

NEW ISSUE — BOOK-ENTRY ONLY

Program Rating: S&P Global Ratings “AA+”  
Underlying Rating: S&P Global Ratings “A”  
See “RATINGS” herein

*In the opinion of Bose McKinney & Evans LLP, Indianapolis, Indiana (“Bond Counsel”), under existing laws, regulations, judicial decisions and rulings, interest on the Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and in effect on the date of issuance of the Bonds. Such exclusion is conditioned on continuing compliance with the Tax Covenants (hereinafter defined). In the opinion of Bond Counsel under existing laws, interest on the Bonds is exempt from income taxation in the State of Indiana, except for the State financial institutions tax.. See “TAX MATTERS” herein.*

**\$11,530,000\***

**GRIFFITH PUBLIC SCHOOL IMPROVEMENT BUILDING CORPORATION  
(Lake County, Indiana)  
AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2021**

Dated: As of Delivery

Due: As shown on the inside front cover

The Ad Valorem Property Tax First Mortgage Bonds, Series 2021 (the “Bonds”) will be dated as of delivery with interest payable on January 15 and July 15 of each year, commencing July 15, 2021. The Bonds will be issued only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”). 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 interest in the Bonds (the “Beneficial Owners”) will not receive physical delivery of certificates representing their interest in the Bonds. Principal and semi-annual interest will be disbursed on behalf of the Griffith Public School Improvement Building Corporation (the “Issuer,” the “Lessor” or the “Building Corporation”) by The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana, as trustee, registrar and paying agent (the “Trustee,” “Registrar” and “Paying Agent”). The principal of and premium, if any, and interest on 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. 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 “THE BONDS – Book-Entry-Only System.” **The Bonds are not subject to optional redemption and may be subject to mandatory sinking fund redemption prior to maturity as described herein.**

The Bonds are issued pursuant to Title 20, Article 47, Chapter 3 of the Indiana Code, as amended, under a Trust Indenture dated as of December 1, 2018 (the “Original Indenture”), as supplemented and amended by a First Supplemental Trust Indenture, dated as of \_\_\_\_\_, 2021 (the “First Supplemental Indenture”) (the Original Indenture and the First Supplemental Indenture, the “Indenture”), between the Building Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Indenture”). The proceeds of the Bonds will be used for the purpose of providing for the payment of: (i) the costs of the Wadsworth Elementary Project (as defined herein), (ii) the costs of the Athletic Facilities Project (as defined herein), (iii) the costs of the Classroom/Boiler Project (as defined herein), (iv) capitalized interest on the Bonds, and (v) the costs of issuance of the Bonds. The Bonds will be secured, in part, by rentals due under a Lease Agreement, dated as of August 9, 2018 (the “Original Lease”), as amended by a First Amendment to Lease, dated as of March 11, 2021 (the “First Amendment”), (the Original Lease and the First Amendment, the “Lease”), each between the Building Corporation, as Lessor, and Griffith Public Schools, as lessee (the “School Corporation” or the “Lessee”). Under the Lease, the Lessee has agreed to make certain payments, including semiannual rental payments (the “Annual Rent”), to the Building Corporation, which payments, together with other available funds, will be used to pay when due the principal of, premium, if any, and interest on the Bonds. Such payments and other revenues under the Lease and the Indenture (collectively, the “Revenues”), the rights of the Building Corporation under the Lease, and the real estate and personal property described therein are pledged and assigned by the Building Corporation as security for the Bonds. The rental payments are payable from ad valorem property taxes to be levied and collected on all taxable property within the School Corporation and which rental payments will be paid directly to the Trustee. The levy of ad valorem property taxes by the School Corporation to pay rent due and payable under the Lease is mandatory and not subject to annual appropriation; however, see “CIRCUIT BREAKER TAX CREDIT” herein and “Summary of Certain Provisions of the Lease” in Appendix F of this Official Statement.

The Bonds are offered when, as and if issued by the Issuer and received by the Underwriter, subject to prior sale, the withdrawal or modification of the offer without notice, and to the unqualified approval as to the legality of the Bonds by Bond Counsel. Certain legal matters will be passed upon by Kokpa Pinkus Dolin PC, Crown Point, Indiana, as counsel to the Issuer and the School Corporation. It is expected that the Bonds will be delivered through DTC in New York, New York on or about May \_\_\_\_, 2021.

**RAYMOND JAMES**

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.

\*Preliminary, subject to change

This Preliminary Official Statement and information contained herein are subject to completion or amendment without notice. These securities may not be sold nor may an offer to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**\$11,530,000\***  
**GRIFFITH PUBLIC SCHOOL IMPROVEMENT BUILDING CORPORATION**  
**(Lake County, Indiana)**  
**AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2021**

MATURITY SCHEDULE  
(Base CUSIP 398343)†

<u>Maturity*</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP</u>
07/15/2022	\$75,000			
01/15/2023	75,000			
07/15/2023	80,000			
01/15/2024	75,000			
07/15/2024	1,080,000			
01/15/2025	1,075,000			
07/15/2025	1,925,000			
01/15/2026	1,925,000			
07/15/2026	2,610,000			
01/15/2027	2,610,000			

† The above-referenced CUSIP numbers have been assigned by an independent company not affiliated with the Issuer, the School Corporation or the Underwriter, and are included solely for the convenience of the holders of the Bonds. None of the Issuer, the School Corporation or the Underwriter is responsible for the selection or uses of such CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such maturities.

\*Preliminary, subject to change

GRIFFITH PUBLIC SCHOOL IMPROVEMENT BUILDING CORPORATION  
BOARD OF DIRECTORS

John Dudlicek, President  
Shawn Graham, Vice President  
Dirk Brown, Secretary

GRIFFITH PUBLIC SCHOOLS  
BOARD OF SCHOOL TRUSTEES

Kathy Ruesken, President  
Emily Conner, First Vice President  
John Volkmann, Second Vice President  
Jason Jaques, Secretary  
Donald McCarter, Assistant Secretary

SCHOOL ADMINISTRATION

Michele Riise, Superintendent  
Meghan Damron, Director of Business Services

COUNSEL TO SCHOOL CORPORATION/BUILDING CORPORATION

Kopka Pinkus Dolin PC  
Crown Point, Indiana

BOND COUNSEL

Bose McKinney & Evans LLP  
Indianapolis, Indiana

UNDERWRITER

Raymond James & Associates, Inc.  
Crown Point, Indiana

TRUSTEE

The Bank of New York Mellon Trust Company, N.A.  
Indianapolis, Indiana

## REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the Issuer, the School Corporation or the Underwriter to give any information or to make any representations with respect to the Bonds 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 any of the foregoing. 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 Bonds 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 furnished by the Issuer and the School Corporation and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the School Corporation since the date hereof.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of that information.

In connection with this offering, the Underwriter may overallocate or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, or under any state securities or “blue sky” laws. The Bonds are offered pursuant to an exemption from registration with the Securities and Exchange Commission.

### CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included in or incorporated by reference in this Official Statement that are not purely historical are “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended, and reflect the Issuer’s or School Corporation’s current expectations, hopes, intentions, or strategies regarding the future. Such statements may be identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget,” “intend” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENTS WILL PROVE TO BE ACCURATE.

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 FINAL OFFICIAL STATEMENT FOR THE PURPOSES OF, AND AS THAT TERM IS DEFINED IN, SEC RULE 15C2-12.

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## OFFICIAL STATEMENT

**\$11,530,000\***

**GRIFFITH PUBLIC SCHOOL IMPROVEMENT BUILDING CORPORATION  
(Lake County, Indiana)  
AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2021**

### INTRODUCTION

This Official Statement, including the cover page and appendices, is provided to set forth certain information concerning the sale and delivery by the Griffith Public School Improvement Building Corporation (the “Issuer,” the “Lessor” or the “Building Corporation”) of its Ad Valorem Property Tax First Mortgage Bonds, Series 2021 (the “Bonds”), in the aggregate principal amount of \$11,530,000\*. The Bonds are issued pursuant to Title 20, Article 47, Chapter 3 of the Indiana Code, as amended, under a Trust Indenture dated as of December 1, 2018 (the “Original Indenture”), as supplemented and amended by a First Supplemental Trust Indenture, dated as of \_\_\_\_\_, 2021 (the “First Supplemental Indenture”) (the Original Indenture and the First Supplemental Indenture, the “Indenture”) between the Building Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Indenture”).

The Bonds will be secured, in part, by rentals due under a Lease Agreement, dated as of August 9, 2018 (the “Original Lease”), as amended by a First Amendment to Lease, dated as of March 11, 2021 (the “First Amendment”), (the Original Lease and the First Amendment, the “Lease”), each between the Building Corporation, as lessor, and Griffith Public Schools, Lake County, Indiana, as lessee (the “School Corporation” or the “Lessee”). Under the Lease, the Lessee has agreed to make certain payments, including semiannual rental payments (the “Annual Rent”), to the Building Corporation, which payments, together with other available funds, will be used to pay when due the principal of, premium, if any, and interest on the Bonds. Such payments and other revenues under the Lease and the Indenture (collectively, the “Revenues”), the rights of the Building Corporation under the Lease, and the real estate and personal property described therein are pledged and assigned by the Building Corporation as security for the Bonds. The rental payments are payable from ad valorem property taxes to be levied and collected on all taxable property within the School Corporation and which rental payments will be paid directly to the Trustee.

The Issuer was organized for the purpose of providing funds to be applied to the cost of acquiring real estate and constructing and equipping certain school facilities thereon and leasing such facilities to the School Corporation. Other powers of the Issuer include the authority to refinance previously incurred indebtedness and to execute amendments to the Lease with the School Corporation based on terms of the refinancing agreement. See “THE ISSUER” herein.

Pursuant to pertinent provisions of the Indiana Code, projects that are considered controlled projects are subject to certain additional public approval procedures. A controlled project is one that is financed by a bond or lease, is payable by property taxes and costs more than the lesser of (a) \$5,575,690 or (b) 1% of gross assessed value, if that amount is at least \$1 million, for resolutions adopted in 2021. The exceptions for a controlled project are (a) when property taxes are used only as a back-up to enhance credit, (b) when a project is being refinanced to generate taxpayer savings, (c) when the project is mandated by federal law, and (d) when the project is in response to a natural disaster, emergency or accident that makes a building or facility unavailable for its intended use and the project is approved by the governing body of the School Corporation. The Wadsworth Elementary Project (as hereinafter defined), the Athletic Facilities Project (as hereinafter defined) and the Classroom/Boiler Project (as hereinafter defined), do not constitute controlled projects; therefore, the referendum process was not applicable to the Bonds. See “PURPOSE OF ISSUE” herein.

The summaries of and references to all documents, statutes and other instruments referred to in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the full text of each such document, statute or instrument. Terms not defined in this Official Statement shall have the meaning set forth in the respective documents.

In addition, the information presented in this Official Statement is based on the laws and regulations of the United States of America and the State of Indiana (the “State”) and related court and administrative law decisions in effect as of the date of this Official Statement (collectively, the “Laws”). Furthermore, the opinions delivered by Bose McKinney & Evans LLP and Kokpa Pinkus Dolin PC in connection with the issuance of the Bonds are based on the

\*Preliminary, subject to change

Laws. No assurance can be given as to the impact, if any, future events, regulations, legislation, court decisions or administrative decisions may have with respect to the Laws or that any or all of the Laws will remain in effect during the entire term of the Bonds.

### **PURPOSE OF ISSUE**

The Issuer will use the proceeds of the Bonds (a) for three separate and distinct projects including (i) improvements to Wadsworth Elementary School, including flooring replacement, painting of walls/corridors, boiler replacement, classroom unit improvements including installation of new ducts and diffusers, water pipe flushing and new HVAC temperature controls, and all related improvements (the “Wadsworth Elementary Project”), (ii) athletic facility improvements to the High School/Junior High School, including replacement of the pool dehumidification unit, pool filter, pool valves and related pool improvements, locker room renovation with creation of home/visitor spaces, gymnasium wall improvements, and all related improvements (the “Athletic Facilities Project”) and (iii) classroom and boiler improvements to the High School/Junior High School, including demolition of existing boilers and installation of new boilers, with related equipment, classroom unit improvements including installation of new ducts and diffusers, water pipe flushing and new HVAC temperature controls, and all related improvements (the “Classroom/Boiler Project”, collectively with the Wadsworth Elementary Project and the Athletic Facilities Project, the “Projects”), (b) to fund capitalized interest; and (c) to pay the costs of issuing the Bonds. It is currently anticipated that construction will commence in May, 2021. Based on the foregoing, the School Corporation currently anticipates that the Projects will be completed by August, 2022.

### **THE LEASED PREMISES**

The premises subject to the Lease include the Wadsworth Elementary School located at 600 North Jay Street, Griffith, Indiana, the former Eldon Ready Elementary School located at 1345 North Broad Street, Griffith, Indiana, and a portion of Griffith High School located at 600 North Wiggs Street, Griffith, Indiana (“Leased Premises”).

### **ESTIMATED SOURCES AND USES OF FUNDS**

The estimated sources and uses of funds, related to the Projects and to pay costs incidental to the sale and delivery of the Bonds are as shown below:

Sources of Funds:

Par Amount of Bonds  
Plus Net Original Issue Premium  
Total

Uses of Funds:

Deposit to Wadsworth Elementary Project Subaccount  
Deposit to Athletic Facilities Project Subaccount  
Deposit to Classroom/Boiler Project Subaccount  
Deposit to Bond Interest Account<sup>(1)</sup>  
Costs of Issuance, Underwriter’s Discount and Miscellaneous  
Total

(1) Capitalized interest through January 15, 2022

\*Preliminary, subject to change

## SCHEDULE OF SEMI-ANNUAL DEBT SERVICE REQUIREMENTS AND LEASE PAYMENTS

<u>Payment Date</u> *	<u>Principal</u> *	<u>Interest</u> <sup>(1)</sup>	<u>Total</u> <u>Debt Service</u>	<u>Lease</u> <u>Payment</u> <sup>(2)</sup>
07/15/2021	---	---	---	---
01/15/2022	---	---	---	---
07/15/2022	\$75,000			
01/15/2023	75,000			
07/15/2023	80,000			
01/15/2024	75,000			
07/15/2024	1,080,000			
01/15/2025	1,075,000			
07/15/2025	1,925,000			
01/15/2026	1,925,000			
07/15/2026	2,610,000			
01/15/2027	2,610,000			

(1) Capitalized interest through January 15, 2022

(2) The semi-annual lease payments are due on June 30 and December 31.

### THE BONDS

#### *General*

The Bonds will be issued in fully registered form in the denomination of \$5,000 or any integral multiple of that amount, will be dated as of delivery, and mature on January 15 and July 15 in the years and amounts and bear interest at the rates set forth on the inside front cover of this Official Statement. Interest on the Bonds, payable on January 15 and July 15, commencing July 15, 2021, is payable by check mailed one business day prior to the interest payment date to registered owners or by wire transfer of immediately available funds on the interest payment date to depositories shown as registered owners as of the fifteenth day immediately preceding such interest payment date. Principal of the Bonds is payable by check upon presentation at the corporate trust operations office of the Paying Agent, or by wire transfer of immediately available funds to depositories who present the Bonds to the Trustee at least two business days prior to the payment date.

So long as DTC or its nominee is the registered owner of the Bonds, principal of and interest on the Bonds will be paid directly to DTC by the Paying Agent. Interest will be paid on the basis of a 360-day year consisting of twelve 30-day months. Payment shall be made to the depository in whose name the Bonds is registered on the first day of the month of such interest payment date. (The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and Indirect Participants, all as defined and more fully described herein.)

#### *Book-Entry-Only System*

The Depository Trust Company (“DTC”), New York, NY, will act as Bonds depository for the Bonds. The Bonds will be issued as fully-registered Bonds 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 2017 Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities 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

\*Preliminary, subject to change



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](http://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 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 an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption, principal, and interest payments 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 Issuer or Agent, on 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 Bonds 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, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement 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 Issuer or Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that Issuer and the School Corporation believe to be reliable, but the Issuer and School Corporation take no responsibility for the accuracy thereof.

*Revision of Book-Entry-Only System*

In the event that either (1) the Issuer or the School Corporation 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 Issuer and the School Corporation elect to discontinue use of DTC as a clearing agency for the Bonds, then the School Corporation 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. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the Bonds will be paid by the School Corporation.

*Optional Redemption*

The Bonds are not subject to optional redemption prior to maturity.

*Mandatory Sinking Fund Redemption*

The Bonds maturing on \_\_\_\_\_ (collectively, the “Term Bonds”), are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof, plus accrued interest on January 15 and July 15 in accordance with the following schedules:

Term Bonds Due _____			
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
(1) Final Maturity			

Term Bonds Due _____			
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
(1) Final Maturity			

*Registration, Transfer and Exchange*

The Bonds will be registered at and are transferable by the registered owners at the principal corporate trust office of the Registrar, upon surrender and cancellation and on presentation of a duly executed written instrument of transfer. A new bond or bonds of the same aggregate principal amount and maturity and in authorized denominations will be issued to the transferee or transferees in exchange therefor.

If any Bond is mutilated, lost, stolen or destroyed, the Registrar may execute, subject to the provisions of the Indenture, a replacement bond or bonds of the same date, maturity and denomination. In the case of a mutilated bond, the Registrar may require that the mutilated bond be presented and surrendered as a condition to executing a replacement. In the case of loss, theft or destruction, the Registrar may require evidence of the destruction or indemnity satisfactory to the Registrar in its discretion. The Registrar may charge the owner for reasonable fees and expenses in connection with replacements.

### *Notice of Redemption*

Notice of redemption will be given by the Trustee by mailing a copy of the redemption notice, by first class mail, not more than sixty (60) days nor less than thirty (30) days prior to the redemption date to the owners of the Bonds to be redeemed as the names appear as of the date of mailing the notice. No failure or defect in that notice with respect to any Bonds shall affect the validity of the proceedings for the redemption of any other Bonds for which notice has been properly given. If notice of redemption has been given and provisions for payment of the redemption price, and accrued interest has been made, the Bonds to be redeemed shall be due and payable on the redemption date at the redemption price, and from and after the redemption date interest on the Bonds will cease to accrue, and the owners of the Bonds shall have no rights in respect thereof, except to receive payment of the redemption price including unpaid interest accrued to the redemption date.

With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and interest on the Bonds to be redeemed has been received by the Trustee prior to the giving of such notice of redemption, such notice will state that said redemption is conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If such moneys are not received by the redemption date, such notice will be of no force and effect, the Trustee will not redeem such Bonds, the redemption price will not be due and payable and the Trustee will give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received, that such Bonds will not be redeemed and that the failure to redeem such Bonds will not constitute an event of default under the Indenture. Moneys need not be on deposit with the Trustee prior to the mailing of the notice of redemption of the Bonds pursuant to the Indenture.

### **ADDITIONAL BONDS**

The Issuer may issue Additional Bonds on a parity with the outstanding Bonds from time to time to provide for the partial or full refunding of any of the Bonds and for certain other limited purposes. Additional Bonds shall have maturities, interest rates, interest payment dates, denominations and other terms as provided in the supplemental indenture entered into in connection with the issuance of such Additional Bonds, provided that such terms and provisions shall not be otherwise inconsistent with the Indenture.

### **SOURCES OF PAYMENT AND SECURITY FOR THE BONDS**

The Bonds are obligations of the Issuer payable solely from and secured exclusively by a first mortgage lien on and security interest in the Mortgaged Property, as hereinafter defined, which includes, but is not limited to, the fixed, semiannual lease rental payments (the "Lease Rentals") to be paid by the School Corporation under the Lease. The "Mortgaged Property" consists of (i) the Leased Premises, (ii) all right, title and interest of the Issuer in the Lease and any other leases entered into by the Issuer and the School Corporation and pledged to the Trustee as a part of the Mortgaged Property, (iii) all of the right, title and interest in and to the proceeds from the sale of all or any property subject to the lien of the Indenture, (iv) all proceeds of the Bonds and certain other cash and securities now or hereafter held in certain funds and accounts created and established by the Indenture (except the Rebate Fund, as hereafter defined). The Bonds will not constitute an indebtedness of the School Corporation within the meaning of the provisions and limitations of the constitution of the State.

The Lease Rentals payable by the School Corporation under the Lease is payable from ad valorem taxes to be levied by the School Corporation on all of the taxable property within the School Corporation. The levy of taxes by the School Corporation to pay the Lease Rentals due and payable under the Lease is mandatory. The Lease Rentals to be paid under the Lease will begin on June 30, 2022, and will end when the term of the Lease ends, which is December 31, 2026, which date will be set forth in the Addendum to the Lease. See "SCHEDULE OF SEMI-ANNUAL DEBT SERVICE REQUIREMENTS AND LEASE PAYMENTS" in this Official Statement. All payments of the Lease Rentals under the Lease commencing with the payment on June 30, 2022, which in turn will be used to pay the principal of, and interest on, the Bonds and Trustee fees commencing on July 15, 2022, will be fully dependent upon the completion of the Projects by June 30, 2022. Indiana law does not permit school corporations to pay full lease rental payments on a school building which the school corporation leases until such school building is complete and ready for occupancy. Construction of the Projects will begin on or about May, 2021, and the School Corporation anticipates that the completion of the Projects will occur no later than August, 2022. If there are excessive delays in the Projects and the Leased Premises, as renovated and expanded, are not available for occupancy and use by June 30, 2022, sufficient funds may not be available to meet all of the principal and interest payments due on the Bonds on and after such dates.

The Lease provides that, in the event the Leased Premises are partially or totally destroyed, whether by fire or any other casualty, so as to render the same unfit, in whole or part, for use by the School Corporation: (i) it will then be the obligation of the Issuer to restore and rebuild the Leased Premises as promptly as may be done, unavoidable strikes and other causes beyond the control of the Issuer excepted; provided, the Issuer will not be obligated to expend on such restoration or rebuilding more than the amount of the proceeds received by the Issuer from the insurance provided for in the Lease, and provided further, the Issuer will not be required to rebuild or restore the Leased Premises if the School Corporation instructs the Issuer not to undertake such work because the School Corporation anticipates that either the cost of such work exceeds the amount of insurance proceeds and other amounts available for such purpose, or the work cannot be completed within the period covered by rental value insurance; and (ii) the Lease Rentals will be abated, for the period during which the Leased Premises or any part thereof is unfit for use by the School Corporation, in proportion to the percentage of the area of the Leased Premises which is unfit for use by the School Corporation.

In accordance with the Lease, the School Corporation is required to maintain rental value insurance insuring payments of the Lease Rentals in connection with the occurrence of such an event in an amount equal to two years. In addition, the School Corporation is required under the Lease to insure the Leased Premises against physical damage, however caused, with exceptions ordinarily required by insurers of buildings or facilities of a similar type, in an amount equal to 100% of the replacement cost thereof.

For a more detailed description of the provisions of the Lease, see “Summary of Certain Provisions of the Lease” in Appendix F of this Official Statement.

### **INTERCEPT PROGRAM**

Indiana Code Title 20, Article 48, Chapter 1, Section 11, as amended by Public Law 167-2017 (the “Act”), requires the Department of Local Government Finance (the “DLGF”) to review levies and appropriations of school corporations for debt service on general obligation bonds or lease rental payments that are payable, including payments to a school corporation's designated paying agent under a written agreement entered into in connection with the issuance of obligations (the “Debt Service Obligations”). If a school corporation fails to levy and appropriate sufficient funds for such purpose for the next succeeding calendar year, the DLGF shall establish levies and appropriations which are sufficient to pay such obligations for the next succeeding calendar year.

The Act further provides upon the failure of a school corporation to pay any Debt Service Obligation when due and upon notice and claim being filed with the Treasurer of the State of Indiana (the “State Treasurer”), the State Treasurer shall pay, within five (5) days of receiving such notice (excluding Saturdays, Sundays and legal holidays), the unpaid Debt Service Obligations of the school corporation that are due from the funds of the State in an amount equal to the amount of the unpaid Debt Service Obligations due to the person or entity filing the claim (the “Claimant”), but only to the extent that Available Funds (as hereinafter defined) are available to the State Treasurer in accordance with the following procedures: (a) upon notice and claim being filed with the State Treasurer, the State Treasurer shall immediately contact the school corporation and the person or entity filing the claim to confirm whether the school corporation is unable to make the required payment on the due date; (b) if confirmed, the State Treasurer must notify the Budget Director (the “State Budget Director”) of the State, the Auditor of the State (the “State Auditor”) and any department or agency of the State responsible for distributing funds (the “Distributors”) appropriated by the State General Assembly (the “General Assembly”) for distribution to the school corporation from State funds; (c) within three (3) days of receiving the notice, excluding Saturdays, Sundays and legal holidays, from the State Treasurer, the State Budget Director, the State Auditor and any Distributors must provide the State Treasurer with available funds in order for the State Treasurer to fulfill his/her obligations under the Act; and (d) the State Treasurer must make such payment to the Claimant from such funds within five (5) days, excluding Saturdays, Sundays and legal holidays of the claim being filed with the State Treasurer (clauses (a) through and including (d), collectively, the “State Intercept Program”). The funds to make such payment will be from the following sources, in the following amount and in the following order of priority: (i) first, from amounts appropriated by the General Assembly for distribution to the school corporation from State funds in the current fiscal year of the State (the “Current Year School Distribution”), which begins on July 1 and ends on the immediately following June 30 (the “State Fiscal Year”); (ii) second, to the extent the amounts described in clause (i) are insufficient, from any remaining amounts appropriated by the General Assembly for distribution for tuition support in the current State Fiscal Year which are in excess of the aggregate amount of tuition support needed for distribution to all school corporations during the current State Fiscal Year; and (iii) third, to the extent the amounts described in clauses (i) and (ii) are insufficient and the General Assembly has adopted a biennial budget appropriating amounts in the immediately succeeding State Fiscal Year for distribution to

the school corporation from State funds, then from such fund or account, as determined by the State Budget Director in an amount equal to the lesser of the unpaid Debt Service Obligation or the amount to be distributed to the school corporation in the immediately succeeding State Fiscal Year (clauses (i) through and including (iii), collectively, the “Available Funds”).

If any such payment is made by the State Treasurer pursuant to the State Intercept Program, then the State will recover such amounts by: (i) deducting such amount from the future State distributions to be made to the school corporation from State funds appropriated by the General Assembly, first from all funds of the school corporation except State tuition support and second from State tuition support; and (ii) transferring any amount deducted to the State Treasurer to reimburse the fund or account from which the transfer was made. Pursuant to the Indenture, the Trustee is to notify and demand payment immediately from the State Treasurer if the School Corporation should default in its obligation under the Lease to pay the Lease Rentals to the Trustee. The estimated State distributions for State fiscal year 2021 and resulting debt service coverage levels are as follows:

Fiscal Year 2021 Basic Grant Distribution (all funds) <sup>(1)</sup>	\$13,492,651
Combined Maximum Annual Debt Service (2023)	5,171,812*
State Distributions Required to Provide Two-Times Coverage	10,343,624*
State Distributions Above/(Below) Two-Times Coverage Amount	3,149,027*

(1) Estimated, per the Indiana Department of Education estimate, net of adjustments.

While the above description is based upon the Act, the General Assembly may make amendments to, or repeal, such statutes, and therefore, there is no assurance of future events.

#### **PROCEDURES FOR PROPERTY TAX ASSESSMENT, TAX LEVY AND COLLECTION**

The lease rental payments are payable from ad valorem property taxes required by law to be levied by or on behalf of the School Corporation. Article 10, Section 1 of the Constitution of the State of Indiana (“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. The Indiana General Assembly enacted legislation (Indiana Code Title 6, Article 1.1, Chapter 20.6), which implements the Constitutional Provision and provides taxpayers with a tax credit for all property taxes in an amount that exceeds a certain percentage of the gross assessed value of eligible property. See “CIRCUIT BREAKER TAX CREDIT” herein for further details on the levy and collection of property taxes.

Real and personal property in the State is assessed each year as of January 1. On or before August 1 of each year, the County Auditor must submit a certified statement of the assessed value of each taxing unit for the ensuing year to the DLGF. The DLGF shall make the certified statement available on its gateway website located at <https://gateway.ifionline.org/> (“Gateway”). The County Auditor may submit an amended certified statement at any time before December 31 of the year preceding the budget year, the date by which the DLGF must certify the taxing units' budgets.

The certified statement of assessed value is used when the governing body of a local taxing unit meets to establish its budget for the next fiscal year (January 1 through December 31) and to set tax rates and levies. In preparing the taxing unit's estimated budget, the governing body must consider the net property tax revenue that will be collected by the taxing unit during the ensuing year, after taking into account the DLGF's estimate of the amount by which the taxing unit's distribution of property taxes will be reduced by the application of the Circuit Breaker Tax Credit (as defined in the summary of "CIRCUIT BREAKER TAX CREDIT" herein), and after taking into account the DLGF's estimate of the maximum amount of net property tax revenue and miscellaneous revenue that the taxing unit will receive in the ensuing year. Before May 1 of each year, the fiscal officer of each political subdivision shall provide the DLGF with an estimate of the total amount of its debt service obligations (as defined in Indiana Code § 6-1.1-20.6-9.8) that will be due in the last six months of the current year and in the ensuing year. Beginning in 2018, the DLGF shall provide to each political subdivision: (1) an estimate of the maximum property tax rate that may be imposed by the political subdivision for the ensuing year for each cumulative fund or other fund for which a maximum property tax rate is established by law; and (2) an estimate of property taxes payable for the ensuing year for debt service. Before August 1 of each year, the DLGF shall provide to each taxing unit (1) an estimate of the maximum amount of net property tax revenue and miscellaneous revenue that the unit will receive in the ensuing year if the unit's tax rates are imposed at

\*Preliminary, subject to change

the maximum allowable rate and levy under law and (2) an estimate of the amount by which the taxing unit's distribution of property taxes will be reduced due to the Circuit Breaker Tax Credit. Beginning in 2018, the State Budget Agency must provide to the DLGF and the County Auditor, an estimate of the certified local income tax distribution before June 1, and the DLGF must provide by July 1, the estimated amounts to be distributed at the taxing level to the County Auditor.

The taxing unit must submit the following information to the DLGF via Gateway: (i) its estimated budget;(ii) the estimated maximum permissible tax levy, as determined by the DLGF; (iii) the current and proposed tax levies of each fund; (iv) the estimated amount, determined by the DLGF, by which the taxing unit's property taxes may be reduced by the Circuit Breaker Tax Credit; (v) the amount of excess levy appeals to be requested, if any; and (vi) the time and place at which the taxing unit will conduct a public hearing related to the information submitted to Gateway. The public hearing must be conducted at least ten days prior to the date the governing body establishes the budget, tax rate and levy, which by statute must each be established no later than November 1.

The budget, tax levy and tax rate of each taxing unit are subject to review by the DLGF, and the DLGF shall certify the tax rates and tax levies for all funds of taxing units subject to the DLGF's review. The DLGF may not increase a taxing district's budget by fund, tax rate or tax levy to an amount which exceeds the amount originally fixed by the taxing unit unless the taxing unit meets all of the following: (i) the increase is requested in writing by the taxing unit; (ii) the requested increase is published on the DLGF's advertising internet website; and (iii) notice is given to the county fiscal body of the DLGF's correction.

The DLGF may not approve a levy for lease payments by a school corporation to a building corporation if: (i) there are no bonds of the building corporation outstanding; and (ii) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested. However, the DLGF may increase the school corporation's tax rate and levy if the tax rate and levy proposed by the school corporation are not sufficient to make its lease rental payments.

Taxing units have until December 31 of the calendar year immediately preceding the ensuing calendar year to file a levy shortfall appeal. Beginning with the 2019 budget year, the DLGF must complete its review and certification of budgets, tax rates and levies, not later than December 31 of the year preceding the budget year, unless a taxing unit in the county issues debt after December 1 or intends to file a shortfall appeal under Indiana Code §6-1.1-18.5-16 in which case the DLGF must certify the budgets for the taxing units in the county by January 15 of the budget year.

On or before March 15, the County Auditor prepares the tax duplicate, which is a roll of property taxes payable in that year. The County Auditor publishes a notice of the tax rate in accordance with Indiana statutes. The County Treasurer mails tax statements at least 15 days prior to the date that the first installment is due (due dates may be delayed due to a general reassessment or other factors). Property taxes are due and payable to the County Treasurer in two installments on May 10 and November 10, unless the mailing of tax bills is delayed or a later due date is established by order of the DLGF. If an installment of property taxes is not completely paid on or before the due date, a penalty of 10% of the amount delinquent is added to the amount due; unless the installment is completely paid within thirty (30) days of the due date and the taxpayer is not liable for delinquent property taxes first due and payable in a previous year for the same parcel, the amount of the penalty is five percent (5%) of the amount of the delinquent taxes. On May 11 and November 11 of each year after one year of delinquency, an additional penalty equal to 10% of any taxes remaining unpaid is added. The penalties are imposed only on the principal amount of the delinquency. Property becomes subject to tax sale procedures after 15 months of delinquency. The County Auditor distributes property tax collections to the various taxing units on or about June 30 after the May 10 payment date and on or about December 31 after the November 10 payment date.

Pursuant to State law, personal property is assessed at its actual historical cost less depreciation, in accordance with 50 IAC 4.2, the DLGF's Rules for the Assessment of Tangible Personal Property. Effective January 1, 2016, state law annually exempts from property taxation new tangible business personal property with an acquisition cost of less than \$20,000. Pursuant to State law, 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, Version A ("Guidelines"), as adopted by the DLGF. P.L. 204-2016, SEC. 3, enacted in 2016, retroactive to January 1, 2016, amends State law to provide that "true tax value" for real property does not mean the value of the property to the user and that true tax value shall be determined under the rules of the DLGF. As a result of P.L. 204-2016, the DLGF has begun the process of amending the Manual. In the case of agricultural land, true tax value shall be the value determined in accordance with the Guidelines and IC 6-1.1-4, as amended by P.L. 180-2016. Except for agricultural land, as discussed below, 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. “Net Assessed Value” or “Taxable Value” represents the “Gross Assessed Value” less certain deductions for mortgages, veterans, the aged, the blind, economic revitalization areas, resource recovery systems, rehabilitated residential property, solar energy systems, wind power devices, hydroelectric systems, geothermal devices and tax-exempt property. The “Net Assessed Value” or “Taxable Value” is the assessed value used to determine tax rates.

Changes in assessed values of real property occur periodically as a result of the county's reassessment plan, as well as when changes occur in the property value due to new construction or demolition of improvements. Before July 1, 2013, and before May 1 of every fourth year thereafter, each county assessor will prepare and submit to the DLGF a reassessment plan for the county. The DLGF must complete its review and approval of the reassessment plan before January 1 of the year following the year in which the reassessment plan is submitted by the county. The reassessment plan must divide all parcels of real property in the county into four (4) different groups of parcels. Each group of parcels must contain approximately twenty-five percent (25%) of the parcels within each class of real property in the county. All real property in each group of parcels shall be reassessed under the county's reassessment plan once during each four (4) year cycle. The reassessment of a group of parcels in a particular class of real property shall begin on May 1 of a year, and must be completed on or before January 1 of the year after the year in which the reassessment of the group of parcels begins. For real property included in a group of parcels that is reassessed, the reassessment is the basis for taxes payable in the year following the year in which the reassessment is to be completed.

The county may submit a reassessment plan that provides for reassessing more than twenty-five percent (25%) of all parcels of real property in the county in a particular year. A plan may provide that all parcels are to be reassessed in one (1) year. However, a plan must cover a four (4) year period. All real property in each group of parcels shall be reassessed under the county's current reassessment plan once during each reassessment cycle. The reassessment of the first group of parcels under a county's reassessment plan begins on May 1, 2018, and is to be completed on or before January 1, 2019. Since 2007, all real property assessments are revalued annually to reflect market value based on comparable sales data (“Trending”). When a change in assessed value occurs, a written notification is sent to the affected property owner. If the owner wishes to appeal this action, the owner may file a petition requesting a review of the action. This petition must be filed with the county assessor in which the property is located within 45 days after the written notification is given to the taxpayer or May 10 of that year, whichever is later. While the appeal is pending, the taxpayer may pay taxes based on the current year's tax rate and the previous or current year's assessed value.

Beginning in 2018, the County Auditor shall submit to the DLGF, parcel level data of certified net assessed values as required by and according to a schedule provided by the DLGF.

## **CIRCUIT BREAKER TAX CREDIT**

### Description of Circuit Breaker

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.

If applicable, the Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. School corporations are authorized to impose a referendum tax levy, if approved by voters, to replace property tax revenue that the school corporation will not receive due to the application of the Circuit Breaker Tax Credit. Otherwise school corporations and other political subdivisions may not increase their property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

The Constitutional Provision excludes from the application of the Circuit Breaker Tax Credit property taxes first due and payable in 2012, and thereafter, that are imposed after being approved by the voters in a referendum. The Statute codifies this exception, providing that, with respect to property taxes first due and payable in 2012 and thereafter, property taxes imposed after being approved by the voters in a referendum will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Statute. In accordance with the Constitutional Provision, the General Assembly has, in the Statute, designated Lake County and St. Joseph County as “eligible counties” and has provided that property taxes imposed in these eligible counties to pay debt service and make lease rental payments for bonds or leases issued or entered into before July 1, 2008 or on bonds issued or leases entered into after June 30, 2008, to refund those bonds or leases, will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Statute, through and including December 31, 2019.

The Statute requires political subdivisions to fully fund the payment of outstanding debt service or lease rental obligations payable from property taxes (“Debt Service Obligations”), regardless of any reduction in property tax collections due to the application of the Circuit Breaker Tax Credit. For school corporations, any shortfall could also be funded through the State Intercept Program (herein defined); however, application of the State Intercept Program will result in a shortfall in distributions to the school corporation's general fund and school corporations are encouraged by the DLGF to fund any shortfall directly from the school corporation's general fund to avoid the application of the State Intercept Program. Upon: (i) the failure of a political subdivision to pay any of its Debt Service Obligations; and (ii) notification of that event to the treasurer of the State by a claimant; the treasurer of State is required to pay the unpaid Debt Service Obligations from money in the possession of the State that would otherwise be available to the political subdivision under any other law. A deduction must be made: (i) first, from local income tax distributions that would otherwise be distributed to the county; and (ii) second, from any other undistributed funds of the political subdivision in possession of the State.

The Statute also provides that if a school corporation has sufficient Circuit Breaker Tax Credit losses in any of 2014 through 2023 and has such annual losses timely certified by the DLGF, it will be an eligible school corporation for such year under Indiana Code §6-1.1-20.6-9.9, as amended (an “Eligible School Corporation”). However, in 2019 through 2023, if a school corporation: (i) issues new bonds or enters into a new lease rental agreement for which the school corporation is imposing or will impose a debt service levy other than: (A) to refinance or renew prior bond or lease rental obligations existing before January 1, 2017; or (B) for indebtedness that is approved in a local public question or referendum under Indiana Code 6-1.1-20, as amended, or any other law; and (ii) the school corporation's total debt service levy and rate in such year of issuance is greater than the school corporation's debt service levy and rate in 2016, the school corporation will not be an Eligible School Corporation even if it would otherwise qualify. For the applicable year or years, an Eligible School Corporation may allocate its Circuit Breaker Tax Credit losses for that year proportionately across all of its property tax supported funds, including its debt service fund, thereby being exempted from the protected taxes requirement as described above. The School Corporation did not qualify for this exemption for 2020, and does not anticipate qualifying in 2021.

Except for an Eligible School Corporation, 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 School Corporation may allocate the reduction by using a combination of unprotected taxes of the School Corporation 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.



If the allocation of property tax reductions to funds receiving only unprotected taxes is insufficient to offset the amount of the Circuit Breaker Tax Credit, the revenue for a fund receiving protected taxes will also be reduced. If a fund receiving protected taxes is reduced, the Statute provides that a political subdivision may transfer money from any other available source in order to meet its Debt Service Obligations. The amount of this transfer is limited to the amount by which the protected taxes are insufficient to meet Debt Service Obligations.

The School Corporation cannot predict the timing, likelihood or impact on property tax collections of any future actions taken, amendments to the Constitution of the State of Indiana or legislation enacted, regulations or rulings promulgated or issued to implement any such regulations, statutes or the Constitutional Provision described above or of future property tax reform in general. There has been no judicial interpretation of this legislation. In addition, there can be no assurance as to future events or legislation that may affect the Circuit Breaker Tax Credit or the collection of property taxes by the School Corporation.

For example, in March, 2016, the Indiana General Assembly passed legislation which 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 school corporation. A lower assessed value of a school corporation may result in higher tax rates in order for such school corporation to receive its approved property tax levy. See "PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION" herein.

#### Estimated Circuit Breaker Tax Credit for the School Corporation

According to the DLGF, the Circuit Breaker Tax Credits allocable to the School Corporation for budget years 2018, 2019 and 2020 are \$43,023, \$189,029 and \$849,928, respectively. These estimates do not include the estimated debt service on the Bonds and lease rentals on the Lease securing the Bonds.

The Circuit Breaker Tax Credit amounts above do not reflect the potential effect of any further changes in the property tax system or methods of funding local government that may be enacted by the Indiana General Assembly in the future. The effects of these changes could affect the Circuit Breaker Tax Credit and the impact could be material. Other future events, such as the loss of a major taxpayer, reductions in assessed value, increases in property tax rates of overlapping taxing units or the reduction in local option income taxes applied to property tax relief could increase effective property tax rates and the amount of the lost revenue due to the Circuit Breaker Tax Credit, and the resulting increase could be material.

### **THE ISSUER**

The Issuer was organized pursuant to the Indiana Code, Title 23, Article 17, Chapter 1-30, for the sole purpose of acquiring land and constructing school facilities to be leased to the School Corporation. In order to provide the Issuer also has the power to issue bonds to refund its outstanding bonds.

During its existence, the Issuer will operate entirely without profit to the Issuer, its officers, directors and members.

### **LEGAL MATTERS**

Certain legal matters incident to the issuance of the Bonds and with regard to the tax status of the interest thereon (see "TAX MATTERS") will be passed upon by Bose McKinney & Evans LLP, Indianapolis, Indiana ("Bond Counsel"). A signed copy of that opinion, dated and premised on facts and laws existing as of the date of original delivery of the Bonds will be delivered to the Underwriter at the time of that original delivery. A copy of the opinion proposed to be delivered by Bond Counsel for the Bonds is attached as Appendix C. Certain legal matters will be passed upon by the Kokpa Pinkus Dolin PC, Crown Point, Indiana, as counsel to the Issuer and the School Corporation.

The engagement of Bond Counsel is limited generally to the examination of the documents contained in the transcript of proceedings, and examination of such transcript of proceedings and the law incident to rendering the approving legal opinion referred to above, and the rendering of such approving legal opinion. Bond Counsel has not been retained to pass upon any information in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information that may be prepared or made available by the School Corporation, the Trustee, the Underwriter or others to the prospective purchasers of the Bonds or to others.

## LITIGATION

No litigation or administrative action or proceeding is pending or, to the knowledge of the Issuer or the School Corporation, threatened restraining or enjoining, or seeking to restrain or enjoin, the levy and collection of taxes to pay the Rent to be paid under the Lease, or contesting or questioning the proceedings or authority under which the Lease was authorized, or the validity of the Lease. No litigation or administrative action or proceeding is pending or, to the knowledge of the School Corporation or the Issuer, threatened concerning the issuance, validity and delivery of the Bonds. Certificates to such effect will be delivered at the time of the original delivery of the Bonds.

## TAX MATTERS

In the opinion of 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 (the "Code") for federal income tax purposes 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 Covenants (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 tax purposes retroactive to the date of issue. 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 except for the State financial institutions tax. This opinion relates only to the exemption of interest on the Bonds for State income tax purposes. See Appendix C for the form of Opinion of Bond Counsel.

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 Building Corporation and School Corporation will covenant not to take any action, within their 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, the "Tax Covenants"). The Indenture and certain certificates and agreements to be delivered on the date of delivery of the Bonds establish procedures under which compliance with the requirements of the Code can be met. It is not an event of default under the Indenture 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 will be 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 form attached as Appendix C 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 other tax consequences of owning the Bonds.

## ORIGINAL ISSUE DISCOUNT

The initial public offering price of the Bonds maturing on \_\_\_\_\_ (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 hereof (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 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 January 15 and July 15 (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 \_\_\_\_\_ (collectively, the "Premium Bonds"), is greater than the principal amount payable at maturity. 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 public offering of the Bonds will be required to adjust the owner's basis in the Premium Bond downward as a result 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 disposition of the Premium Bonds, including sale, redemption or payment at maturity. The amount of amortizable Bond Premium will be computed on the basis of the taxpayer'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 Premium Bonds. Owners of the 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 such 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 tax advisors concerning treatment of Bond Premium.

#### **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 Indenture, or to the Building Corporation under the Lease, 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 Indenture and the Lease may not be readily available or may be limited. Under federal and State environmental laws certain liens may be imposed on property of the Building Corporation from time to time, but the Building Corporation has no reason to believe, under existing law, that any such lien would have priority over the lien on the property taxes pledged to owners 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 State of Indiana and the United States of America and bankruptcy, reorganization, insolvency 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 School Corporation), in a manner consistent with the public health and welfare. Enforceability of the Indenture and the Lease in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

### **CONTINUING DISCLOSURE**

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the “Rule”), the School Corporation will enter into a Continuing Disclosure Undertaking Agreement (the “Undertaking Agreement”), to be dated the date of the issuance of the Bonds. The form of the Undertaking Agreement is set forth as Appendix B of this Official Statement. No person, other than the School Corporation, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds.

In order to assist the Underwriter in complying with the Underwriter’s obligations pursuant to the Rule, the School Corporation represents that in the previous five years it has failed to comply, in all material respects, with its previous undertakings including, but not limited to, the following instance. The School Corporation failed to include certain operating data tables for the year ended December 2015 as required by a continuing disclosure agreement no longer in place. Further, the administration of the School Corporation is utilizing a third party disseminating agent for its compliance.

### **POTENTIAL IMPACTS RESULTING FROM COVID-19**

The recent outbreak of the novel strain of coronavirus called COVID-19, which has been designated a global pandemic by the World Health Organization, is impacting local and global economies, as governments, businesses, and citizens react to, plan for, and try to prevent or slow further transmission of the virus. Financial markets, including the stock market in the United States and globally, have seen significant recent volatility and decline that have been attributed to coronavirus concerns. The Indiana Department of Health and the United States Centers for Disease Control and Prevention have been providing regular updates and guidelines to the public and to State and local governments. On March 6, 2020, as part of the State’s response to address the outbreak, the Governor declared a state of emergency. On March 13, President Donald Trump declared a national emergency, freeing up funding for federal assistance to state and local governments. On March 19, 2020 the Governor issued Executive Order 20-05, which ordered all public and private K-12 schools closed until May 1, 2020, canceled all State mandated assessments for the current academic year, extended the deadline to pay State income tax payments from April 15 to July 15, and waived penalties for property taxes due by May 11 for 60 days. On April 2, 2020, the Governor issued Executive Order 20-16 closing all K-12 schools and requiring remote learning be provided for the remainder of the 2019-2020 school year. On May 1, 2020, the Governor issued Executive Order 20-26, which mandated that K-12 educational institutions remain closed for school purposes until June 30, 2020, with a few exceptions regarding essential functions. The declaration of a public health emergency has been renewed several times in separate Executive Orders, the most recent of which is Executive Order 21-05, which the Governor issued on February 25, 2021.

In addition, in order to take certain steps to increase containment of COVID-19, the Governor issued various Executive Orders, which included stay-at-home orders and face covering requirements, directed the closing of State government buildings and restricted retail establishments and in-person dining at restaurants, among other things. In order to continue the mitigation of COVID-19 and to lower the risk of resurgence, the Governor issued several Executive Orders, which instituted a measured and staggered approach to reopening businesses and entities. Five stages were

outlined, with each ensuing stage being subject to fewer restrictions and limitations than the previous stage. Those stages were initiated on March 23, 2020 and lapsed on November 14, 2020 at which time the stage system was rescinded by Executive Order 20-48 (“EO 20-48”), issued by the Governor on November 13, 2020.

The Governor issued EO 20-48, because, in part, key data points or numbers regarding COVID-19, had, as of the date of EO 20-48, significantly and steadily increased over the past several weeks in the State. In particular, the number of positive cases had doubled every week for the past four weeks, hospitalizations were at an all-time high and the seven-day positivity rate went from 3.9% in late September to 10.6% as of the date of EO 20-48. Based on those and other factors, EO 20-48 rescinds the stage designations and provides that, going forward, the State shall use county-based assessments to determine which measures and restrictions are needed to counter the spread or impact of COVID-19 within a particular county. While EO 20-48 expired on December 13, 2020, the measures of EO 20-48 were extended through January 3, 2021 by the issuance of Executive Order 20-50 (“EO 20-50”) on December 10, 2020. Subsequent executive orders, including Executive Order 21-06 have extended the measures of EO 20-50 through March 31, 2021.

EO 20-50 required the State to implement a color-coded system to inform Hoosiers about the status of COVID-19 in each county and across the State. Under EO 20-50, the Indiana State Department of Health (“ISDH”) will continue to update each county’s status under the color-coded system at least weekly. In making the weekly assessments, the ISDH will continue to consider the following: (1) the seven-day positivity rate for all tests (percentage of positive test results over the number of tests performed); (2) new weekly cases per 100,000 residents; (3) whether a county’s positivity rate has increased or decreased from the previous week; and (4) whether any increase in the percentage of positive cases is isolated to congregate living settings or is from the community at large.

The four levels of the monitoring system are as follows: (1) blue zone, in which the community spread is low; (2) yellow zone, in which the community spread is moderate; (3) orange zone, in which the community spread is approaching high levels; and (4) red zone, in which the community spread is high. As of certain recent dates, out of the State’s 92 counties, the number of counties that were in blue, yellow, orange, and red zones, are set forth below:

<u>Date</u>	<u>Blue</u>	<u>Yellow</u>	<u>Orange</u>	<u>Red</u>
December 9, 2020	0	0	56	36
January 25, 2021	0	0	58	34
February 8, 2021	0	24	64	4
March 8, 2021	43	48	1	0

Generally, the size of a social gathering or an event (as both such terms are defined in EO 20-50), without any approval by the local health department, is limited to: (1) 25 individuals in counties designated as red; (2) 50 individuals in counties designated as orange; (3) 100 individuals in counties designated as yellow; and (4) 250 individuals in counties designated as blue. A larger social gathering or event requires the submission of a safety plan to, and the approval thereof by, the local health department. As of March 8, 2021, the School Corporation is located in a county that is designated as yellow. The most recent color designation of the county in which the School Corporation is located can be ascertained at the following link: <https://www.coronavirus.in.gov/2393.htm>. The information at this link is hereby incorporated by reference into this Report only with respect to such designation. No other information at this link is incorporated by reference into this Report.

EO 20-50 continues to require every individual within the State to wear a face covering over the nose and mouth when, with certain exceptions: (1) inside a business, public building or other indoor place open to the public; (2) in an outdoor public space wherever it is not feasible to maintain six feet of social distancing from another person not in the same household; and (3) using public transportation or while in a taxi, private car service or ride-sharing vehicle. EO 20-50 requires all Hoosiers who have received a positive COVID-19 test to self-quarantine. EO 20-50 requires each business and entity continuing operations or resuming full operations to develop a COVID-19 response plan as described in EO 20-50, to provide it to each employee or staff and to post it publicly. EO 20-50 authorizes: (1) the enforcement of its workplace safety provisions by the Indiana Occupational Safety and Health Administration; and (2) the ISDH, the Indiana Department of Homeland Security, the Indiana Alcohol and Tobacco Commission, local boards of health and other State and local officials or law enforcement officers to take all available administrative and enforcement actions against businesses or entities failing to comply with the restrictions set forth therein. Unless prohibited by an Executive Order issued by the Governor, EO 20-50 permits local ordinances, directives and orders to be more restrictive than those set forth therein. EO 20-50 expired on January 3, 2021, but subsequent executive orders, including Executive Order 21-06 have extended the measures of EO 20-50 through March 31, 2021.

The above is only a short summation of several Executive Orders issued by the Governor. The full Executive Orders should be read in their entirety and may be found at: <https://www.in.gov/gov/2384.htm>.

Public schools are permitted to reopen under the current set of guidelines provided in the Executive Orders issued by the Governor after July 1, 2020. On June 5, 2020, the Indiana Department of Education released a publication entitled Indiana's Considerations for Learning and Safe Schools which provides all Indiana districts and schools with guidance for preparing school operations under the current pandemic environment. The DOE publication can be found here: <https://www.doe.in.gov/sites/default/files/news/june-5-class-document.pdf>.

The State's finances may materially be adversely affected by the continued spread of COVID-19 and its impact on income tax and sales tax collections, which could affect the amount appropriated and timing of the distribution of State aid to school corporations statewide, therefore potentially impacting the School Corporation's Education Fund. Tuition Support payment distribution is based on September enrollment counts, and a significant drop in enrollment could have an adverse effect on the School Corporation's Education Fund.

Additionally, property taxes are the School Corporation's primary revenue source for repayment of the Bonds and the primary revenue source for the Operation Fund. Therefore, if the collection of property taxes is delayed or reduced, the School Corporation may have difficulty in making lease rental payments to pay the debt service on the Bonds and funding the Operations Fund. The School Corporation cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to hire substitute certificated or classified employees, or costs to operate remotely and support students, faculty, and staff during an outbreak, or any resulting impact those costs could have on the School Corporation's operations. Additionally, the School Corporation cannot predict the effect the spread of COVID-19 will have on its finances or operations, or on its ratings. See "RATINGS" herein.

The March 19, 2020 press release from the Governor's office, regarding Executive Order 20-05, stated that the State will work with counties that may experience cash flow stress because of the income tax and property tax collection delays and their distribution to all taxing districts, including the School Corporation. In addition, under current State law the School Corporation has the ability, but not the obligation, to issue tax anticipation warrants, to seek advances from the county treasurer for up to 95% of the amount to be received in the next settlement period, if available, and to enter into temporary loans to mitigate a delay in property tax and State aid distribution delays.

## **UNDERWRITING**

The Bonds are being purchased, subject to certain conditions, by the Underwriter has agreed to purchase all, but not less than all, of the Bonds at a purchase price of \$ \_\_\_\_\_, which represents the par amount of the Bonds, plus a net original issue premium equal to \$ \_\_\_\_\_, and less an Underwriter's discount equal to \$ \_\_\_\_\_.

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the initial public offering prices stated on the cover page. The initial public offering prices of the Bonds may be changed, from time to time, by the Underwriter.

## **RATINGS**

S&P Global Ratings ("S&P") has assigned a rating of "AA+" to the Bonds based upon the State Intercept Program (see "INTERCEPT PROGRAM" herein) and an underlying rating of "A". Such ratings reflect only the view of S&P and any explanation of the significance of such ratings may be obtained from S&P.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of any rating may have an adverse effect on the market price of the Bonds.

Such ratings are not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by any rating agency should be evaluated independently. Except as may be required by the undertaking described under the heading "CONTINUING DISCLOSURE" none of the Issuer, the School Corporation or the

Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal.

Neither the Issuer nor the School Corporation have applied with any other rating service for any rating on the Bonds.

#### **STATEMENT OF ISSUER**

The information and descriptions of documents included in this Official Statement do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. The Underwriter has referred to the documents for details of all terms and conditions thereof relating to the Leased Premises and the Bonds.

Neither this Official Statement, nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of any of the Bonds. Any statements in this Official Statement involving matters of opinion whether or not expressly so stated, are intended as such and not as representations of fact.

This Official Statement has been authorized and approved by Building Corporation and is deemed to be nearly final in form. The Issuer will provide the Underwriter with sufficient copies of the Official Statement in a timely manner.

#### **GRIFFITH PUBLIC SCHOOL IMPROVEMENT BUILDING CORPORATION**

By: /s/ \_\_\_\_\_  
President

## APPENDIX A

### GRIFFITH PUBLIC SCHOOLS

#### GENERAL INFORMATION CONCERNING THE SCHOOL CORPORATION

##### Location and Size

The Griffith School Corporation (the “School Corporation”) is located in Lake County (the “County”) in northwestern Indiana. The School Corporation is approximately 30 miles southeast of Chicago, 65 miles west of South Bend, 155 miles northwest of Indianapolis and is comprised of the majority of the Town of Griffith, Indiana (the “Town”).

##### Organization and Government

The School Corporation was organized on 1994 under the provisions of the Indiana Code, Title 20, Chapter 4 (formerly Chapter 202 of the Acts of 1959). A five member Board of School Trustees governs the School Corporation, while administrative functions are carried out by the Superintendent of Schools, appointed by the Board, and staff members. The current members of the Board of School Trustees are as follows:

##### Board Members

Kathy Ruesken, President  
Emily Conner, First Vice President  
John Volkmann, Second Vice President  
Jason Jaques, Secretary  
Donald McCarter, Assistant Secretary

The Board of Education appoints the Superintendent of Schools, who is the chief administrative officer of the School Corporation. The administrative staff is appointed by the Board of School Trustees on recommendation of the Superintendent of Schools. The following is a list of certain members of the Administrative Staff and their titles:

<u>Name</u>	<u>Title</u>
Michele Riise	Superintendent
Meghan Damron	Director of Business Services

##### Personnel

The School Corporation, as of March 2021 employed a total staff of 265 personnel, 173 full time and 92 part time, allocated in categories as follows:

<u>Staffing Category</u>	<u>Full Time</u>	<u>Part Time</u>
Administration	12	--
Teachers	115	--
Library Aides	3	--
Maintenance/Custodial	21	3
Clerical	11	--
Cafeteria	3	18
Nurses	3	--
School Bus Drivers	3	10
Bus Aides	--	9
Deans	2	--
Other	--	<u>52</u>
Total	<u>173</u>	<u>92</u>

Source: School Corporation



## Facilities

Selected information concerning the facilities presently operated by the School Corporation is shown below:

<u>Name of School</u>	<u>Grades</u>	<u>Original Construction</u>	<u>Last Addition/ Renovation</u>	<u>Condition of Building</u>
Wadsworth Elementary	K-2	1961	2001, 2020	Fair
Beiriger Elementary	3-5	1969	2011	Good
Eldon Ready Elementary <sup>(1)</sup>	N/A	1958	1999	Good
Griffith Middle School	6-8	1954	2003	Fair
Griffith Senior High School	9-12	1964	2003, 2013, 2014, 2021	Good

(1) Building is owned by School Corporation but not used for students.

*Source: School Corporation*

## Historic and Projected Enrollment

Shown below are the total enrollments in grades K-12 for the past five years and a projection of such enrollments for the next five years:

<u>Academic Year</u>	<u>Actual Enrollment</u>	<u>Academic Year</u>	<u>Projected Enrollment</u>
2016-17	2,455	2021-22	1,950
2017-18	2,416	2022-23	1,900
2018-19	2,412	2023-24	1,900
2019-20	2,252	2024-25	1,900
2020-21	2,001	2025-26	1,900

*Source: School Corporation*

## Pension Obligations

### *Public Employees' Retirement Fund*

The Indiana Public Employees' Retirement Fund ("PERF") is a defined 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 School Corporation 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% of compensation, plus the interest credited to the member's account. The employer may elect to make 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. The report may be obtained by contacting:

Indiana Public Retirement System  
1 North Capitol Avenue, Suite 001  
Indianapolis, Indiana 46204  
888.526.1687

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

The total contributions made to PERF by the School Corporation during the periods ending 2018, 2019 and 2020 were \$138,254, \$132,172 and \$90,393, respectively.

### *Teachers' Retirement Fund*

The Indiana Teachers' Retirement Fund ("TRF") is a defined pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the INPRS Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF 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 the members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

INPRS issues a publicly available financial report that includes statements and required supplementary information for the TRF 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, Indiana 46204  
888.286.3544

The School Corporation contributes the employer's share of TRF for certified employees under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for its contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

The total contributions made to TRF by the School Corporation during the periods ending 2018, 2019 and 2020 were \$706,985, \$624,181 and \$580,154, respectively.

### *Other Post-Employment Benefits*

The School Corporation allows employees to stay on the health, dental and vision plans until 65 years of age; however, the retiree is responsible for the premiums. There are currently 3 retirees participating in the plans and 17 eligible but still employed by the School Corporation.

The School Corporation did not make any payments toward other post-employment benefits for calendar year 2020.

## ECONOMIC INFORMATION CONCERNING THE SCHOOL CORPORATION

### Major Employers

Below is a list of the largest employers in the County.

<u>Name</u>	<u>City</u>	<u>Type of Business</u>	<u>Employees</u>
Franciscan Health Dyer	Dyer	Hospital	3,000
Franciscan Health Hammond	Hammond	Hospital	3,000
Community Hospital	Munster	Hospital	2,325
Horseshoe Hammond Casino	Hammond	Games and game supplies	2,200
Alverno Clinical Laboratories	Hammond	Laboratories	2,000
Harrah's East Chicago Casino	East Chicago	Casino	1,800
Franciscan Health Crown Point	Crown Point	Hospital	1,600
Methodist Hospital Southlake	Merrillville	Hospital	1,500
Purdue University Northwest	Hammond	University	1,109
US Steel Corporation	Gary	Metal Fabricator	1,100
Wound & Ostomy Clinic	East Chicago	Health Clinic	1,000

*Source: Hoosiers by the Numbers*

### Employment Statistics and Patterns

The figures below, which were furnished by the Indiana Employment Security Division, reflect employment statistics and patterns with respect to the work force in the County, the State of Indiana (the “State”) and the United States based on annualized rates, except where noted. Employment data is not maintained separately for the School Corporation.

<u>Lake County</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021<sup>(2)</sup></u>
Labor Force	230,191	231,860	232,451	229,787 <sup>(1)</sup>	222,214
Unemployed	11,868	11,620	11,355	14,729 <sup>(1)</sup>	16,419
Unemployment Rate	5.2%	5.0%	4.9%	6.4% <sup>(1)</sup>	7.4%
State of Indiana	3.5%	3.4%	3.2%	7.1%	4.7%
United States	4.4%	3.9%	3.7%	8.1%	6.8%

(1) Rates as of December – Annualized rate not available

(2) Rates as of January 2021

Source: Indiana Employment Security Division

### Employment by Occupation

The following table categorizes occupations for the School Corporation residents 16 years of age and older living in the County and the State.

<u>Occupational Category</u>	<u>Lake County</u>	<u>State of Indiana</u>
Management, Business, Science and Arts	31.8%	34.2%
Service Occupations	18.8%	16.4%
Sales and Office Occupations	21.4%	20.8%
Natural Resources, Construction and Maintenance	9.8%	8.8%
Production, Transportation and Material Moving	18.1%	19.7%

Note: May not sum due to rounding

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates

### Employment by Category

Employment patterns for the County are set forth in the following table:

<u>Employment Category</u>	<u>Lake County</u>	
	<u>Total Employment</u>	<u>% of Total Employment</u>
Agriculture, Forestry, Fishing, Hunting and Mining	555	0.2%
Construction	17,157	7.6%
Manufacturing	29,799	13.2%
Wholesale Trade	5,415	2.4%
Retail Trade	26,006	11.6%
Transportation, Warehousing and Utilities	17,857	7.9%
Information	3,384	1.5%
Finance, Insurance, Real Estate, Rental and Leasing	10,304	4.6%
Professional, Scientific, Management, Administration and Waste Management	20,041	8.9%
Educational Services, Health Care and Social Assistance	52,080	23.1%
Arts, Entertainment, Recreation, Accommodation and Food Services	23,196	10.3%
Other Services, Except Public Administration	11,260	5.0%
Public Administration	7,954	3.5%

Note: May not sum due to rounding

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates

Population

General population for the units of local government which comprise the School Corporation are:

<u>Year</u>	<u>Town of Griffith</u>	<u>Lake County</u>
2000	17,334	484,564
2010	16,909	495,947
2015	16,374	487,908
2019	16,060	485,493

Source: Stats Indiana

Education Attainment

The educational background of area residents over 25 years of age living in the County and the State are set forth in the following table:

<u>Educational Level Attained</u>	<u>Lake County</u>	<u>State of Indiana</u>
Less than 9 <sup>th</sup> grade	4.3%	3.7%
9 <sup>th</sup> to 12 <sup>th</sup> grade, no diploma	6.0%	7.5%
High school graduate (includes equivalency)	36.1%	33.4%
Some college, no degree	23.1%	20.2%
Associate's degree	7.9%	8.8%
Bachelor's degree	14.9%	16.9%
Graduate or professional degree	7.7%	9.5%
Percent high school graduate or higher	89.7%	88.8%
Percent Bachelor's degree or higher	22.6%	26.5%

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates

Income

The following table sets forth the distribution of household and per capita income for the County and the State.

<u>Household Income Level</u>	<u>Lake County</u>	<u>State of Indiana</u>
Less than \$10,000	7.6%	6.1%
\$10,000 to \$14,999	4.2%	4.3%
\$15,000 to \$24,999	8.5%	9.8%
\$25,000 to \$34,999	10.6%	10.2%
\$35,000 to \$49,999	12.5%	13.9%
\$50,000 to \$74,999	19.4%	19.1%
\$75,000 to \$99,999	10.9%	13.4%
\$100,000 to \$149,999	16.2%	14.0%
\$150,000 to \$199,999	6.0%	4.9%
\$200,000 or more	4.3%	4.2%
Median Household Income	\$57,081	\$56,303
Mean Household Income	\$77,171	\$75,025
Per Capita Income	\$30,591	\$29,777

Note: May not sum due to rounding

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates

## Housing Values

The following table sets forth the distribution of home values for owner-occupied units for the County and the State.

<u>Value of Owner-Occupied Units</u>	<u>Lake County</u>	<u>State of Indiana</u>
Less than \$50,000	9,635	148,313
\$50,000 to \$99,999	23,917	401,686
\$100,000 to \$149,999	24,708	402,034
\$150,000 to \$199,999	24,332	317,345
\$200,000 to \$299,999	28,975	283,627
\$300,000 to \$499,999	15,737	162,861
\$500,000 to \$999,999	3,230	50,041
\$1,000,000 or more	568	10,275
Median (dollars)	\$163,100	\$141,700

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates

## Higher Education

Within the County, there are many opportunities for higher education within commuting distance from the School Corporation. Both Indiana University and Purdue University have satellite campuses within the County. Indiana University Northwest is located to the north of the School Corporation in the City of Gary, while Purdue University Calumet is located to the northwest in the City of Calumet. Other education opportunities within the County include:

Brown Mackie College  
Calumet College of St. Joseph  
Hyles-Anderson College  
Ivy Tech Community College – East Chicago  
Indianan Wesleyan University – Merrillville  
Kaplan College  
University of Phoenix

## Transportation and Communications

The following State Routes 2, 51, 53, 55, 130, 152, 312, 912 and U.S. Routes 6, 12, 20, 30, 41, 231 serve the School Corporation. Interstate 65 in the County is called the Casimir Pulaski Memorial Highway. Interstate 80/94/US 6 is the Frank Borman Expressway from the Illinois state line east to the Indiana Toll Road interchange in the eastern portion of the County. Interstate 94 has been referred to as the Chicago-Detroit Industrial Freeway. US 6 is part of the Grand Army of the Republic Highway. Broadway (Indiana 53) is also the Carolyn Mosby Memorial Highway. Indiana 51 is known for its entire length as the Adam Benjamin Memorial Highway. US 30 is part of the historic Lincoln Highway. US 12 from Gary eastward is part of Dunes Highway. Cline Avenue (Indiana 912) from US 12 north and westward is known as the Highway Construction Workers Memorial Highway.

The School Corporation is serviced by the following rail services:

Amtrak ( Dyer – Hammond – Whiting)  
Canadian National Railway  
Chicago, Fort Wayne and Eastern Railroad  
Chicago South Shore and South Bend Railroad  
CSX Transportation  
Gary Railway  
Indiana Harbor Belt Railroad  
Norfolk Southern Railway  
South Shore Line

Public transit locations are East Chicago Transit and Gary Public Transportation. The Griffith-Merrillville Airport (the “Airport”) is an important gateway to the local communities of northwest Indiana as well as the greater Chicago Metropolitan area. The Airport itself consists of paved and grooved 4,900 by 75-foot runways (08 and 26) with full pilot controlled lighting including rotating beacon, REIL and PAPI lights and VOR/DME/GPS instrument approaches. The runway was completely rebuilt in 2001 and is designed for aircraft with single wheel load of 38,000 pounds/dual wheel load of 50,000 pounds or less. It includes over 175,000 square feet of ramp area and maintains a modern and well equipped 38,000 square foot terminal building. The Airport is operational 24 hours a day, seven days a week.

The School Corporation is also served by several International airports within a 100-mile radius:

Midway International Airport – 25 miles  
O’Hare International Airport – 40 miles  
South Bend International Airport – 59 miles  
Chicago Rockford International Airport – 98 miles

### Municipal Services

The Lake County, Indiana Fire Department includes 37 fire departments and fire stations, while the Griffith, Indiana area maintains 3 volunteer fire stations. The Griffith Fire Department is tasked with protecting the lives and property of the residents and visitors of the Town and the surrounding communities. The Griffith Fire Department strives to maintain the highest standards of training and expertise with regards to Emergency Medical Response, Hazardous Material Response, Fire Suppression, and Rescue Operations. The Griffith Fire Department promotes the prevention of emergencies caused by fire and other man-made or natural disasters through fire safety education and enforcement of relevant laws and ordinances.

The Griffith Police Department consists of the Chief of Police, a Detective Commander, an Operations Commander and a Patrol Lieutenant. The Patrol Division consists of four Patrol Sergeants, four Patrol Corporals and fourteen Patrol Officers and one Canine Officer. The Detective Division consists of a Detective Commander, a Detective Sergeant and three Detectives. In addition, the Northwest Indian Major Crimes Task Force has two Griffith Police Department investigators assigned to the unit.

The County has several elected offices, including Sheriff, Coroner, Auditor, Treasurer, Recorder, Surveyor and Circuit Court Clerk. Each of these elected officers serves a term of four years and oversees a different part of the county government.

### Recreation Facilities

The Griffith Parks and Recreation Department provides well-maintained parks and recreational facilities, children’s playgrounds, walkable bike trails and landscaped streets decorated with seasonal and public art. These open spaces and public venues provide attractive platforms for a variety of popular outdoor festivals, markets, cultural events, youth sports, child’s play and facilitated community programs, offering conversational and social opportunities for everyone. Other special events include the Griffith Central Market (May through September), Broad Street Blues and BBQ Festival, Symphony in the Park, Rock N Rail Music and Street Festival and Griffith Oktoberfest.

Other major attractions within the County include Casino’s (Ameristar, Horseshoe and Majestic Star), Southlake Mall, Three Floyds Brewing (Munster), Northwest Indiana Symphony Orchestra, the Star Plaza Theatre, Center for Visual and Performing Arts, Wineries & Vineyards and an American Association Professional Baseball Team, the Gary SouthShore RailCats.

Indiana Dunes State Park and the Indiana Dunes National Lakeshore Park are located nearby. Together, the two parks comprise almost 15,000 acres of recreational area.

DEBT STRUCTURE CONCERNING THE SCHOOL CORPORATION

Current Indebtedness

The following tabulation, prepared as of March 15, 2021, reflects the long term indebtedness of the School Corporation.

		<u>Per Capita</u>	Percent of True Tax <u>Value</u>
True Tax Value of Property	\$688,160,743	\$42,849	--
Direct Debt*	25,769,223	1,605	3.74%
Direct and Underlying Debt*	49,531,574	3,084	7.20%
2019 Estimated Population	16,060		

The following tabulation, prepared as of March 15, 2021, itemizes the outstanding and expected principal amount of long term direct and overlapping indebtedness of the School Corporation payable from property taxes:

	<u>Issued Amount</u>	<u>Dated Date</u>	<u>Amount Outstanding</u>
<u>Direct Debt:</u>			
Common School Fund (“CSF”) Loans	\$18,368,261	Various	\$3,758,323
Veterans Memorial Loan	429,000	7/1/2022	42,900
General Obligation Pension Bonds	3,160,000	1/5/2025	1,435,000
<u>Lease Obligations:</u>			
Series 2009B QSCBs	8,490,000	12/30/2024	3,023,000
Series 2013	1,975,000	1/15/2024	640,000
Series 2015	11,435,000	1/15/2022	1,760,000
Series 2018	4,675,000	1/15/2024	3,580,000
Series 2021 (this issue)*	11,530,000	1/15/2027	<u>11,530,000</u>
Total*			<u>\$25,769,223</u>
	<u>Amount Outstanding</u>	<u>Applicable Percent</u>	<u>Applicable Amount</u>
<u>Overlapping Debt:</u>			
Lake County	\$56,470,000	2.71%	\$1,530,688
Town of Griffith	23,475,000	94.33%	22,144,245
Lake County Solid Waste Mgmt. District	3,225,000	2.71%	<u>87,418</u>
Total			<u>\$23,762,351</u>

\*Preliminary, subject to change

Combined Annual Debt Service Requirements

The tabulation below sets forth the combined annual debt service requirements for all loans, leases and other obligations of the School Corporation as of the closing of the Bonds.

Budget Year	CSF Loans	Veterans Memorial Loan	Pension Bonds	2009B QSCBs <sup>(1)</sup>	2013 Bonds	2015 Bonds	2018 Bonds	2021 Bonds <sup>(2)*</sup>	Total*
2021	\$604,336	\$14,586	\$385,075	\$795,000	\$231,000	\$1,823,000	\$394,000	---	\$4,246,997
2022	1,134,927	28,876	384,331	795,000	225,000	---	1,442,000	\$590,550	4,600,684
2023	1,048,565	---	387,698	795,000	228,000	---	2,128,000	584,550	5,171,812
2024	568,582	---	390,023	795,000	---	---	---	2,037,525	3,791,130
2025	160,873	---	---	---	---	---	---	3,633,200	3,794,073
2026	155,257	---	---	---	---	---	---	4,835,800	4,991,057
2027	149,910	---	---	---	---	---	---	---	149,910
2028	125,230	---	---	---	---	---	---	---	125,230
2029	72,210	---	---	---	---	---	---	---	72,210
2030	40,680	---	---	---	---	---	---	---	40,680
2031	39,240	---	---	---	---	---	---	---	39,240
2032	37,800	---	---	---	---	---	---	---	37,800
2033	18,360	---	---	---	---	---	---	---	18,360
	\$4,155,970	\$43,462	\$1,573,000	\$3,180,000	\$684,000	\$1,823,000	\$3,964,000	\$11,681,625	\$27,079,183

- (1) Debt service not reduced by Federal subsidy
- (2) Does not include capitalized interest paid from bond proceeds

Future Financing

The School Corporation has no plans to issue any debt within the next year.

Short Term Debt

The School Corporation has no short-term debt outstanding.

Debt Payment History

The School Corporation has no record of default and has met its debt repayment obligations promptly.

FINANCIAL INFORMATION CONCERNING THE SCHOOL CORPORATION

Net Assessed Valuation

Net assessed valuation totals of the School Corporation real estate and personal property are shown below. In Indiana, constitutional provisions for assessment of land, improvements, and personal property specify one-third of true value. Criteria for determination of true value are established by the Indiana State Board of Tax Commissioners. Assessed valuation is reduced by various exemptions.

Tax Payment Year	Net Assessed Valuation
2017	\$555,191,535
2018	591,769,821
2019	628,241,535
2020	679,052,566
2021	688,160,743

Net assessed valuations represent the assessed value less certain deductions for mortgages, veterans, the aged, the blind, economic revitalization areas, resource recovery systems, rehabilitated residential property, solar energy systems, wind power devices, hydroelectric systems, geothermal devices and tax-exempt property.

\*Preliminary, subject to change



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 School Corporation. Lower assessed values of a School Corporation may result in higher tax rates in order for a School Corporation 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.

*Source: School Corporation*

### Largest Taxpayers

The ten largest taxpayers in the School Corporation for taxes payable in 2020-2021, are as follows:

<u>Name of Business</u>	<u>Type of Business</u>	<u>Assessed Valuation<sup>(1)</sup></u>
Enbridge Energy LP	Petroleum pipeline	\$137,311,000
Northern Indiana Public Service Company	Natural gas and electric utility	6,530,360
Lakehead Pipe Line Co Ltd Partnership	Petroleum pipeline	6,514,300
Marathon Pipe Line LLC	Petroleum pipeline and storage	6,132,770
Hardin Street Transportation LLC	Petroleum pipeline and storage	5,595,970
Comcast, LLC	Telecommunications utility	4,411,520
Petrogas Terminals, LLC	Pipeline terminal facilities	4,071,830
Griffith Office Investment LLC	Real estate	2,936,100
ACS Technical Products	Chemical supplier	2,668,080
Wisconsin Central Ltd.	Railroad	<u>2,411,450</u>
Total		\$178,583,380

- (1) Reasonable efforts have been made to determine and report the largest taxpayers and to include all taxable property of those taxpayers listed based on records provided by the Lake County Auditor’s office. Many of the taxpayers listed in such records, however, may own multiple parcels, and it is possible that some parcels and their valuations may not be included.

*Source: Lake County Auditor*

Taxes Levied and Collected

Total property tax levies for the School Corporation and collections against those levies for the past five completed years are shown below.

Collection Year	Taxes Levied	Circuit Breaker Tax Credit	Net Taxes Levied	Taxes Collected	Percent of Gross Taxes Collected	Percent of Net Taxes Collected
2016	\$5,133,260	(\$66,815)	\$5,066,444	\$4,777,620	93.07%	94.30%
2017	7,369,058	(71,629)	7,297,429	7,290,902	98.94%	99.91%
2018	6,238,438	(43,023)	6,195,415	6,182,343	99.10%	99.79%
2019	6,761,763	(189,029)	6,572,734	6,500,732	96.14%	98.90%
2020	7,635,946	(849,928)	6,786,018	6,621,832	86.72%	97.58%
2021	6,594,644	N/A	N/A		(in process of collection)	

Sources: The Lake County Auditor's Office and the DLGF Certified Budget Orders for the School Corporation

Collections shown include present and prior year property tax levies, along with penalties and interest on prior year delinquencies. Excluded are receipts from automobile excise taxes and financial institution (intangibles) taxes.

Indiana statutes and practices make it difficult to evade property tax liabilities. Penalty and interest charges are assessed and property may be seized and sold to satisfy loans. Taxes due each year are due in two installments, May and November.

School Tax Rates

Certified tax rates (per \$100 of assessed valuation) are:

Fund	Year Payable				
	2017	2018	2019	2020	2021
Debt Service	\$.2372	\$.1995	\$.3829	\$.7676	\$.5887
Exempt Pension	.0619	.0622	.0560	.0416	.0523
Capital Projects <sup>(1)</sup>	.1995	.0568	---	---	---
Transportation <sup>(1)</sup>	.1042	.1159	---	---	---
Bus Replacement <sup>(1)</sup>	---	.0084	---	---	---
Exempt Debt Service <sup>(2)</sup>	.7245	.6114	.3263	---	---
Education <sup>(1)</sup>	---	---	---	---	---
Operations <sup>(1)</sup>	---	---	.3111	.3153	.3173
Total	\$1.3273	\$1.0542	\$1.0763	\$1.1245	\$0.9583

- (1) Public Law 244-2017 was enacted by the Indiana General Assembly in 2017 (the "Fund Law"). The Fund Law modified, repealed and created certain school corporation funds. Effective January 1, 2019, the Fund Law eliminated the General Fund and replaced the General Fund, in part, with an Education Fund. The Education Fund is to be used for expenditures related to student instruction and learning. Additionally, the Fund Law created an Operations Fund to replace, in part, the General Fund and, in whole, the Capital Projects Fund, the Transportation Fund, the Art Association Fund, the Historical Society Fund, the Public Playground Fund, the Bus Replacement Fund and the Racial Balance Fund. The Operations Fund is used to pay the expenditures of the aforementioned previously existing funds and the portions of operational expenses not paid for by the Education Fund. Under the Fund Law, a school corporation's property tax levy for its Operations Fund replaces the authority of the school corporation to impose all other property tax levies, except for debt services levies or levies approved by referendum.
- (2) As part of the constitutional amendment implementing the circuit breaker for property taxes, Lake and St. Joseph counties had an exemption in place for all debt that was issued prior to the amendment going into place. That exemption expired on January 1, 2020.

Source: Indiana Department of Local Government Finance

## Total Tax Rate

The highest overlapping total tax rates (per \$100 of assessed valuation) of the taxing units in the School Corporation have been:

<u>Jurisdiction</u>	<u>Year Payable</u>				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Lake County	\$.6947	\$.7184	\$.7040	\$.6832	\$.6719
Calumet Township	.2631	.3470	.3394	.3227	.3377
Town of Griffith	1.0545	.9826	1.0425	1.0080	1.0254
School Corporation	1.3273	1.0542	1.0763	1.1245	.9583
Lake County Public Library	.1098	.1085	.1045	.0948	.0877
Lake County Solid Waste Management District	<u>.0244</u>	<u>.0246</u>	<u>.0244</u>	<u>.0243</u>	<u>.0241</u>
Total	\$3.4738	\$3.2353	\$3.2911	\$3.2575	\$3.1051

*Source: Indiana Department of Local Government Finance*

## Financial Statements

The School Corporation is audited biennially by the Indiana State Board of Accounts. The School Corporation maintains its system of accounts on a cash basis as prescribed by the Board of Accounts in the "Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations" (2010 Revised Edition). Annual Financial Reports (Form 9) are filed with the Indiana Department of Public Instruction. The most recent audit by the State Board of Accounts was filed January 30, 2020 for the period July 1, 2017 to June 30, 2019. The current audit period runs from July 1, 2019 to June 30, 2021 and should be available Spring, 2022.

Prior to December 31, 2018, the School Corporation maintained six (6) principal funds: the General Fund, the Debt Service Fund, the Pension Bond Repayment Debt Service Fund, the Capital Projects Fund, the Transportation Operating Fund and the Transportation Bus Replacement Fund.

The General Fund was used for the operation and maintenance of the School Corporation and for any other lawful expenses payable from the General Fund. The Debt Service Fund was used for the payment of all debt, including lease rental obligations and other obligations to repay funds borrowed or advanced for the purchase or construction of, or addition to, school buildings. The Pension Bond Repayment Fund was used for the payment of all debt incurred to satisfy the School Corporation's unfunded pension liabilities. The Capital Projects Fund was used for land acquisition, site improvement, construction or purchase of school buildings and equipment, and remodeling or repairing school buildings, all for school classroom purposes. The Transportation Operating and Bus Replacement Funds were used exclusively for the payment of costs of transporting students and purchase school buses.

The Indiana General Assembly enacted P.L. 244-2017 that impacted school corporation funds effective January 1, 2019. The General Fund for school corporations was eliminated in January 2019 and has been replaced, in part, by an Education Fund for expenditures related to student instruction and learning. Additionally, an Operations Fund was created to replace, in part, the General Fund and, in whole, the Capital Projects Fund, the Transportation Fund, the Art Association Fund, the Historical Society Fund, the Playground Fund and the Bus Replacement Fund, which were repealed effective January 1, 2019. The Operations Fund is used to pay for expenditures not directly related to student instruction and learning, including all of the expenditures of the previously existing funds and the portions of the operational expenses not paid for by the Education Fund. A property tax levy to support the Operations Fund has replaced all other school property tax levies, except for the debt service levies or a levy approved by a referendum. Additionally, school corporations may maintain separate Rainy Day Funds. School corporations have the authority to transfer between the Education Fund and Operations Fund, which the School Corporation expects will provide flexibility to manage its cash position by fund.

A copy of the School Corporation's nonfederal Audit Report for the period July 1, 2017 to June 30, 2019, is included as APPENDIX D to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the School Corporation's financial position. Such financial statements have been audited by the SBA, to the extent and for the periods indicated thereon. The School Corporation has not requested the SBA to perform any additional examination, assessment or evaluation with respect to such financial statements since the date thereof, nor has the School Corporation requested that the SBA consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial information in this Official Statement is

not intended to demonstrate the fiscal condition of the School Corporation since the date of such financial information, in connection with the issuance of the Bonds, the School Corporation represents that there has been no material adverse change in the financial position or results of operations of the School Corporation, nor has the School Corporation incurred any material liabilities, which would make such financial information misleading.

School Corporation Receipts and Disbursements

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>GENERAL FUND<sup>(1)</sup></u>				
January 1 Balance	\$1,261,873	\$1,695,309	\$813,343	---
Revenues				
State of Indiana Grants	\$16,663,584	16,173,760	---	---
Other	<u>377,118</u>	<u>506,768</u>	---	---
Total	\$17,040,702	\$16,680,528	---	---
Expenditures	16,607,266	17,562,494	---	---
Transfers In/(Out)	---	---	<u>(\$813,343)</u>	---
December 31 Balance	<u>\$1,695,309</u>	<u>\$813,343</u>	<u>0</u>	<u>---</u>
<u>DEBT SERVICE FUND</u>				
January 1 Balance	\$284,177	\$427,806	\$295,519	\$224,907
Revenues				
Local Property Tax	1,311,623	1,176,510	2,367,587	5,019,071
Financial Institutions Tax	6,232	6,237	15,309	31,895
License Excise Taxes	97,840	93,297	176,305	368,124
Other	<u>9,838</u>	<u>10,076</u>	<u>23,124</u>	<u>42,197</u>
Total	\$1,425,532	\$1,286,120	\$2,582,326	\$5,461,287
Expenditures	1,281,904	1,286,977	2,404,052	5,117,398
Transfers In/(Out)	---	<u>(131,430)</u>	<u>(248,885)</u>	<u>1,349,732</u>
December 31 Balance	<u>\$427,806</u>	<u>\$295,519</u>	<u>\$224,907</u>	<u>\$1,918,529</u>
<u>CAPITAL PROJECTS FUND<sup>(1)</sup></u>				
January 1 Balance	\$105,877	\$685,789	\$291,678	---
Revenues				
Local Property Tax	1,071,167	324,194	---	---
Financial Institutions Tax	5,241	1,776	---	---
License Excise Taxes	82,290	26,554	---	---
Other	<u>8,274</u>	<u>2,877</u>	---	---
Total	\$1,166,973	\$355,401	---	---
Expenditures	587,060	749,513	---	---
Transfers In/(Out)	---	---	<u>(291,678)</u>	---
December 31 Balance	<u>\$685,789</u>	<u>\$291,678</u>	<u>0</u>	<u>---</u>
<u>TRANSPORTATION FUND<sup>(1)</sup></u>				
January 1 Balance	\$467,430	\$254,352	\$137,760	---
Revenues				
Local Property Tax	559,792	662,332	---	---
Financial Institutions Tax	2,738	3,624	---	---
License Excise Taxes	26,196	54,184	---	---
Other	<u>26,184</u>	<u>28,655</u>	---	---
Total	\$614,910	\$748,794	---	---
Expenditures	827,988	865,386	---	---
Transfers In/(Out)	---	---	<u>(137,760)</u>	---
December 31 Balance	<u>\$254,352</u>	<u>\$137,760</u>	<u>0</u>	<u>---</u>

Note: May not sum due to rounding

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>EXEMPT DEBT SERVICE FUND<sup>(2)</sup></u>				
January 1 Balance	\$512,515	\$2,480,474	\$2,909,475	\$1,602,270
Revenues				
Local Property Tax	4,006,134	3,604,479	2,017,695	---
Financial Institutions Tax	19,034	19,115	13,046	---
License Excise Taxes	298,841	285,833	150,244	---
Other	72,352	30,968	19,706	---
Total	<u>\$4,396,361</u>	<u>\$3,940,396</u>	<u>\$2,200,691</u>	---
Expenditures	2,428,403	3,511,393	3,507,896	---
Transfers In/(Out)	---	---	---	(1,602,270)
December 31 Balance	<u>\$2,480,474</u>	<u>\$2,909,475</u>	<u>\$1,602,270</u>	<u>0</u>
 <u>EXEMPT RETIREMENT/ SEVERANCE FUND</u>				
Jan. 1 Balance	\$172,783	\$170,974	\$194,494	\$185,974
Revenues				
Local Property Tax	342,186	366,606	346,316	272,183
Fin. Inst. Tax	2,842	1,945	2,239	1,729
License Excise Taxes	25,532	29,079	25,785	19,950
Other	4,390	3,151	3,382	2,287
Total	<u>\$374,950</u>	<u>\$400,780</u>	<u>\$377,722</u>	<u>\$296,148</u>
Expenditures	<u>376,760</u>	<u>377,260</u>	<u>386,243</u>	<u>383,723</u>
Dec. 31 Balance	<u>\$170,974</u>	<u>\$194,494</u>	<u>\$185,974</u>	<u>\$98,400</u>
 <u>EDUCATION FUND<sup>(1)</sup></u>				
January 1 Balance	---	---	\$0	\$909,509
Revenues				
State of Indiana Grants	---	---	15,869,366	13,368,433
Other	---	---	148,655	1,478,624
Total	---	---	<u>\$16,018,021</u>	<u>\$14,847,058</u>
Expenditures	---	---	12,971,855	11,606,515
Transfers In/Out	---	---	(2,136,657)	(2,205,835)
December 31 Balance	---	---	<u>\$909,509</u>	<u>\$1,944,216</u>
 <u>OPERATIONS FUND<sup>(1)</sup></u>				
January 1 Balance	---	---	\$0	\$1,232,915
Revenues				
Local Property Tax	---	---	1,769,134	1,330,578
Financial Institutions Tax	---	---	12,438	13,101
License Excise Taxes	---	---	143,245	151,211
Other	---	---	504,359	408,529
Total	---	---	<u>\$2,429,176</u>	<u>\$1,903,419</u>
Expenditures	---	---	4,638,769	4,096,374
Transfers In/Out	---	---	3,442,508	2,602,862
December 31 Balance	---	---	<u>\$1,232,915</u>	<u>\$1,642,822</u>
 <u>RAINY DAY FUND<sup>(3)</sup></u>				
January 1 Balance	\$318,767	\$395,703	\$395,703	\$395,703
Transfers In	100,000	---	---	---
Expenditures	23,064	---	---	---
Transfers In/Out	---	---	---	(395,703)
December 31 Balance	<u>\$395,703</u>	<u>\$395,703</u>	<u>\$395,703</u>	<u>0</u>

Note: May not sum due to rounding

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>ALL OTHER FUNDS</u>				
January 1 Balance	\$1,299,680	\$1,192,647	\$776,601	\$628,413
Revenues	3,095,912	2,609,626	2,339,880	3,040,696
Expenditures	3,202,946	3,157,103	2,673,884	3,545,660
Transfers In/Out	---	131,430	185,815	251,214
December 31 Balance	<u>\$1,192,647</u>	<u>\$776,601</u>	<u>\$628,413</u>	<u>\$374,663</u>

Note: May not sum due to rounding

- (1) Public Law 244-2017 was enacted by the Indiana General Assembly in 2017 (the "Fund Law"). The Fund Law modified, repealed and created certain school corporation funds. Effective January 1, 2019, the Fund Law eliminated the General Fund and replaced the General Fund, in part, with an Education Fund. The Education Fund is to be used for expenditures related to student instruction and learning. Additionally, the Fund Law created an Operations Fund to replace, in part, the General Fund and, in whole, the Capital Projects Fund, the Transportation Fund, the Art Association Fund, the Historical Society Fund, the Public Playground Fund, the Bus Replacement Fund and the Racial Balance Fund. The Operations Fund is used to pay the expenditures of the aforementioned previously existing funds and the portions of operational expenses not paid for by the Education Fund. Under the Fund Law, a school corporation's property tax levy for its Operations Fund replaces the authority of the school corporation to impose all other property tax levies, except for debt services levies or levies approved by referendum.
- (2) As part of the constitutional amendment implementing the circuit breaker for property taxes, Lake and St. Joseph counties had an exemption in place for all debt that was issued prior to the amendment going into place. That exemption expired on January 1, 2020.
- (3) Rainy Day Fund was depleted for operating expenses.

Source: School Corporation Annual Financial Reports (Form 9) prepared by school officials for the Indiana Department of Education, Division of School Finance.

#### Cash Balances by Funds

As of <u>December 31</u>	<u>General</u> <sup>(1)</sup>	<u>Debt Service</u>	<u>Exempt Debt Service</u> <sup>(2)</sup>	<u>Exempt Retirement/ Severance</u>	<u>Capital Projects</u> <sup>(1)</sup>	<u>Trans- portation</u> <sup>(1)</sup>
2017	\$1,695,309	\$427,806	\$2,480,474	\$170,974	\$685,789	\$254,352
2018	813,343	295,519	2,909,475	194,494	291,678	137,760
2019	---	224,907	1,602,270	185,974	---	---
2020	---	1,918,529	---	98,400	---	---

  

As of <u>December 31</u>	<u>Education</u> <sup>(1)</sup>	<u>Operations</u> <sup>(1)</sup>	<u>Rainy Day Fund</u> <sup>(3)</sup>	<u>All Others</u>	<u>Total</u>
2017	---	---	\$395,703	\$1,192,647	\$7,303,053
2018	---	---	395,703	776,601	5,814,573
2019	\$909,509	\$1,232,915	395,703	628,413	5,179,690
2020	1,944,216	1,642,822	---	374,663	5,978,629

Note: May not sum due to rounding

- (1) Public Law 244-2017 was enacted by the Indiana General Assembly in 2017 (the "Fund Law"). The Fund Law modified, repealed and created certain school corporation funds. Effective January 1, 2019, the Fund Law eliminated the General Fund and replaced the General Fund, in part, with an Education Fund. The Education Fund is to be used for expenditures related to student instruction and learning. Additionally, the Fund Law created an Operations Fund to replace, in part, the General Fund and, in whole, the Capital Projects Fund, the Transportation Fund, the Art Association Fund, the Historical Society Fund, the Public Playground Fund, the Bus Replacement Fund and the Racial Balance Fund. The Operations Fund is used to pay the expenditures of the aforementioned previously existing funds and the portions of operational expenses not paid for by the Education Fund. Under the Fund Law, a school corporation's property tax levy for its Operations Fund replaces the authority of the school corporation to impose all other property tax levies, except for debt services levies or levies approved by referendum.
- (2) As part of the constitutional amendment implementing the circuit breaker for property taxes, Lake and St. Joseph counties had an exemption in place for all debt that was issued prior to the amendment going into place. That exemption expired on January 1, 2020.
- (3) Rainy Day Fund was depleted for operating expenses.

Source: School Corporation Annual Financial Reports (Form 9) prepared by school officials for the Indiana Department of Education, Division of School Finance.

Anticipated Receipts and Disbursements by Fund - Calendar Year 2021 Budget

	<u>Education</u>	<u>Debt Service</u>	<u>Exempt Retirement/ Severance</u>	<u>Operations</u>
Receipts:				
Local Property Tax	\$- - -	\$4,051,202	\$359,908	\$2,183,534
Financial Institutions Tax	- - -	24,285	2,157	13,089
License Excise Taxes	- - -	289,661	25,733	156,123
State of Indiana Grants	13,492,651	- - -	- - -	- - -
Miscellaneous	<u>315,320</u>	<u>37,976</u>	<u>3,374</u>	<u>1,481,914</u>
Total	\$13,807,971	\$4,403,124	\$391,172	\$3,834,660
Disbursements	\$14,595,226	\$5,320,289	\$374,950	\$4,410,213

Source: School Corporation

State of Indiana Payments

The following table shows the annual amounts appropriated to the School Corporation during the five previous years and the amounts of such appropriations projected to be received during the current year.

<u>Year</u>	<u>Basic Grants<sup>(1)</sup></u>	<u>Other Grants<sup>(2)</sup></u>	<u>Total</u>
2016	\$13,852,123	\$1,552,361	\$15,404,484
2017	14,213,788	2,987,514	17,201,302
2018	14,588,858	2,128,719	16,717,577
2019	14,341,918	1,862,202	16,204,120
2020	13,368,433	2,558,544	15,926,977
2021 <sup>(3)</sup>	13,492,651	- - -	13,492,651

(1) The basic grant is for regular, handicapped and vocational instruction.

(2) Other grants include summer school, Pre-School Special Education and other special state programs.

(3) Estimated

Source: School Corporation Biannual Financial Reports (Form 9)

## APPENDIX B

### CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This CONTINUING DISCLOSURE UNDERTAKING AGREEMENT (the “Disclosure Agreement”) is executed and delivered by GRIFFITH PUBLIC SCHOOLS (the “Obligor”), in connection with the issuance by GRIFFITH PUBLIC SCHOOL IMPROVEMENT SCHOOL BUILDING CORPORATION (the “Issuer”) of its Ad Valorem Property Tax First Mortgage Bonds, Series 2021, in the aggregate principal amount of \$ \_\_\_\_\_ (the “Bonds”). The Bonds are being issued pursuant to the Trust Indenture dated as of December 1, 2018, as amended by a First Supplemental Trust Indenture dated as of \_\_\_\_\_ 1, 2021 (collectively, the “Indenture”), each between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Trustee. The Bonds will be secured, in part, by a Lease Agreement dated as of August 9, 2018 as amended by a First Amendment to Lease dated March 11, 2021 (as amended, the “Lease”), each by and between the Issuer and the Obligor. The Obligor covenants and agrees as follows:

#### Section 1. Purpose of the Disclosure Agreement.

(a) This Disclosure Agreement is being executed and delivered by the Obligor for the benefit of the Bondholders and the Beneficial Owners and in order to assist the Participating Underwriter in complying with subsection (b)(5) of the Rule.

(b) In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same or shall own beneficial ownership interests therein from time to time, this Disclosure Agreement shall be deemed to be and shall constitute a contract between the Obligor and the Bondholders and Beneficial Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Obligor shall be for the benefit of the Bondholders and Beneficial Owners of any and all of the Bonds.

(c) The Obligor hereby determines that it will be an obligated person 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 pursuant to subsection (d)(1) of the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Indenture and the Lease, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the Obligor, or any successor Dissemination Agent appointed in writing by the Obligor and which has filed with the Obligor a written acceptance of such appointment.

“EMMA” means an Internet-based electronic filing system called the “Electronic Municipal Market Access” system as described in 1934 Act Release No. 59062 created and operated by the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org).

“Financial Obligation” means (i) a debt obligation, (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of either clause (i) or (ii); provided, however, “Financial Obligation” shall not include any municipal securities (as defined in the 1934 Act) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“GAAP” shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Governmental Accounting Standards Board and in effect from time to time.

“Listed Events” shall mean any of the events listed in Section 5(a) and (b) of this Disclosure Agreement.



“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the 1934 Act which is the sole central repository through the operation of EMMA.

“1934 Act” shall mean the Securities Exchange Act of 1934, as amended.

“Official Statement” shall mean the Official Statement for the Bonds dated \_\_\_\_\_, 2021.

“Participating Underwriter” shall mean Raymond James & Associates, Inc.

“Rule” shall mean Rule 15c2-12 (17 CFR Part 240, §240.15c2-12) promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidances or other official interpretations or explanations thereof that are promulgated by the SEC.

“SEC” shall mean the United States Securities and Exchange Commission.

“Securities Counsel” shall mean legal counsel expert in federal securities law.

“State” shall mean the State of Indiana.

### Section 3. Provision of Financial Information.

(a) The Obligor hereby undertakes to provide the following financial information:

- (1) To the MSRB through EMMA, when and if available, the audited financial statements of the Obligor for each fiscal year, as prepared and examined by the State Board of Accounts for each twelve (12)-month period ending December 31, beginning with the twelve (12)-month period ending December 31, 2021, together with the opinion of such accountants and all notes thereto, within sixty (60) days of receipt from the State Board of Accounts; and
- (2) To the MSRB through EMMA, within one hundred eighty (180) days of each December 31, beginning December 31, 2021, unaudited annual financial information for the Obligor for such calendar year including (i) unaudited financial statements of the Obligor and (ii) operating data (excluding any demographic information or forecast) of the general type included under the following heading in Appendix A to the Final Official Statement (collectively, the “Annual Information”).

“Current Indebtedness, “Largest Taxpayers” and “Taxes Levied and Collected”

(b) If any Annual Information or audited financial statements relating to the Obligor referred to in paragraph (a) of this Section 3 no longer can be generated because the operations to which they 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 or audited financial statements required to be provided under this Disclosure Agreement, shall satisfy the undertaking to provide such Annual Information or audited financial statements. To the extent available, the Obligor shall cause to be filed along with the other Annual Information or audited financial statements 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 audited financial statements or portions of Annual Information because it is unavailable through circumstances beyond the control of the Obligor shall not be deemed to be a breach of this Disclosure Agreement. The Obligor further agrees to supplement the Annual Information filing when such data is available.

(d) The disclosure of the Annual Information shall be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit A attached hereto.

(e) Annual Information or audited financial statements required to be provided pursuant to this Section 3 may be provided by a specific reference to such Annual Information or audited financial statements 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.

(f) Except as provided in (c) above in this Section 3, if the Obligor fails to provide the audited financial statements or Annual Information as required by this Disclosure Agreement, the Obligor shall provide notice of such failure in a timely manner to the MSRB through EMMA in the form of **Exhibit B** attached hereto.

(g) The Obligor and any Dissemination Agent (as described in Section 7) appointed by the Obligor, must file all filings under this Disclosure Agreement with the MSRB through EMMA in an electronic format in the form of a word searchable portable document format (PDF).

Section 4. Accounting Principles. The financial information will be prepared on a cash basis as prescribed by the State Board of Accounts, as in effect from time to time, as described in the auditors' report and notes accompanying the audited financial statements of the Obligor or those mandated by state law from time to time. The audited financial statements of the Obligor, as described in Section 3(a)(1) hereof, will be prepared in accordance with GAAP.

Section 5. Reporting of Listed Events.

(a) The Obligor shall disclose the following events to the MSRB through EMMA, 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):

- (1) non-payment related defaults;
- (2) modifications to rights of Bondholders;
- (3) bond calls;
- (4) release, substitution or sale of property securing repayment of the Bonds;
- (5) 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;
- (6) appointment of a successor or additional trustee or the change of name of a trustee; and
- (7) Incurrence of a Financial Obligation of the obligated person or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the obligated person, any of which affect Bondholders.

The disclosure shall be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit C attached hereto.

(b) The Obligor shall disclose the following events to the MSRB through EMMA, within 10 business days of the occurrence of any of the following events, regardless of materiality:

- (1) principal and interest payment delinquencies;
- (2) unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) substitution of credit or liquidity providers, or their failure to perform;
- (5) defeasances;
- (6) rating changes;
- (7) adverse tax opinions or events affecting the 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 Bonds;
- (8) tender offers;
- (9) bankruptcy, insolvency, receivership or similar event of the obligated person; and
- (10) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

The disclosure shall be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit C attached hereto.

(c) If the Obligor determines that the occurrence of a Listed Event must be filed as set forth above, the Obligor shall promptly cause a notice of such occurrence to be filed with the MSRB through EMMA. In connection with providing a notice of the occurrence of a Listed Event described above in subsection (b)(5), the Obligor shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(d) In connection with providing a notice of the occurrence of a Listed Event, the Dissemination Agent (if other than the Obligor), solely in its capacity as such, is not obligated or responsible under this Disclosure Agreement to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

(e) The Obligor acknowledges that the “rating changes” referred to above in subsection (b)(6) may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Obligor is liable.

(f) The Obligor acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Obligor or the Issuer does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

#### Section 6. Termination of Reporting Obligation.

(a) The Obligor’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, the prior redemption or the payment in full of all of the Bonds. If the Obligor’s obligation to pay the principal of and interest on the Bonds is assumed in full by some other entity, such entity shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Obligor, and the Obligor shall have no further responsibility hereunder.

(b) This Disclosure Agreement, or any provision hereof, shall be null and void in the event that the Obligor (i) receives an opinion of Securities Counsel, addressed to the Obligor, to the effect that those portions of the Rule, which require such provisions of this Disclosure Agreement, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) delivers notice to such effect to the MSRB through EMMA.

Section 7. Dissemination Agent. The Obligor, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Agent, with or without appointing a successor Dissemination Agent. Except as otherwise provided in this Disclosure Agreement, the Dissemination Agent (if other than Obligor) shall not be responsible in any manner for the content of any notice or report prepared by the Obligor pursuant to this Disclosure Agreement.

#### Section 8. Amendment; Waiver.

(a) Notwithstanding any other provisions of this Disclosure Agreement, this Disclosure Agreement may be amended, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(1) if the amendment or waiver relates to a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Obligor, or type of business conducted by the Obligor or in connection with the project referred to in the Official Statement;

(2) this Disclosure Agreement, as so amended or taking into account such waiver, would, in the opinion of Securities Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) the amendment or waiver either (A) is approved by the Bondholders in the same manner as provided in the Indenture for amendments to the Indenture with the consent of the Bondholders, or (B) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders.

(b) In the event of any amendment to, or waiver of a provision of, this Disclosure Agreement, the Obligor shall describe such amendment or waiver in the next Annual Information and shall include an explanation of the reason for such amendment or waiver. In particular, if the amendment results in a change to the financial information required to be included in the Annual Information pursuant to Section 3 of this Disclosure Agreement, the first Annual Information that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the annual financial information required to be provided in the Annual Information can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Information that does not include such information.

(c) If the amendment results in a change to the accounting principles to be followed in preparing financial statements as set forth in Section 3 of this Disclosure Agreement, the Annual Information for the year in which the change is made shall include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in accounting principles shall be sent by the Obligor, or the Dissemination Agent (if other than the Obligor) at the written direction of the Obligor, to the MSRB through EMMA.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Obligor from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any audited financial statements, Annual Information or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Obligor chooses to include any information in any audited financial statements, Annual Information or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Obligor shall have no obligation under this Disclosure Agreement to update such information or include it in any future audited financial statements, Annual Information or notice of occurrence of a Listed Event.

Section 10. Failure to Comply. In the event of a failure of the Obligor or the Dissemination Agent (if other than the Obligor) to comply with any provision of this Disclosure Agreement, any Bondholder or Beneficial Owner may bring an action to obtain specific performance of the obligations of the Obligor or the Dissemination Agent (if other than the Obligor) under this Disclosure Agreement, but no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and any failure to comply with the obligations under this Disclosure Agreement shall not constitute a default with respect to the Bonds or under the Indenture. Notwithstanding the foregoing, if the alleged failure of the Obligor to comply with this Disclosure Agreement is the inadequacy of the information disclosed pursuant hereto, then the Bondholders and the Beneficial Owners (on whose behalf a Bondholder has not acted with respect to this alleged failure) of not less than twenty percent (20%) of the aggregate principal amount of the then outstanding Bonds must take the actions described above before the Obligor shall be compelled to perform with respect to the adequacy of such information disclosed pursuant to this Disclosure Agreement.

Section 11. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Obligor, the Dissemination Agent, the Participating Underwriter, the Bondholders and the Beneficial Owners, and shall create no rights in any other person or entity.

Section 13. Transmission of Information and Notices. Unless otherwise required by law or this Disclosure Agreement, and, in the sole determination of the Obligor or the Dissemination Agent, as applicable, subject to technical and economic feasibility, the Obligor or the Dissemination Agent, as applicable, shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of such information and notices.

Section 14. Additional Disclosure Obligations. The Obligor acknowledges and understands that other State and federal laws, including, without limitation, the Securities Act of 1933, as amended, and Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act, may apply to the Obligor, and that under some circumstances, compliance with this Disclosure Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Obligor under such laws.

Section 15. Prior Undertakings. Except as otherwise disclosed in the Official Statement, in the previous five years the Obligor has not failed to comply, in all material respects, with any previous undertakings.

Section 16. Governing Law. This Disclosure Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Disclosure Agreement shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

Section 17. Severability. If any portion of this Disclosure Agreement is held or deemed to be, or is, invalid, illegal, inoperable or unenforceable, the validity, legality, operability or enforceability of the remaining portions of this Disclosure Agreement shall not be affected, and this Disclosure Agreement shall be construed as if it did not contain such invalid, illegal, inoperable or unenforceable portion.

GRIFFITH PUBLIC SCHOOLS

By: \_\_\_\_\_  
President

Dated: \_\_\_\_\_, 2021

EXHIBIT A

CERTIFICATE RE: ANNUAL FINANCIAL INFORMATION DISCLOSURE

Name of Issuer: Griffith Public School Improvement Building Corporation

Name of Obligor: Griffith Public Schools

Name of Bond Issue: Ad Valorem Property Tax First Mortgage Bonds, Series 2021

Date of Bonds: \_\_\_\_\_, 2021

The undersigned, on behalf of the above referenced Obligor, as the Obligor under the Continuing Disclosure Undertaking Agreement, dated \_\_\_\_\_, 2021 (the "Disclosure Agreement"), hereby certifies that the information enclosed herewith constitutes the Annual Information (as defined in the Disclosure Agreement) which is required to be provided pursuant to Section 3(a)(2) of the Disclosure Agreement.

GRIFFITH PUBLIC SCHOOLS

By \_\_\_\_\_

Its \_\_\_\_\_

Dated: \_\_\_\_\_

EXHIBIT B

NOTICE OF FAILURE TO FILE INFORMATION

Name of Issuer: Griffith Public School Improvement Building Corporation  
Name of Obligor: Griffith Public Schools  
Name of Bond Issue: Ad Valorem Property Tax First Mortgage Bonds, Series 2021  
Date of Bonds: \_\_\_\_\_, 2021

NOTICE IS HEREBY GIVEN that the Obligor has not provided the [audited financial statements] [Annual Information] as required by Section 3(a)(2) of the Continuing Disclosure Undertaking Agreement of the Obligor, dated \_\_\_\_\_, 2021.

GRIFFITH PUBLIC SCHOOLS

By \_\_\_\_\_

Its \_\_\_\_\_

Dated: \_\_\_\_\_

EXHIBIT C

CERTIFICATE RE: EVENT DISCLOSURE

The undersigned, on behalf of Griffith Public Schools, as Obligor under the Continuing Disclosure Undertaking Agreement, dated \_\_\_\_\_, 2021 (the "Disclosure Agreement"), hereby certifies that the information enclosed herewith constitutes notice of the occurrence of an event which is required to be provided pursuant to Section 5 of the Disclosure Agreement.

Dated: \_\_\_\_\_

GRIFFITH PUBLIC SCHOOLS

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**APPENDIX C**

**FORM OF OPINION OF BOND COUNCIL**

*Upon delivery of the Bonds in definitive form, Bose McKinney & Evans LLP, Bond Counsel, proposes to render the following opinion with respect to the Bonds in substantially the following form.*

\_\_\_\_\_, 2021

Griffith Public School Improvement Building Corporation  
Griffith, Indiana

Griffith Public Schools  
Griffith, Indiana

Raymond James & Associates, Inc.  
Crown Point, Indiana

The Bank of New York Mellon Trust Company, as trustee  
Indianapolis, Indiana

Re: Griffith Public School Improvement Building Corporation  
Ad Valorem Property Tax First Mortgage Bonds, Series 2021

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Griffith Public School Improvement Building Corporation (the “Building Corporation”) of its Ad Valorem Property Tax First Mortgage Bonds, Series 2021, dated as of \_\_\_\_\_, 2021 (the “Bonds”), in the aggregate principal amount of \$ \_\_\_\_\_. In our capacity as bond counsel, we have examined the law, including constitutions, statutes, regulations, published rulings and judicial decisions existing on the date of this opinion, the certified transcript of the proceedings relating to the issuance of the Bonds (the “Transcript”) and such other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to Title 20, Article 47, Chapter 3 of the Indiana Code, as amended, and are issued on a parity with the Building Corporation’s Ad Valorem Property Tax First Mortgage Bonds, Series 2018 (the “2018 Bonds”) under a Trust Indenture dated as of December 1, 2018, between the Building Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee, as supplemented by a First Supplemental Trust Indenture dated as of \_\_\_\_\_ 1, 2021 (collectively, the “Indenture”). The Bonds will be secured, in part, by rentals due under the Lease Agreement dated as of August 9, 2018, as amended by an Addendum to Lease dated December 20, 2018, a First Amendment to Lease dated as of March 11, 2021 and an Addendum to First Amendment to Lease dated \_\_\_\_\_, 2021 (collectively, the “Lease”), between the Building Corporation, as lessor, and Griffith Public Schools, as lessee (the “Lessee”). Under the Lease, the Lessee has agreed to make certain payments, including semiannual rental payments (the “Annual Rent”), to the Building Corporation, which payments, together with other available funds, will be used to pay when due the principal of, premium, if any, and interest on the Bonds. Such payments and other revenues under the Lease and the Indenture (collectively, the “Revenues”), the rights of the Building Corporation under the Lease, and the real estate and personal property described therein are pledged and assigned by the Building Corporation as security for the Bonds.

As to questions of fact material to our opinion, we have relied upon the Transcript and other certifications furnished to us, including tax covenants and representations of the Building Corporation and the Lessee, without undertaking to verify the same by independent investigation. We have also relied upon a commitment for title insurance as to title to the real estate described in the Indenture.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Building Corporation has been duly incorporated and is validly existing as a corporation under the laws of the State of Indiana (the "State"). The Building Corporation has the power to execute and deliver the Lease and the Indenture, perform the agreements on its part contained therein and issue the Bonds.
2. The Lease and the Indenture have been duly authorized, executed and delivered by the Building Corporation and constitute valid and binding obligations of the Building Corporation, enforceable in accordance with their respective terms upon the Building Corporation.
3. The Lease has been duly authorized, executed and delivered by the Lessee and constitutes the valid and binding obligation of the Lessee, enforceable in accordance with its terms upon the Lessee.
4. The Bonds have been duly authorized, executed and delivered by the Building Corporation and are valid and binding limited obligations of the Building Corporation, payable solely from the Revenues and other funds provided therefor in the Indenture on a parity with the 2018 Bonds. Those Revenues and other funds include the Annual Rent required to be paid by the Lessee pursuant to the terms of the Lease. All taxable property in the territory of the Lessee is subject to ad valorem taxation to pay, when due, the Annual Rent under the Lease; however, the Lessee's collection of the levy may be limited by operation of Indiana Code 6-1.1-20.6, which provides taxpayers with tax credits for property taxes attributable to different classes of property in an amount that exceeds certain percentages of the gross assessed value of that property. The Lessee is required by law to fully fund the payment of its Annual Rent coming due, regardless of any reduction in property tax collections due to the application of such tax credits
5. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Building Corporation and the Lessee comply with all requirements of the Internal Revenue Code of 1986, as amended, which must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Building Corporation and the Lessee have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.
6. The interest on the Bonds is exempt from taxation in the State for all purposes except for the franchise tax imposed upon financial institutions pursuant to Indiana Code 6-5.5, as amended.

It is to be understood that the rights of the owners of the Bonds and the enforceability of any document or instrument referred to or described in this opinion, including the Bonds, may be limited: (i) by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general principles of equity, whether considered at law or in equity; and (ii) by the valid exercise of the constitutional powers of the United States of America or the State.

We were not engaged to and have not undertaken to review the accuracy, adequacy or completeness of the Official Statement or other offering material, if any, related to the Bonds, and we express no opinion relating thereto.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law which may hereafter occur.

Very truly yours,

**APPENDIX D**

**STATE BOARD OF ACCOUNTS AUDIT FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2019**

## APPENDIX E

### SUMMARY OF THE LEASE

*The following is a brief summary of certain provisions of the Lease, and does not purport to comprehensively describe that document in its entirety. Capitalized terms not defined in this summary or elsewhere in this Official Statement shall have the definitions set forth in the Lease.*

#### Acquisition and Construction of the Leased Premises

The Building Corporation is to cause the Leased Premises to be completed in accordance with the contract documents and the plans and specifications which have been prepared by or at the direction of the Building Corporation and approved by the School Corporation and applicable agencies. The plans and specifications may be changed at any time prior to the completion of the Leased Premises by mutual agreement of the Building Corporation and the School Corporation, except that such changes may not alter the character of the building or reduce the value thereof.

#### Lease Terms and Rental

The Lease Agreement entered into the 9<sup>th</sup> day of August 2018 (the "Original Lease"), as amended by the First Amendment to Lease dated March 11, 2021 (the "First Amendment to Lease," the Original Lease as amended by the First Amendment to Lease, the "Lease"), between the Building Corporation and School corporation originally has a seven (7) year term pursuant to the Original Lease. The First Amendment to Lease extends the term of the Lease to January 15, 2028. By each rent payment date, the School Corporation is to pay the installment of rent due under the Lease. Rent under the Lease has commenced. The rentals related to the Bonds and the 2021 Projects (as defined in the First Amendment) will commence on the later of: (i) the date on which the 2021 Projects are completed and ready for occupancy or (ii) June 30, 2022. If completion of the 2021 Projects is later than June 30, 2022, the first full installment shall be in an amount which provides for rental at the yearly rate specified in the First Amendment to Lease prorated from the date of such completion until the first June 30 or December 31 following such date of completion. Thereafter, rental shall be payable in advance in semiannual installments on June 30 and December 31 of each year. The annual rent is to be paid as shown in this Official Statement, payable in equal semiannual installments. The date the Leased Premises is substantially completed and ready for occupancy shall be endorsed on the end of the Lease by the parties thereto as soon as can be done after the completion of construction. The endorsement shall be recorded as an addendum to the Lease.

#### Maintenance and Modification

During the term of the Lease, the School Corporation is required to keep the Leased Premises in good repair and in good operating condition, ordinary wear and tear excepted. The School Corporation may, at its own expense and as part of the Leased Premises, make modifications of, additions and improvements to and substitutions for the Leased Premises, all of which become the property of the Lessor and are included as part of the Leased Premises under the terms of the Lease.

The School Corporation may, at its own expense, replace worn out or obsolete property and may install on the property on which the Leased Premises are situated personal property which is not an addition or improvement to, modification or substitute for the Leased Premises, which will be the sole property of the School Corporation and in which the Building Corporation shall have no interest. The School Corporation may discard worn out or obsolete property and need not replace it. Equipment or other personal property which becomes worn out or obsolete may be discarded or sold by Lessee. The proceeds of the sale of any personal property shall be paid to the Trustee. Lessee may trade in any obsolete or worn out personal property or replacement property which replacement property will belong to Lessee only upon payment to the Trustee of an amount equal to the trade-in value of such property. Lessee need not replace worn out or obsolete personal property, but may replace such property at its own expense, and the replacement property shall belong to the Lessee.

#### Property and Liability Insurance

The School Corporation is required to carry at its own expense, property insurance on the Leased Premises against physical loss or damage to the Leased Premises, however caused, with such exceptions only as are ordinarily required by insurers of buildings or facilities of a similar type, in an amount equal to 100% of the full replacement

cost of the Leased Premises. Any property insurance policy shall be so written or endorsed as to make any losses payable to the Lessor or to such other person or persons as the Lessor under the Lease may designate.

During the full term of the Lease, the School Corporation is required to maintain rent or rental value insurance in an amount equal to the full rental value of the Leased Premises for a period of two years. The insurance will protect against physical losses or damages similar to those covered under the property insurance policy held by the School Corporation.

#### Damage or Destruction

If the Leased Premises is damaged or destroyed (in whole or in part) by fire, windstorm or other casualty at any time during the term of the Lease, the Lessor is to promptly repair, rebuild or restore the portion of the Leased Premises damaged or destroyed with such changes, alterations and modifications (including substitutions and additions) as may be designated by the School Corporation for administration and operation of the Leased Premises and as shall not impair the character and significance of the Leased Premises as furthering the purposes of the Code.

#### Rent Abatement and Rental Value Insurance

If the Leased Premises or a portion thereof is damaged or destroyed or is taken under the exercise of the power of eminent domain, the rent payable by the School Corporation shall be abated or reduced, provided there is rental value insurance in force as required by the Lease. The rent shall be totally abated during that portion of the Lease term that the Leased Premises is totally unfit for use or occupancy. It shall be partially abated for the period and to the extent that the Leased Premises is partially unfit for use or occupancy in the same proportion that the floor area of the Leased Premises so unfit for use or occupancy bears to the total floor area of the Leased Premises.

#### Taxes and Utility Charges

The School Corporation is to pay, as further rent, taxes and assessments lawfully assessed or levied against or with respect to the Leased Premises or any personal property or fixtures installed or brought in or on the Leased Premises, and all utility and other charges for or incurred in connection with the Leased Premises. The School Corporation may, at its own expense, in good faith contest any such taxes and assessments. The School Corporation shall also pay as additional rent, any amount required by the Lessor to rebate to the United States Government to prevent the Lessor's bonds from becoming arbitrage bonds.

#### Events of Default

The Lease provides that either of the following constitutes an "event of default" under the Lease:

- (a) Failure to pay any rentals or other sums payable to the Lessor under the Lease, or failure to pay any other sum therein required to be paid to the Lessor; or
- (b) Failure to observe any other covenant, agreement or condition under the Lease, and such default shall continue for sixty (60) days after written notice to correct the same.

#### Remedies

On the occurrence of an event of default under the Lease, the Trustee may proceed to protect and enforce its rights by suit or suits in equity or at law in any court of competent jurisdiction, whether for specific performance or any covenant or agreement contained therein, or for the enforcement of any other appropriate legal or equitable remedy; file a claim with the Treasurer of the State of Indiana for an amount equal to an amount in default, and may authorize or delegate the authority to file such claim; or the Lessor, at its option, without further notice, may terminate the estate and interest of the School Corporation thereunder, and it shall be lawful for the Lessor forthwith to resume possession of the Leased Premises and the School Corporation covenants to surrender the same forthwith upon demand. The exercise by the Lessor of the right to terminate the Lease shall not release the School Corporation from the performance of any obligation thereof maturing prior to the Lessor's actual entry into possession. No waiver by the Lessor of any right to terminate the Lease upon any default shall operate to waive such right upon the same or other default subsequently occurring.

### General Covenants

The School Corporation may not assign the Lease or sublet the Leased Premises without the written consent of the Lessor. In the Lease, the School Corporation has covenanted to use and maintain the Leased Premises in accordance with the laws and ordinances of the United States of America, the State of Indiana, and all other proper governmental authorities. The School Corporation has also covenanted that it will not enter into any lease, management contract or other contractual arrangement which would allow the use of the Leased Premises by a nongovernmental person which would have the effect of making the Lessor's bonds private activity bonds under Section 141 of the Internal Revenue Code of 1986.

### Option to Purchase

The School Corporation has the option to purchase the Leased Premises on any rental payment date at a price which is sufficient to allow the Building Corporation to liquidate by paying or providing for the payment in full of the then outstanding bonds pursuant to the redemption provisions.

### Option to Renew

The School Corporation has an option to renew the Lease for a further like or lesser term upon the same terms and conditions provided in the Lease.

## APPENDIX F

### SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

*The following is a brief summary of certain provisions of the Trust Indenture dated as of October 1, 2018 (the “Original Indenture”), between the Griffith Public School Improvement Building Corporation (the “Building Corporation”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), as supplemented and amended by the First Supplemental Trust Indenture dated as of \_\_\_\_\_ 1, 2021 (the “First Supplemental Trust Indenture,” the Original Indenture as supplemented and amended by the First Supplemental Indenture, the “Indenture”), and does not purport to comprehensively describe that document in its entirety. Reference should be made to the Indenture for a full and complete statement of its provisions. Capitalized terms not defined in this summary or elsewhere in this Official Statement shall have the definitions set forth in the Indenture.*

#### Application of Bond Proceeds

Proceeds of the Bonds in an amount equal to \$ \_\_\_\_\_ will be deposited in the 2021 Bond Issuance Expense Account of the Construction Fund. Proceeds of the Bonds in the amount of \$ \_\_\_\_\_ will be deposited in the 2021 Bond Interest Account of the Construction Fund to pay a portion of interest on the Bonds through \_\_\_\_\_, 202\_. The remaining proceeds of the Bonds in an amount equal to \$ \_\_\_\_\_ will be deposited into the 2021 Construction Account within the Construction Fund, with: (i) \$ \_\_\_\_\_ of such amount being deposited into the Wadsworth Elementary Project Subaccount, to be spent on the Wadsworth Elementary Project, (ii) \$ \_\_\_\_\_ of such amount being deposited into the Athletic Facilities Project Subaccount, to be spent on the Athletic Facilities Project, and (iii) \$ \_\_\_\_\_ of such amount being deposited into the Classroom/Boiler Project Subaccount, to be spent on the Classroom/Boiler Project.

#### Construction Fund, Sinking Fund, Operation and Reserve Fund and Rebate Fund

There are continued under the Indenture the following funds:

- (1) the Griffith Public School Improvement Building Corporation Construction Fund (the “Construction Fund”), which includes the 2021 Bond Issuance Expense Account, the 2021 Bond Interest Account and the 2021 Construction Account;
- (2) the Griffith Public School Improvement Building Corporation Sinking Fund (the “Sinking Fund”);
- (3) the Griffith Public School Improvement Building Corporation Operation and Reserve Fund (the “Operation and Reserve Fund”); and
- (4) the Griffith Public School Improvement Building Corporation Rebate Fund (the “Rebate Fund”).

Costs of issuance of the Bonds will be paid from moneys deposited in the 2021 Bond Issuance Expense Account. It is expected that all costs will be paid within sixty (60) days of closing. Any moneys remaining in the 2021 Bond Issuance Expense Account after all costs have been paid will be transferred to the 2021 Construction Account.

A portion of the interest on the Bonds through January 15, 2022 will be paid from moneys deposited in the 2021 Bond Interest Account. Any moneys remaining in the 2021 Bond Interest Account after the January 15, 2022 interest payment on the Bonds will be transferred to the 2021 Construction Account.

The Wadsworth Elementary Project Subaccount will be used to finance the construction improvements to Wadsworth Elementary School, including flooring replacement, painting of walls/corridors, boiler replacement, classroom unit improvements including installation of new ducts and diffusers, water pipe flushing and new HVAC temperature controls, and all related improvements (the “Wadsworth Elementary Project”). Any moneys remaining in the Wadsworth Elementary Project Subaccount after completion of the Wadsworth Elementary Project will be transferred to the Operation and Reserve Fund.

The Athletic Facilities Project Subaccount will be used to finance athletic facility improvements to the High School/Junior High School, including replacement of the pool dehumidification unit, pool filter, pool valves and related pool improvements, locker room renovation with creation of home/visitor spaces, gymnasium wall improvements, and all related improvements (the "Athletic Facilities Project"). Any moneys remaining in the Athletic Facilities Project Subaccount after completion of the Athletic Facilities Project will be transferred to the Operation and Reserve Fund.

The Classroom/Boiler Project Subaccount will be used to finance classroom and boiler improvements to the High School/Junior High School, including demolition of existing boilers and installation of new boilers, with related equipment, classroom unit improvements including installation of new ducts and diffusers, water pipe flushing and new HVAC temperature controls, and all related improvements (the "Classroom/Boiler Project Subaccount"). Any moneys remaining in the Classroom/Boiler Project Subaccount after completion of the Classroom/Boiler Project will be transferred to the Operation and Reserve Fund.

The Trustee shall deposit in the Sinking Fund from each rental payment received, the lesser of (1) all of such payment or (2) an amount which when added to the amount already on deposit, equals the sum of the unpaid principal of and interest on the Bonds due within twenty (20) days from the due date of the rental payment. Any portion of a rental payment remaining after such deposit shall be deposited by the Trustee in the Operation and Reserve Fund. The Trustee shall from time to time withdraw from the Sinking Fund sufficient moneys to pay the principal of the Bonds at maturity and to pay the interest as it falls due.

The Operation and Reserve Fund shall be used only (a) to pay necessary incidental expenses of the Corporation, (b) if the amount in the Sinking Fund at any time is less than the required amount, to transfer funds to the Sinking Fund in an amount sufficient to raise the amount in the Sinking Fund to the required amount, (c) if Bonds are called for redemption, to pay the principal, interest and redemption premium, if any, on the Bonds, (d) to purchase Bonds as provided in the Indenture, and (e) to transfer funds to the Sinking Fund if necessary to raise the amount in the Sinking Fund to the rebate amount as calculated pursuant to the Indenture. The incidental expenses may be paid by the Trustee upon the presentation of an affidavit executed by two officers of the Corporation or the Lessor Representative, together with the creditor's statement as to the amount owing.

The Rebate Fund shall be used to make any rebate to the United States Government required to prevent the Bonds from becoming "arbitrage bonds" under the Internal Revenue Code of 1986, as amended. If an exception to rebate is not met, the Corporation shall be required to calculate or cause to be calculated annually the amount of such rebate (the "rebate amount") and deposit such rebate amount so calculated in the Rebate Fund from the Construction Fund, the Operation and Reserve Fund or investment earnings on the Sinking Fund. The Trustee is further required to pay the rebate amount together with all investment earnings thereon to the United States Government at such times as shall be required by the Internal Revenue Code of 1986, as amended, or applicable regulations.

Whenever the amounts contained in the Sinking Fund and the Operation and Reserve Fund are sufficient together with all of the funds deposited with the Trustee by the Building Corporation to redeem, upon the next redemption date, all the Bonds secured by the Indenture then outstanding, the Trustee shall apply the amounts in such funds to the redemption of such Bonds pursuant to the Indenture.

#### Investment of Funds

The Trustee shall invest the moneys in funds created in the Indenture in (i) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (ii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, (iv) Federal Housing Administration debentures, (v) Federal Home Loan Mortgage Corporation participation certificates and senior debt obligations (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts), (vi) Farm Credit Bank consolidated system-wide bonds and notes, (vii) Federal Home Loan Banks consolidated debt obligations, (viii) Federal National Mortgage Association senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts), (ix) demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, other deposit products, certificates of deposit, including those placed by a third party



pursuant to an agreement between the Trustee and the Corporation, or bankers acceptances of depository institutions, including the Trustee or any of its affiliates, (x) commercial paper (having original maturities of not more than 270 days) rated “A-1” by Standard and Poor’s Ratings Group and “Prime-1” by Moody’s at the time of purchase, (xi) evidence of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated, (xii) deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), including CDARS, (xiii) money market funds rated “AAAm” or “AAAm-G” by Standard & Poor’s Corporation, which funds may be funds of the Trustee or its affiliates, including those for which the Trustee or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise, (xiv) repurchase agreements and reverse repurchase agreements collateralized with Government Securities, including those of the Trustee or any of its affiliates, or (xv) investment deposit agreements constituting an obligation of a bank, as defined by the Indiana Banking Act (including the Trustee and its affiliates), whose outstanding unsecured long-term debt is rated at the time of such agreement in any of the two highest rating categories by each Rating Agency. Moneys in the Construction Fund, Sinking Fund and Rebate Fund shall be invested without restriction as to yield during an applicable temporary period pending their use. Moneys in the Operation and Reserve Fund after thirty (30) days of deposit shall be invested at a yield not in excess of the yield on the Bonds.

#### Covenants

The Building Corporation covenants, among other things that:

(a) it has entered into a valid and binding lease of the mortgaged property to the School Corporation, and that a full, true and correct copy of the lease is on file with the Trustee; that construction will begin promptly upon receipt by the Trustee of the bond proceeds and that it will complete such construction with all expedition practicable in accordance with the plans and specifications referred to in the Lease;

(b) it will faithfully perform all provisions contained in each Bond and the Indenture and will punctually pay the principal of, premium, if any, and interest on the Bonds;

(c) it is duly authorized under the laws of the State of Indiana to create and issue the Bonds, to execute and deliver the Indenture, and to mortgage and pledge the real estate and rentals and other income of the mortgaged property as provided in the Indenture;

(d) it will promptly make, execute, and deliver all indentures supplemental to the Indenture and to take all action deemed advisable and necessary by the Trustee for the better securing of the Bonds;

(e) it now has and will preserve good title to the property;

(f) it will maintain the priority of the lien created under the Indenture, that it will not permit any waste of said property, and that it will at all times maintain the property in good working condition;

(g) it will maintain proper books and records and: (i) furnish statements showing earnings, expenses and financial condition of the Building Corporation and such information as the Trustee may reasonably request, (ii) within 90 days of each calendar year, file with the Trustee, a certificate signed by officers of the Building Corporation stating that all insurance premiums required under the Indenture have been paid by the Building Corporation and that all taxes then due have been paid, subject to permissible contests, (iii) upon the request of any bondholder, will request from the Lessee the current financial statements of the Lessee for review by the bondholder;

(h) it will not incur any indebtedness payable from the Lease other than the Bonds permitted by the Indenture and Additional Bonds, as long as the Bonds are outstanding;

(i) it will, upon any default in payment of lease rentals, file a claim with the Treasurer of the State of Indiana, bring suits to mandate the appropriate officers of the School Corporation to levy the necessary tax to pay rents under the Lease or to take such other appropriate action necessary to enforce and collect the rentals due;

(j) the proceeds of the Bonds, any moneys received from lease rentals payable according to the Leases, amounts received from the investment of the proceeds of the Bonds or other amounts received shall not be invested in such manner which would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code; and

(k) in order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds, no proceeds thereof will be loaned to any entity or person, nor will they be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of such proceeds. Furthermore, the Building Corporation will, to the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, rebate all required arbitrage profits on such proceeds or other moneys treated as such proceeds to the United States Government and will set aside such moneys in the Rebate Fund to be held by the Trustee in trust for such purposes. Additionally, the Building Corporation covenants that it 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 income tax purposes of interest on the Bonds pursuant to Section 103 of the Code.

### Insurance

The Building Corporation covenants that during construction of the Project it will carry or cause the School Corporation to carry the following kinds of risks insurance (a) builders risk insurance in the amount of 100% of the insurable value of the mortgaged property against physical loss or damage, and (b) bodily injury and property damage insurance for damages for bodily injury, including accidental death, as well as claims for property damages which may arise from such construction.

The Building Corporation further covenants that all contracts for the construction of the Projects will or so require the Contractor to carry such insurance as will protect the Contractor from liability under the Indiana Worker’s Compensation and Worker’s Occupational Disease Act.

The Building Corporation covenants to carry or cause the School Corporation to carry the following kinds of insurance after completion of construction: (a) physical loss or damage insurance on the mortgaged property in the amount of 100% of the full replacement cost of the property; (b) rental value insurance against physical loss or damage for a period of two years; and (c) bodily injury and property damage insurance naming the Building Corporation as an insured against claims for damages for bodily injury, including accidental death, as well as claims for property damages with reference to the Leased Premises in an amount not less than One Million Dollars (\$1,000,000) on account of each occurrence.

The proceeds of any insurance shall be applied by the Building Corporation to the repair, replacement or reconstruction of any damaged or destroyed property, if the cost of such repair, replacement or reconstruction does not exceed the proceeds of insurance. In addition, the Trustee may repair, replace, or reconstruct the mortgaged property if the Building Corporation fails to do so. If, at any time, the mortgaged property is totally or substantially destroyed, and the amount of insurance moneys received on account thereof by the Trustee is sufficient to redeem all of the outstanding Bonds, the Building Corporation with the written approval of the School Corporation may direct the Trustee to use said money for the purpose of calling for redemption all of the Bonds issued and then outstanding under the Indenture at the then current redemption price.

### Events of Default and Remedies

Events of default under the Indenture include: failure to pay the principal of, or the redemption premiums, if any, on any of the Bonds; failure to pay interest on the Bonds as it becomes due and payable; occurrence of certain events of bankruptcy or insolvency of the Building Corporation; default in the performance or observance of any other of the covenants, agreements or conditions by the Building Corporation under the Indenture and the continuance of such default for sixty (60) days after written notice; failure of the Building Corporation to bring suit to mandate the appropriate officials of the School Corporation to levy a tax to pay the rentals provided under the Lease; and nonpayment of the lease rental within 90 days of when due as provided under the Lease.

Upon the happening and continuance of any event of default, the Trustee may, and upon written request of the holders of twenty-five percent (25%) in principal amount of the Bonds then outstanding and upon being indemnified to its reasonable satisfaction shall, declare the principal amount of and interest accrued on all outstanding

Bonds immediately due and payable; subject, however, to the rights of the holders of the majority in principal amount of all the outstanding Bonds to annul such declaration if all such events have been cured, all arrears of interest have been paid and all other indebtedness secured by the Indenture except the principal and interest not then due has also been paid.

Upon the occurrence of one or more events of default, the Building Corporation, upon demand of the Trustee, shall forthwith surrender the possession of the property and the Trustee may take possession of all the mortgaged property and hold, operate and manage the same for the purpose of insuring payments on the Bonds until the event of default has been cured

Upon the occurrence of one or more events of default, the Trustee may, and shall upon written request of the holders of at least twenty-five percent (25%) in principal amount of the Bonds then outstanding, pursue any available remedy by suit at law or in equity, whether for specific performance of any covenant or agreement contained in the Indenture or in aid of any power granted therein, or for any foreclosure of the Indenture including, to the extent permitted by law, the appointment of a receiver.

Any sale made either under the Indenture, to the extent permitted by law, or by judgment or decree in any judicial proceeding for foreclosure shall be conducted as required by the Indenture. The proceeds of any such sale shall be applied to pay the costs and expenses of the sale or judicial proceedings pursuant to the sale, the expenses of the Trustee and the holders of the Bonds, with interest at the highest rate of interest on any of the Bonds when sold, and the payment of the installments of interest which are due and unpaid in the order of their maturity, next, if the principal of the Bonds is due, to the payment of the principal thereof and the accrued interest thereon pro rata. No holder of all of the Bonds shall have the right to institute any proceeding in law or in equity for the foreclosure of the Indenture, the appointment of a receiver, or for any other remedy under the Indenture without complying with the provisions of the Indenture.

#### Supplemental Indentures

The Building Corporation and the Trustee may, without obtaining the approval of the holders of the Bonds, enter into supplemental indentures to cure any ambiguity or formal defect or omission in the Indenture; or to grant to the Trustee for the benefit of such holders any additional rights, remedies, powers, authority or security that may be lawfully granted; or to provide for the issuance of additional parity bonds.

The holders of not less than 66-2/3% in aggregate principal amount of all the Bonds and Additional Bonds then outstanding shall have the right, from time to time except when contrary to the Indenture, to approve the execution by the Building Corporation and the Trustee of such supplemental indentures, except no supplemental indenture shall permit:

- (a) An extension of the maturity of the principal of or interest on any Bond;
- (b) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest;
- (c) The creation of a lien upon the mortgaged property taking priority or on a parity with the lien created by the Indenture;
- (d) A preference or priority of any Bond or Bonds over any other Bond or Bonds; or,
- (e) A reduction in the aggregate principal amount of the Bonds required for consent to supplemental indentures.

If the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the bonds outstanding at the time of the execution of such supplemental indenture shall have consented to and approved the execution thereof as provided in the Indenture, no owner of any bond shall have any right to object to the execution of such supplemental indenture 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 execution thereof, or to enjoin or restrain the Trustee or the Building Corporation from executing the same, or from taking any action pursuant to the provisions thereof.

Upon the execution of any supplemental indenture pursuant to the provisions of the Indenture, the Indenture shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Building Corporation, the Trustee, and all owners of bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

#### Possession Until Default, Defeasance, Payment, Release

Subject to the rights of the Trustee and the holders of the Bonds in the event of the occurrence and continuance of an event of default, the Building Corporation shall have the right of full possession, enjoyment and control of all the mortgaged property. While in possession of the mortgaged property, and while not in default under the Indenture, the Building Corporation shall have the right at all times to alter, change, add to, repair, or replace any of the property constituting a part of the mortgaged property so long as the value of the mortgaged property and the security of the Bonds shall not be substantially impaired or reduced. The Trustee may release any mortgaged property which has become unfit or unnecessary for use pursuant to the Indenture. If new property is purchased or acquired in substitution for the mortgaged property so released, the new property shall become subject to the lien and the operation of the Indenture. If no new property is purchased with the proceeds of any sale or mortgaged property within ninety (90) days after the receipt of the proceeds, the proceeds shall be deposited in the Operation and Reserve Fund.

The Building Corporation may pay and discharge the entire indebtedness on all Bonds outstanding:

(a) by paying the whole amount of the principal and interest and the premium if any, due and payable upon all of the Bonds then outstanding; or

(b) by depositing with the Trustee (i) sufficient money, (ii) direct obligations of the United States of America (the "Government Securities") or (iii) time certificates of deposit of a bank or banks secured as to both principal and interest by Government Securities in amounts sufficient to pay or redeem all Bonds outstanding.

If the whole amount of the principal, premium, if any, and interest so due and payable upon all of the Bonds then outstanding shall be paid or provision made for payment, then the right, title and interest of the Trustee shall thereupon cease, terminate and become void. Upon termination of the Trustee's title, the Trustee shall release the Indenture and return to the Building Corporation any surplus in the Sinking Fund and Operation and Reserve Fund and any other funds other than moneys held for redemption or payment of Bonds.

#### Additional Bonds

The Trustee, at the request of the Building Corporation or the School Corporation, to the extent permitted by law, shall cause to be issued Additional Bonds from time to time to provide for refunding the Bonds and certain other limited purposes; provided that the issuance of such Additional Bonds shall not result in the interest on the Bonds outstanding immediately prior to such issuance becoming subject to federal income tax. Before any Additional Bonds are executed, there shall be delivered to the Trustee the items required by the Indenture. Any series of Additional Bonds shall have maturities, interest rates, interest payment dates, denominations and other terms as provided in the Supplemental Indenture entered into in connection with such Additional Bonds, and the proceeds thereof shall be held, invested and paid out as therein provided, provided that such terms and provisions shall not be otherwise inconsistent with the Indenture.