2020	JN3	2034	2.769	1,420,000	11/15/2029	500,000	500,000
2020	JP8 ⁽²⁾	2039	3.100	32,660,000	11/15/2029	855,000	855,000
2020	JQ6 ⁽²⁾	2044	3.200	78,395,000	11/15/2029	1,770,000	1,770,000
2021	JW3	2025	0.826	5,840,000	N/A	3,035,000	3,035,000
2021	JX1	2026	0.996	7,605,000	N/A	2,300,000	2,300,000
2021	JY9	2027	1.213	7,675,000	N/A	835,000	835,000
2021	JZ6	2028	1.393	7,765,000	N/A	150,000	150,000
2021	KA9	2029	1.577	7,880,000	N/A	500,000	500,000
2021	KB7	2030	1.677	765,000	N/A	-	-
2021	KC5	2031	1.777	6,730,000	11/15/2030	-	-
2021	KD3	2032	1.927	665,000	11/15/2030	400,000	400,000
2021	KE1	2033	2.027	7,840,000	11/15/2030	3,840,000	3,840,000
2021	KF8	2034	2.127	3,910,000	11/15/2030	1,660,000	1,660,000
2021	KG6	2035	2.227	255,000	11/15/2030	145,000	145,000
2021	KH4 ⁽²⁾	2040	2.719	1,370,000	11/15/2030	15,000	15,000
2021	KJ0 ⁽²⁾	2046	2.769	49,435,000	11/15/2030	6,000,000	6,000,000
Total				\$265,365,000		\$36,135,000	\$36,135,000

*Preliminary, subject to change.

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