

***This Preliminary Official Statement is deemed "nearly final"
and is dated November 2, 2018***

In the opinion of Bose McKinney & Evans LLP ("Bond Counsel"), under federal statutes, decisions, regulations and rulings, interest on the Bonds (hereinafter defined) is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof, for federal income tax purposes and is not a specific item of tax preference for purpose of the federal alternative minimum tax, although Bond Counsel observes that it is included in adjusted current earnings in calculating corporate alternative minimum taxable income for taxable years that began prior to January 1, 2018. Such exclusion is conditioned on continuing compliance with the Tax Covenants (hereinafter defined). 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 of Indiana. The Bonds have been designated as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986. See "TAX MATTERS" herein.

\$8,200,000*
UNION-NORTH UNITED SCHOOL BUILDING CORPORATION
Lakeville, Indiana
AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2018

Original Date: Date of Delivery (Anticipated to be December 5, 2018)

Due: January 15 and July 15, as shown on inside cover page

The Union-North United School Building Corporation (the "Building Corporation") is issuing \$8,200,000* of Ad Valorem Property Tax First Mortgage Bonds, Series 2018 (the "Bonds") for the purpose of paying the costs of (i) improvements to the LaVille Elementary School building, including lift station improvements, pipework repair, HVAC improvements, door improvements, restroom improvements, switch gears/generator/panels/grounding infrastructure, lockers, carpeting, exterior masonry improvements, technology upgrades, bus garage, and all related improvements (the "Elementary Project"), (ii) improvements to LaVille Jr.-Sr. High School building, including asbestos remediation, HVAC improvements, gymnasium improvements, door improvements, restroom improvements, switch gears/generator/panels/grounding infrastructure, locker room improvements, classroom renovations, roof improvements, exterior masonry improvements, technology upgrades, and all related improvements (the "Jr.-Sr. High School Project", together with the Elementary Project, the "Projects" and each a "Project"), and (iii) issuance expenses. In addition, funding for a portion of the Jr.-Sr. High School Project will be provided by proceeds from the Building Corporation's purchase of a portion of the Leased Property (hereinafter defined). The Bonds will rank on parity with the Building Corporation's Ad Valorem Property Tax, First Mortgage Bonds, Series 2010B, dated October 12, 2010 (the "2010B Bonds"), now outstanding in the amount of \$1,705,000.

The Bonds are secured by and payable from fixed, semiannual lease rental payments (the "Lease Rentals") to be paid by the Union-North United School Corporation (the "School Corporation") directly to Regions Bank, in Indianapolis, Indiana (the "Trustee") under a Trust Indenture between the Building Corporation and the Trustee dated as of October 1, 2010, as supplemented by the First Supplemental Trust Indenture dated as of December 1, 2018 (together, the "Trust Indenture") and a lease (hereinafter defined) between the School Corporation and the Building Corporation, and in accordance with Indiana Code Title 20, Article 47, Chapter 3. Such Lease Rentals are payable from ad valorem property taxes levied on all taxable property within the School Corporation in an amount sufficient to pay the Lease Rentals as they become due. The levy of taxes by the School Corporation to pay the Lease Rentals is mandatory under Indiana law. However, see "PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION" and "CIRCUIT BREAKER TAX CREDIT" herein. The Bonds are additionally secured by a first mortgage lien on the Leased Property (hereinafter defined). The Bonds shall not constitute an indebtedness of the School Corporation within the meaning of the provisions and limitations of the constitution of the State of Indiana.

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 interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the Bonds. Interest on the Bonds will be payable semiannually on January 15 and July 15 of each year, beginning July 15, 2019. Principal and interest will be disbursed on behalf of the Building Corporation by Regions Bank, in Indianapolis, Indiana (the "Registrar" and "Paying Agent"). Interest on the Bonds will be paid by check, mailed one business day prior to the interest payment date or by wire transfer to depositories. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent. Interest on, together with the principal of, 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 "BOOK-ENTRY-ONLY SYSTEM". The Bonds will be subject to optional redemption prior to maturity, as more fully described herein. The Bonds may be issued as "Term Bonds" at the Underwriter's (hereinafter defined) discretion and subject to mandatory sinking fund redemption as more fully described herein.

*Preliminary, subject to change. The Building Corporation reserves the right to adjust the maturity schedule following the sale in order to accomplish the Building Corporation's financial objectives by reallocating debt service based upon the rates bid by the successful bidder.

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.

MATURITY SCHEDULE
(Base CUSIP* _____)

<u>Maturity**</u>	<u>Principal**</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Maturity**</u>	<u>Principal**</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
July 15, 2019	\$75,000				July 15, 2028	\$260,000			
January 15, 2020	80,000				January 15, 2029	260,000			
July 15, 2020	60,000				July 15, 2029	275,000			
January 15, 2021	60,000				January 15, 2030	280,000			
July 15, 2021	40,000				July 15, 2030	285,000			
January 15, 2022	45,000				January 15, 2031	290,000			
July 15, 2022	45,000				July 15, 2031	295,000			
January 15, 2023	50,000				January 15, 2032	300,000			
July 15, 2023	135,000				July 15, 2032	305,000			
January 15, 2024	140,000				January 15, 2033	310,000			
July 15, 2024	225,000				July 15, 2033	320,000			
January 15, 2025	225,000				January 15, 2034	320,000			
July 15, 2025	235,000				July 15, 2034	330,000			
January 15, 2026	235,000				January 15, 2035	335,000			
July 15, 2026	245,000				July 15, 2035	345,000			
January 15, 2027	245,000				January 15, 2036	345,000			
July 15, 2027	250,000				July 15, 2036	350,000			
January 15, 2028	255,000				January 15, 2037	350,000			

*Copyright 2018 CUSIP Global Services. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Global Marketing Intelligence.

**Preliminary, subject to change. The Building Corporation reserves the right to adjust the maturity schedule following the sale in order to accomplish the Building Corporation's financial objectives by reallocating debt service based upon the rates bid by the successful bidder.

INFORMATION FOR BIDDING

Date and Time of Sale: Upon 24 hours' notice. Anticipated to take place on November 13, 2018, at 11:00 a.m. (EST)

Place of Sale: Umbaugh, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240

Maximum Interest Rate: 5.00%

Minimum Purchase Price:** 99.5% (\$8,159,000*)

Multiples: 1/8 or 1/100 of 1%

Anticipated Closing Date: December 5, 2018

Good Faith Deposit: \$82,000* certified or cashier's check or wire transfer submitted by the winning bidder no later than 3:30 p.m. (EDT) on the business day following the award

Method of Bidding: Electronic bidding by PARITY® or traditional bidding.

Basis of Award: True Interest Cost (TIC)

Issue Price Determination: As set forth in the Preliminary Official Statement, the bidder agrees by submission of their bid to assist the School Corporation in establishing the issue price of the Bonds under the terms outlined in Appendix G and shall execute and deliver to the School Corporation at closing an "issue price" certificate, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the School Corporation and bond counsel. Provided the winning bidder is purchasing the Bonds as an Underwriter (as defined in Appendix G) and is not purchasing the Bonds with the intent to hold the Bonds for its own account, then the School Corporation and the Purchaser shall agree to the process by which issue price will be established on the date of sale of the Bonds in the event that the Competitive Sale Requirements (as defined in Appendix G) are not met. The winning bidder must agree to execute the applicable schedules depending on the sale results.

For a complete description of terms and conditions for bidding, please refer to the next section of this Official Statement (Appendix i) for the Notice of Intent to Sell Bonds.

The Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Bose McKinney & Evans LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on by Bose McKinney & Evans LLP as Attorney for the School Corporation and Building Corporation. The Bonds are expected to be available for delivery to DTC in New York, New York, on or about December 5, 2018.

IN CONNECTION WITH THIS OFFERING THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesman or other person has been authorized by the Building Corporation to give any information or to make any representations, 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 the Building Corporation. 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 securities described herein 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 obtained from the School Corporation, and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the securities described herein shall, under any circumstances, create any implication that there has been no change in the affairs of the Building Corporation since the date of delivery of the securities described herein to the initial purchaser thereof. However, upon delivery of the securities, the School Corporation will provide a certificate stating that there have been no material changes in the information contained in the Final Official Statement since its delivery.

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

*Preliminary, subject to change.

** Minimum Purchase Price shall mean the \$8,200,000* of the Bonds less total discount submitted with bid, including any underwriter discount, purchaser discount, original issue discount or any expenses submitted by the bidder which will reduce the amount of bond proceeds to be received by the Building Corporation, and adding any amortizable bond premium.

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*Preliminary, subject to change.

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PROJECT PERSONNEL

Names and positions of officials and professionals who have taken part in the planning of the project and bond issue are:

Building Corporation Directors

Steve Fuchs, President
Richard Mechling, Secretary
Kristy Miller
Ben Platz
Dave Riddle

Board of School Trustees

Karman Eash, President
Tom Smith, Vice President
Larry Ort, Secretary
Arden Balmer
Mike Berger

Superintendent

Mitchell. D Mawhorter

Treasurer

Beth Mangus

Building Corporation and School Corporation Attorney/ Bond Counsel

Dennis H. Otten
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204

Municipal Advisor

Curt W. Pletcher
H.J. Umbaugh & Associates
Certified Public Accountants, LLP
112 IronWorks Avenue, Suite C
Mishawaka, Indiana 46544

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This introduction to the Official Statement contains certain information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

PRELIMINARY OFFICIAL STATEMENT

\$8,200,000*

UNION-NORTH UNITED SCHOOL BUILDING CORPORATION Lakeville, Indiana AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2018

INTRODUCTION TO THE OFFICIAL STATEMENT

The Union-North United School Building Corporation (the “Building Corporation”) is issuing \$8,200,000* of Ad Valorem Property Tax First Mortgage Bonds, Series 2018 (the “Bonds”). The Building Corporation was organized to issue bonds pursuant to Indiana Code Title 20, Article 47, Chapter 3 to finance the improvements to school buildings and lease them to the Union-North United School Corporation (the “School Corporation”).

SECURITY AND SOURCES OF PAYMENT

Pursuant to a lease executed on September 16, 2008, as amended by a First Amendment to Lease dated as of October 1, 2010, and a Second Amendment to Lease dated as of October 10, 2018, between the Building Corporation and the School Corporation (collectively the “Lease”), the Bonds are payable from semiannual lease rental payments (the “Lease Rentals”) to be paid by the School Corporation directly to Regions Bank, Indianapolis, Indiana (the “Trustee”). Such Lease Rentals are payable from ad valorem property taxes to be levied against all taxable property within the School Corporation. (However, *see* “PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION” and “CIRCUIT BREAKER TAX CREDIT” herein.) Pursuant to the Lease, the School Corporation will pay interim Lease Rental on June 30, 2019 and December 31, 2019, (collectively, “Interim Lease Rental”). Full Lease Rentals will begin on the day the Projects (herein defined) are completed and ready for occupancy or June 30, 2020, whichever is later. The Bonds will rank on parity with the Ad Valorem Property Tax First Mortgage Bonds, Series 2010B, dated October 12, 2010 (the “2010B Bonds”), now outstanding in the amount of \$1,705,000.

The Bonds are additionally secured by a first mortgage lien on the Leased Property (hereinafter defined). *See* page 7 for a description of Lease Rental Payments by the State of Indiana.

CIRCUIT BREAKER TAX CREDIT

Indiana Code Title 6, Article 1.1, Chapter 20.6 provides taxpayers with 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 (“Circuit Breaker Tax Credit”). 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. The legislation requires local governments to fund their debt service obligations regardless of any property tax revenue shortfalls due to the Circuit Breaker Tax Credit. The State may intercept funds to pay debt service. (*See* “LEASE RENTAL PAYMENTS BY THE STATE OF INDIANA” and “CIRCUIT BREAKER TAX CREDIT” herein).

*Preliminary, subject to change.

PURPOSE

The Bonds are being issued for the purpose of paying the costs of (i) improvements to the LaVille Elementary School building, including lift station improvements, pipework repair, HVAC improvements, door improvements, restroom improvements, switch gears/generator/panels/grounding infrastructure, lockers, carpeting, exterior masonry improvements, technology upgrades, bus garage, and all related improvements (the “Elementary Project”), (ii) improvements to LaVille Jr.-Sr. High School building, including asbestos remediation, HVAC improvements, gymnasium improvements, door improvements, restroom improvements, switch gears/generator/panels/grounding infrastructure, locker room improvements, classroom renovations, roof improvements, exterior masonry improvements, technology upgrades, and all related improvements (the “Jr.-Sr. High School Project”, together with the Elementary Project, the “Projects” and each a “Project”), and (iii) issuance expenses. Funding for the Projects will be provided from the proceeds of the Bonds and interest earnings during construction. Funding for a portion of the Jr.-Sr. High School Project will be provided by proceeds from the sale of a portion of the Leased Property (herein defined) to the Building Corporation.

REDEMPTION PROVISIONS

The Bonds are subject to optional redemption beginning January 15, 2028 as more fully described herein. The Bonds may be issued as Term Bonds at the discretion of the Underwriter (as hereinafter defined) and in that case, would be subject to mandatory sinking fund redemption as more fully described herein.

DENOMINATIONS

The Bonds are being issued in the denomination of \$5,000 or integral multiple thereof.

REGISTRATION AND EXCHANGE FEATURES

The Trustee shall keep at its designated corporate trust office, a record for the registration of the Bonds. Each registered Bond shall be transferable or exchangeable only on such record at the designated corporate trust office of the Trustee at the written request of the registered owner thereof or his attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney.

BOOK-ENTRY-ONLY SYSTEM

The Bonds shall initially be issued and held in book-entry form on the books of the central depository system. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered in the name of Cede & Co. (DTC’s partnership nominee). One fully registered Bond certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. The Building Corporation and the Registrar and Paying Agent may deem and treat the Clearing Agency (Cede & Co.) as the absolute owner and holder of such Bond for all purposes including, without limitation, the receiving of payment of the principal of, premium, if any, and interest on such Bonds, the receiving of notice and the giving of consent. Interest payable July 15, 2019, and semiannually thereafter, will be paid by check mailed one business day prior to the interest payment date to the registered owner or by wire transfer on the interest payment date to the depository shown as the registered owner (Refer to “Book-Entry-Only System” herein).

PROVISIONS FOR PAYMENT

The principal on the Bonds shall be payable at the designated corporate trust office of the Registrar and Paying Agent, or by wire transfer to DTC or any successor depository. All payments of interest on the Bonds shall be paid by check, mailed one business day prior to the interest payment date to the registered owners as the names appear as of the fifteenth day preceding the interest payment date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Registrar or by wire transfer to DTC or any successor depository. If payment of principal or interest is made to DTC or any successor depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such

payments are received at the depository by 2:30 p.m. (New York City time). Payments on the Bonds shall be made in lawful money of the United States of America, which, on the date of such payment, shall be legal tender.

So long as DTC or its nominee is the registered owner of the Bonds, principal and interest on the Bonds will be paid directly to DTC by the Paying Agent. (The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and Indirect Participants, as defined and more fully described herein.)

NOTICES

If the office location at which principal is payable changes, the Trustee will give notice of such change by first-class mail to registered owners at least 15 days prior to the first principal payment date following the date of such change in location.

If the Trustee resigns, notice shall be given to the registered owners by mail at least 20 days prior to the date when such resignation shall take effect.

Notice of redemption shall be mailed to the registered owners of all Bonds, not less than 30 days prior to the date fixed for redemption.

TAX MATTERS

In the opinion of Bose McKinney & Evans LLP ("Bond Counsel"), interest on the Bonds is excludable from gross income for federal income tax purposes, and is not a specific item of tax preference for purpose of the federal alternative minimum tax, although Bond Counsel observes that it is included in adjusted current earning in calculating corporate alternative minimum taxable income for taxable years that began prior to January 1, 2018. Such exclusion is conditioned on continuing compliance with the Tax Covenants, hereinafter defined. In the opinion of Bond Counsel, interest on the Bonds is exempt from income taxation in the State of Indiana. *See* Appendix E.

The Bonds have been designated as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.

MISCELLANEOUS

The information contained in this Official Statement has been compiled from School Corporation officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the owners thereof. A complete text of the Trust Indenture will be provided upon request. Additional information may be requested from Union-North United School Corporation, 22601 Tyler Road, Lakeville Indiana 46536, phone (574) 784-8141.

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the owners of the Bonds.

THE PROJECTS

PROJECT DESCRIPTION

The Bonds are being issued for the purpose of paying the costs of (i) improvements to the LaVille Elementary School building, including lift station improvements, pipework repair, HVAC improvements, door improvements,

restroom improvements, switch gears/generator/panels/grounding infrastructure, lockers, carpeting, exterior masonry improvements, technology upgrades, bus garage, and all related improvements (ii) improvements to LaVille Jr.-Sr. High School building, including asbestos remediation, HVAC improvements, gymnasium improvements, door improvements, restroom improvements, switch gears/generator/panels/grounding infrastructure, locker room improvements, classroom renovations, roof improvements, exterior masonry improvements, technology upgrades, and all related improvements, and (iii) issuance expenses.

CONSTRUCTION PROGRAM

Construction bids for the Projects are expected to be received in January through February 2019. Construction of the Projects will begin in March 2019 and is anticipated to be completed during Summer of 2020.

ESTIMATED SOURCES AND USES OF FUNDS

	Building Corporation	School Corporation	Total
<u>Estimated Sources of Funds*:</u>			
Ad Valorem Property Tax First Mortgage Bonds, Series 2018	\$8,200,000.00		\$8,200,000.00
Total Estimated Sources of Funds	<u>\$8,200,000.00</u>	<u>\$0.00</u>	<u>\$8,200,000.00</u>
<u>Estimated Uses of Funds*:</u>			
Jr.-Sr. High School Project	\$2,428,600.00	\$2,166,400.00	\$4,595,000.00
Elementary School Project	3,439,000.00		3,439,000.00
Purchase of a portion of the Lease Property	2,166,400.00	(2,166,400.00)	
Allowance for Underwriter's Discount (0.5%)	41,000.00		41,000.00
Allowance of Costs of Issuance (1)	125,000.00		125,000.00
Total Estimated Uses of Funds	<u>\$8,200,000.00</u>	<u>\$0.00</u>	<u>\$8,200,000.00</u>

*Preliminary, subject to change.

- (1) Includes estimated fees for bond counsel, local attorney, municipal advisor, trustee, rating, printing and other miscellaneous expenses.

SCHEDULE OF AMORTIZATION OF \$8,200,000* PRINCIPAL AMOUNT OF AD VALOREM PROPERTY TAX FIRST
MORTGAGE BONDS, SERIES 2018

<u>Payment Date</u>	<u>Principal Outstanding*</u> (-----In Thousands-----)	<u>Principal*</u>	<u>Interest Rates</u> (%)	<u>Interest</u>	<u>Total</u>	<u>Budget Year Total</u>
7/15/2019	\$8,200	\$75				
1/15/2020	8,125	80				
7/15/2020	8,045	60				
1/15/2021	7,985	60				
7/15/2021	7,925	40				
1/15/2022	7,885	45				
7/15/2022	7,840	45				
1/15/2023	7,795	50				
7/15/2023	7,745	135				
1/15/2024	7,610	140				
7/15/2024	7,470	225				
1/15/2025	7,245	225				
7/15/2025	7,020	235				
1/15/2026	6,785	235				
7/15/2026	6,550	245				
1/15/2027	6,305	245				
7/15/2027	6,060	250				
1/15/2028	5,810	255				
7/15/2028	5,555	260				
1/15/2029	5,295	260				
7/15/2029	5,035	275				
1/15/2030	4,760	280				
7/15/2030	4,480	285				
1/15/2031	4,195	290				
7/15/2031	3,905	295				
1/15/2032	3,610	300				
7/15/2032	3,310	305				
1/15/2033	3,005	310				
7/15/2033	2,695	320				
1/15/2034	2,375	320				
7/15/2034	2,055	330				
1/15/2035	1,725	335				
7/15/2035	1,390	345				
1/15/2036	1,045	345				
7/15/2036	700	350				
1/15/2037	350	350				
Total		<u>\$8,200</u>				

*Preliminary, subject to change.

SECURITIES BEING OFFERED

AUTHORIZATION AND APPROVAL PROCESS

The Bonds are to be issued under the authority of Indiana law, including, without limitation, Indiana Code Title 20, Article 47, Chapter 3, in effect on the date of delivery of the Bonds and pursuant to the Trust Indenture between the Building Corporation and the Trustee

Pursuant to Indiana Code 6-1.1-20, with certain exceptions listed below, when property taxes are pledged to the repayment of bonds or leases to finance a project, a determination must be made as to whether the project is a “controlled project”. Projects classified as controlled projects are subject to certain 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:

- (1) Depending on the date of adoption of the preliminary determination ordinance or resolution:
 - (a) If adopted after December 31, 2017, but before January 1, 2019, \$5 million;
 - (b) If adopted after December 31, 2018, an amount equal to the assessed value growth quotient (as determined by the DLGF) multiplied by the amount determined under this clause for the preceding calendar year;
- (2) An amount equal to:
 - (a) At least 1% of gross assessed value, if that total gross assessed value is more than \$100 million; or
 - (b) \$1 million if the gross assessed value is not more than \$100 million.

The main exceptions for a project being classified as a controlled project when there are property taxes being pledged to the repayment of the bonds or leases, and the project meets the criteria set forth in (1)-(2) above are when (a) property taxes are used only as a back-up to enhance credit, (b) a project is being refinanced to generate taxpayer savings, (c) the project is mandated by federal law, or (d) the project is in response to a natural disaster, emergency or accident which is approved by the Union-North United School Corporation making it unavailable for its intended use.

Each project is considered a non-controlled project and the issuance of the Bonds was able to continue without additional approval procedures.

THE BUILDING CORPORATION

The Building Corporation was organized as a not-for-profit corporation pursuant to the Indiana Code Title 23, Article 17, for the sole purpose of acquiring land and constructing, renovating and improving school facilities to be leased to the School Corporation.

During its existence, the Building Corporation will operate entirely without profit to the Building Corporation, its officers or directors.

LEASED PROPERTY

The leased property consists of the LaVille Elementary School building and certain real estate upon which improvements are to be constructed with a portion of the proceeds of the Bonds (the “Leased Property”).

SECURITY AND SOURCES OF PAYMENT

The Bonds shall constitute an indebtedness of the Building Corporation payable in accordance with the terms of the Trust Indenture and secured by the pledge and assignment to the Trustee of the funds and accounts defined and described therein, including the Lease Rental and other funds as defined in the Trust Indenture. The Trust Indenture creates a continuing pledge by the Building Corporation to the bondholders to pay principal and interest on the Bonds, until the principal sum shall be fully paid. Funds for the Lease Rentals will be paid by or on behalf of the School Corporation directly to the Trustee (for the account of the Building Corporation) pursuant to the terms of the Lease. The Bonds are additionally secured by a lien on the Leased Property as described in the Trust Indenture.

Interim Lease Rental payments will be due June 30, 2019 and December 31, 2019. The first full Lease Rental for the Bonds is to begin on the day the Projects are completed and ready for occupancy or June 30, 2020, whichever is

later. See the Summary of the Lease (Appendix C). If there is excessive delay in construction and the Projects are not available for occupancy and use by June 30, 2020, sufficient funds may not be available to meet the interest payment due on the Bonds on July 15, 2020, and subsequent interest and principal payments.

If, for any reason, the Leased Property is partially or totally destroyed or unfit for occupancy, the fixed annual rental shall be proportionately abated. The Building Corporation is required by the Lease to maintain rental value insurance, in an amount equal to the full rental value for a period of up to two years. In addition, the proceeds of any property or casualty insurance would be used either to repair and reconstruct the Leased Property or retire obligations issued to finance the Leased Property. To the extent the damaged or destroyed Leased Property is not restored or repaired or is unfit for occupancy and use beyond the period covered by rental value insurance, the Building Corporation could have insufficient funds to pay debt service on the Bonds.

The Lease Rentals to be paid by the School Corporation during the term of the Lease are required to be in amounts sufficient to pay the principal of and interest on the Bonds. The Lease Rental is secured by a pledge of ad valorem property taxes levied on all taxable property in the School Corporation. The Bonds will rank on parity with the Ad Valorem Property Tax First Mortgage Bonds, Series 2010B, dated October 12, 2010 (the "2010B Bonds"), now outstanding in the amount of \$1,705,000.

The Building Corporation will acquire ownership of the real estate as described within the Lease. The ownership shall be for a term no less than the term of the Lease which is extended to July 15, 2038. (See the Summary of the Lease.)

The total bonded indebtedness of the School Corporation subject to the constitutional debt limit, including the Bonds, amounts to less than two percent of one third of the net assessed valuation of the School Corporation as required by the constitution of the State of Indiana.

LEASE RENTAL PAYMENTS BY THE STATE OF INDIANA

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 or lease rental payments (the "Debt Service Obligation") that are payable in the succeeding calendar year. In the event a school corporation fails to levy and appropriate sufficient funds for such purpose for the next succeeding calendar year, the DLGF must establish levies and appropriations which are sufficient to pay such obligations.

The Act further provides upon failure 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 will pay the unpaid Debt Service Obligation of the school corporation within five (5) days, excluding Saturdays, Sundays and legal holidays of receiving such notice to the extent that the amounts described below as the Available Funds 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 must 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 of the State of Indiana (the "State Budget Director"), the Auditor of the State of Indiana (the "State Auditor") and any department or agency of the State of Indiana responsible for distributing funds appropriated by the Indiana General Assembly (the "General Assembly") to provide the State Treasurer with available funds in order for the State Treasurer to fulfill his/her obligations under the Act, (c) within three (3) days, excluding Saturdays, Sundays and legal holidays, of receiving the notice from the State Treasurer, the State Budget Director, the State Auditor and any department or agency of the State of Indiana responsible for distributing funds appropriated by the General Assembly 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 of Indiana (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 deducting such amount from the future State distributions to be made to the school corporation, first from all funds of the school corporation except tuition support. The estimated State distributions for State fiscal year 2019 and resulting debt service coverage levels are as follows:

Fiscal Year 2019 Basic Grant Distribution (all funds) (1)	<u>\$7,700,617</u>
Estimated Combined Maximum Annual Debt Service (2)	<u>\$1,619,661</u>
State Distributions Required to Provide Two-Times Coverage	<u>\$3,239,322</u>
State Distributions Above Two-Times Coverage Amount	<u>\$4,461,295</u>

- (1) Per the Indiana Department of Education, net of adjustments.
- (2) Based on combined outstanding debt for the year 2020 including debt service on the Bonds.

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

RELATIONSHIP OF ANNUAL LEASE RENTAL PAYMENTS TO ANNUAL DEBT SERVICE REQUIREMENTS

The Lease Rentals to be paid by the School Corporation each June 30 and December 31 for the use and occupancy of the Leased Property will be equal to an amount which, when added to funds in the Sinking Fund, will be sufficient to pay unpaid principal of and interest on the Bonds which is due on or before the July 15 and January 15 following such June 30 and December 31, plus an amount sufficient to provide for the fees of the Trustee and incidental expenses of the Building Corporation.

All Lease Rentals shall be paid by or on behalf of the School Corporation to the Trustee under the Trust Indenture or to such other bank or trust company as may from time to time succeed the Trustee as provided thereunder. All payments so made by or on behalf of the School Corporation shall be considered as payment to the Building Corporation of the Lease Rentals payable under the Lease.

ADDITIONAL BONDS

Additional bonds may be issued on parity with the Bonds subject to the terms and limitations of the Trust Indenture. Except as permitted by the Trust Indenture, the Building Corporation covenants that it will not incur any indebtedness other than the Bonds unless such additional indebtedness is payable solely from income of the Building Corporation other than the rental payments provided for in the Lease.

INVESTMENT OF FUNDS

The proceeds of this issue are to be invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds as set forth in the Trust Indenture. The School Corporation shall direct the investment of Bond proceeds.

THE BONDS

INTEREST CALCULATION

Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

REDEMPTION PROVISIONS

Optional Redemption:

The Bonds maturing on or after July 15, 2028 are redeemable prior to maturity at the option of the Building Corporation in whole or in part in any order of maturity as determined by the Building Corporation and by lot within maturities, on any date not earlier than January 15, 2028, at face value plus accrued interest to the date fixed for redemption and without any redemption premium.

Mandatory Sinking Fund Redemption:

If any Bonds are issued as Term Bonds, the Trustee shall credit against the mandatory sinking fund requirement for the Term Bonds, and corresponding mandatory redemption obligation, in the order determined by the Building Corporation, any Term Bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Term Bond so delivered or canceled shall be credited by the Trustee at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of that Term Bond to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Trustee shall only credit such Term Bond to the extent received on or before 45 days preceding the applicable mandatory redemption date.

If fewer than all the Bonds are called for redemption at one time, the Bonds shall be redeemed in order of maturity determined by the Building Corporation and by lot within maturity. Each \$5,000 principal amount shall be considered a separate bond for purposes of optional and mandatory redemption. If some Bonds are to be redeemed by optional and mandatory sinking redemption on the same date, the Trustee shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

Notice of Redemption:

Notice of redemption shall be mailed to the registered owners of all Bonds to be redeemed at least 30 days prior to the date fixed for such redemption. If any of the Bonds are so called for redemption, and payment therefore is made to the Trustee in accordance with the terms of the Trust Indenture, then such Bonds shall cease to bear interest from and after the date fixed for redemption in the call.

BOOK-ENTRY-ONLY SYSTEM

The Bonds will be available only in book-entry form in the principal amount of \$5,000 or any integral multiple thereof. DTC will act as the initial securities depository for the Bonds. The ownership of one fully registered Bond will be registered in the name of Cede & Co., as nominee for DTC.

SO LONG AS CEDE & CO, AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS (OR THE OWNERS) WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities 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 Bond will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest 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 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.

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 a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

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

Payments of principal, interest and redemption amounts, if any, 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 the Building

Corporation or the Paying Agent, on the 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 securities 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 (nor its nominee), the Paying Agent, or the Building Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Building Corporation or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursements 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 the Building Corporation or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Building Corporation believes to be reliable, but neither the Building Corporation nor the Underwriter takes any responsibility for the accuracy thereof.

In the event that the book-entry-only system is discontinued, the Paying Agent will provide for the registration of the Bonds in the name of the Beneficial Owners thereof. The Building Corporation, the Registrar, the Paying Agent and any other Fiduciary would treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other purposes, and none of these parties would be bound by any notice or knowledge to the contrary.

Revision of Book-Entry-Only System:

In the event that either (1) the Building 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 Building Corporation elects to discontinue its use of DTC as a clearing agency for the Bonds, then the Building Corporation and the Paying Agent 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 in accordance with the Trust Indenture. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the Bonds will be paid by the Building Corporation.

PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

The debt service 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 Department of Local Government Finance ("DLGF"). The DLGF shall make the certified statement available on its gateway website located at <https://gateway.ifonline.org/> ("Gateway"). The County Auditor may submit an amended certified statement at any time before December 31 of the year preceding the budget year (as defined in IC 61-1-17-16(k)(2)), 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 after 2017, 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 IC 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 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.

Taxing units have until December 31 of the calendar year immediately preceding the ensuing calendar year to file a levy shortfall appeal. Beginning with budget year 2019, 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 IC 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 (“Eligible County Exemption”). The School Corporation is located in Marshall and St. Joseph Counties and expects to have an increase in Circuit Breaker Tax Credit losses once the Eligible County Exemption for St. Joseph County expires on January 1, 2020.

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.

Pursuant to IC 6-1.1-20.6-9.9, a school corporation that is expected to experience sufficient Circuit Breaker Tax Credit loss may, prior to May 1 of a year, request the DLGF, to certify the amount of Circuit Breaker Tax Credit loss, making the school corporation an eligible school corporation under IC 6-1.1-20.6-9.9 (an “Eligible School Corporation”). An Eligible School Corporation may allocate its Circuit Breaker Tax Credit loss, for 2016, 2017, 2018 and 2019 proportionately across all school corporation property tax funds, including the debt service fund, and is exempt from the protected taxes requirement described below.

For 2018 or 2019, 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 IC 6-1.1-20 or any other law; and (ii) the school corporation’s total debt service levy and total debt service tax rate in 2018 or 2019 is greater than the school corporation’s total debt service levy and total debt service tax rate in 2016, the school corporation will not be eligible to allocate its Circuit Breaker Tax Credit loss proportionately.

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 a 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 Credit allocable to the School Corporation for budget years 2015, 2016, 2017 and 2018 were \$27,311, \$24,082, \$27,141 and \$21,165, respectively. These estimates do not include the estimated debt service on the Bonds and the lease rentals on the Lease securing the Bonds. Once the Eligible County Exemption for St. Joseph County expires in 2020, the total Circuit Breaker Tax Credit impact is estimated to increase to \$54,485.

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.

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 (the “Undertaking”), to be dated the date of the closing of the Bonds. Pursuant to the terms of the Undertaking, the School Corporation will agree to provide the following information while any of the Bonds are outstanding:

- Audited Financial Statements. To the MSRB, when and if available, the audited financial statements of the School Corporation for each fiscal year as prepared and examined by the State Board of Accounts for each twelve (12) month period ending June 30, together with the opinion of such accountants and all notes

thereto, within sixty (60) days of receipt from the State Board of Accounts; and

- Financial Information in this Official Statement. To the MSRB, within 180 days of each December 31, unaudited annual financial information for the School Corporation for such calendar year including (i) unaudited financial statements of the School Corporation and (ii) operating data (excluding any demographic information or forecast) of the general type provided under the following headings in this Official Statement (collectively, the “Annual Information”) (which updated information may be provided in such format as the School Corporation deems appropriate):

UNION-NORTH UNITED SCHOOL CORPORATION

- Enrollment

GENERAL ECONOMIC AND FINANCIAL INFORMATION

- Schedule of Historical Net Assessed Valuation
- Detail of Net Assessed Valuation
- Comparative Schedule of Certified Tax Rates
- Property Taxes Levied and Collected
- Large Taxpayers
- Summary of Receipts and Expenditures by Fund

- Reportable Events. Within ten business days, to the MSRB, notice of the following events, if material, with respect to the Bonds (which determination of materiality shall be made by the School Corporation):

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; and
6. appointment of a successor or additional trustee or the change of name of a trustee.

Within ten business days, to the MSRB, notice 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 other material events affecting the tax-exempt 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 securities;
8. tender offers; and
9. bankruptcy, insolvency, receivership or similar event of the obligated person.

- Failure to Disclose. In a timely manner, to the MSRB, notice of the School Corporation failing to provide the annual financial information as described above.

The School Corporation may, from time to time, amend or modify the Undertaking without the consent of or notice to the owners of the Bonds if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the School Corporation, or type of business conducted; (ii) the Undertaking, as so amended or modified, would have complied with the requirements of the Rule on the date of execution of the Undertaking, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) such amendment or modification does not materially impair the interests of the holders of the Bonds, as determined either by (A) nationally recognized bond counsel or (B) an approving vote of the holders of the Bonds at the time of such

amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds the Undertaking) is permitted by the SEC Rule, then in effect.

The School Corporation may, at its sole discretion, utilize an agent in connection with the dissemination of any annual financial information required to be provided by the School Corporation pursuant to the terms of the Undertaking.

The purpose of the Undertaking is to enable the Underwriter to purchase the Bonds by providing for an undertaking by the School Corporation in satisfaction of the Rule. The Undertaking is solely for the benefit of the owners of the Bonds and creates no new contractual or other rights for the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other obligated persons or any other third party. The sole remedy against the School Corporation for any failure to carry out any provision of the Undertaking shall be for specific performance of the School Corporation's disclosure obligations under the Undertaking and not for money damages of any kind or in any amount or any other remedy. The School Corporation's failure to honor its covenants under the Undertaking shall not constitute a breach or default of the Bonds, the Trust Indenture, the Lease or any other agreement.

As required by the SEC Rule, in the previous five years, the School Corporation has not failed to comply, in all material respects, with any previous undertakings. The School Corporation has contracted with H.J. Umbaugh and Associates, Certified Public Accountants, LLP, as dissemination agent to assist with future compliance filings.

BOND RATING

S&P Global Ratings ("S&P Global") has assigned a programmatic bond rating of "AA+" to the Bonds based upon the Indiana State Intercept Program (*see* page 7 for a description of Lease Rental Payments by the State of Indiana). S&P Global has also assigned an underlying rating of "A" to the Bonds. Such rating reflects only the view of S&P Global and any explanation of the significance of such ratings may only be obtained from S&P Global.

The ratings are not a recommendation to buy, sell or hold the Bonds, and such ratings may be subject to revision or withdrawal at any time by S&P Global. Any downward revision or withdrawal of the ratings may have an adverse effect upon the market price of the Bonds.

The School Corporation did not apply to any other rating service for a rating on the Bonds.

UNDERWRITING

The Bonds are being purchased by _____ (the "Underwriter") at a purchase price of \$_____, which is the par amount of the Bonds of \$_____ less the underwriter's discount of \$_____ plus the original issue premium of \$_____. The Notice of Intent to Sell Bonds provides that all of the Bonds will be purchased by the Underwriter if any of such Bonds are purchased.

The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the Bonds into investment trusts), who may reallocate concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Underwriter.

MUNICIPAL ADVISOR

H.J. Umbaugh & Associates, Certified Public Accountants, LLP (the "Municipal Advisor") ("Umbaugh") has been retained by the School Corporation to provide certain financial advisory services including, among other things, preparation of the deemed "nearly final" Preliminary Official Statement and the Final Official Statement (the "Official Statements"). The information contained in the Official Statements has been compiled from records and other materials provided by School Corporation officials and other sources deemed to be reliable. The Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements.

The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the School Corporation and they have no secondary obligations or other responsibility. However, Umbaugh is preparing the

Lease Sufficiency Report for the Bonds. The Municipal Advisor's fees are expected to be paid from proceeds of the Bonds.

Municipal Advisor Registration:

Umbaugh is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, Umbaugh is providing certain specific municipal advisory services to the School Corporation, but is neither a placement agent to the School Corporation nor a broker/dealer and cannot participate in the underwriting of the Bonds.

The offer and sale of the Bonds shall be made by the School Corporation, in the sole discretion of the School Corporation, and under its control and supervision. The School Corporation agrees that Umbaugh does not undertake to sell or attempt to sell the Bonds, and will take no part in the sale thereof.

Other Financial Industry Activities and Affiliations:

Umbaugh Cash Advisory Services, LLC ("UCAS") is a wholly-owned subsidiary of Umbaugh. UCAS is registered as an investment adviser with the Securities and Exchange Commission under the federal Investment Advisers Act. UCAS provides non-discretionary investment advice with the purpose of helping clients create and maintain a disciplined approach to investing their funds prudently and effectively. UCAS may provide advisory services to the clients of Umbaugh.

UCAS has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

LEGISLATIVE PROPOSALS

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Legislation affecting municipal bonds is considered from time to time by the United States Congress and the Executive Branch, including some proposed changes under consideration at the time of issuance of the Bonds. Bond Counsel's opinion is based upon the law in existence on the date of issuance of the Bonds. It is possible that legislation enacted after the date of issuance of the Bonds or proposed for consideration will have an adverse effect on the excludability of all or a part of the interest on the Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market price of the Bonds.

Legislation affecting municipal bonds is considered from time to time by the Indiana legislature and Executive Branch. It is possible that legislation enacted after the date of the Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the Bonds.

The School Corporation cannot predict the outcome of any such federal or state proposals as to passage, ultimate content or impact if passed, or timing of consideration or passage. Purchasers of the Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

TAX MATTERS

In the opinion of Bose McKinney & Evans LLP, Indianapolis, Indiana, Bond Counsel, under federal statutes, decisions, regulations and rulings, the interest on the Bonds is excludable for federal tax income purposes, and is not a specific item of tax preference for purpose of the federal alternative minimum tax, although Bond Counsel observes that it is included in adjusted current earnings in calculating corporate alternative minimum taxable income for taxable years that began prior to January 1, 2018. Such exclusion is conditioned on continuing compliance by

School Corporation with the Tax Covenants (as 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 taxation retroactive to the date of issue. In the opinion of Bose McKinney & Evans LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana ("State"). See Appendix E for the form of Bond Counsel opinion.

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 School Corporation will covenant not to take any action, within its 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, "Tax Covenants"). The Trust Indenture and certain certificates and agreements to be delivered on the date of delivery of the Bonds establish procedures to permit compliance with the requirements of the Code. It is not an event of default under the Trust 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 is 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.

Although Bond Counsel will render an opinion that interest on the Bonds is excluded from federal gross income and exempt from State income tax, 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 federal and State consequences of owning the Bonds other than those consequences set forth in the form of opinion of Bond Counsel.

Under existing laws, judicial decisions, regulations and rulings, the Bonds have been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the exception from the 100% disallowance of the deduction for interest expense allocable to interest on tax-exempt obligations acquired by financial institutions. The designation is conditioned on continuing compliance with the Tax Covenants.

ORIGINAL ISSUE DISCOUNT

The initial public offering price of the Bonds maturing on _____ through and including _____ (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. The difference between the initial public offering price of the Discount Bonds, as set forth on the inside cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the "Issue Price" for such maturity), and the amount payable at maturity of the Discount Bonds will be treated as "original issue discount." A taxpayer who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity 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 Issue Price for such maturity 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 _____ through and including _____ (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 offering will be required to adjust the owner’s basis in the Premium Bond downward as a result of the amortization 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 the disposition of the Premium Bonds (including sale, redemption or payment at maturity or call). The amount of amortizable Bond Premium will be computed on the basis of the owner’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 the Premium Bonds. Owners of the Premium 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 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 own tax advisors concerning treatment of Bond Premium.

LITIGATION

To the knowledge of the officers and counsel for the Building Corporation, there is no litigation pending, or threatened, against the Building Corporation or the School Corporation, which in any way questions or affects the validity of the Bonds, or any proceedings or transactions relating to the issuance, sale or delivery thereof.

The officers and counsel for the Building Corporation will certify at the time of delivery of the Bonds that there is no litigation pending or in any way threatened questioning the validity of the Bonds, or any of the proceedings had relating to the authorization, issuance and sale of the Bonds, the Trust Indenture or the Project would result in a material adverse impact on the financial condition of the School Corporation.


CERTAIN LEGAL MATTERS

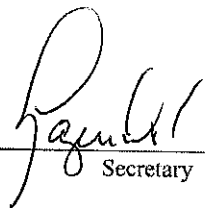
Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the unqualified approving opinion of Bose McKinney & Evans LLP, Indianapolis, Indiana, Bond Counsel, whose approving opinion will be available at the time of delivery of the Bonds. Bose McKinney & Evans LLP has not been asked nor has it undertaken to review the accuracy or sufficiency of this Official Statement, and will express no opinion thereon. The form of opinion of Bond Counsel is included as Appendix E of this Official Statement.

The Building Corporation and School Corporation certify to the best of their knowledge and belief that this Official Statement, as of its date and as it relates to the School Corporation and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

This Official Statement and its execution are duly authorized.

UNION-NORTH UNITED
SCHOOL BUILDING CORPORATION

By: 
President

Attest: 
Secretary

UNION-NORTH UNITED SCHOOL CORPORATION

By: 
Superintendent

APPENDIX i

UNION-NORTH UNITED SCHOOL BUILDING CORPORATION

NOTICE OF INTENT TO SELL BONDS

Upon not less than twenty-four (24) hours' notice given by telephone by H.J. Umbaugh & Associates, Certified Public Accountants, LLP (the "Municipal Advisor"), as designee for Union-North United School Building Corporation ("Issuer"), the Issuer will receive by mail at the offices of the Municipal Advisor, 112 IronWorks Avenue, Suite C, Mishawaka, Indiana 46544, and consider bids for the purchase of the following described bonds (or in the alternative, bids may be submitted via "PARITY" or via E-Mail at bids@umbaugh.com). Any person interested in submitting a bid for the bonds must furnish in writing to the Issuer, c/o its Municipal Advisor, at the aforementioned address, fax number or email address, on or before 11:00 a.m. (Eastern Daylight Time) on November 9, 2018, the person's name, address, and telephone number and if desired, E-Mail address. The Issuer's representative or its designee will notify (or cause to be notified) each person so registered of the date and time bids will be received not less than twenty-four (24) hours before the date and time of sale. The notification shall be made by telephone at the number furnished by such person and also by e-mail, if an E-Mail has been received. The sale is expected to take place on or about 11:00 a.m. (Eastern Daylight Time) on November 13, 2018.

At the time designated for the sale, the Issuer will receive and consider bids for the purchase of the bonds of the Issuer designated as "Union-North United School Building Ad Valorem Property Tax First Mortgage Bonds, Series 2018", in the principal amount of \$8,200,000 (the "Bonds"). Each bid must be for not less than all of the Bonds described herein. Bidders may bid a discount not to exceed 99.5% of the face amount of the Bonds. The Bonds will bear interest at a rate or rates not to exceed 5.0% per annum (the exact interest rate or rates will be determined by bidding). Interest will be calculated on a 30/360-day basis and will be payable on July 15, 2019, and semiannually thereafter on January 15 and July 15 of each year. Said Bonds will be dated the date of delivery, will be in the denominations of \$5,000 or integral multiples thereof and will mature semiannually on January 15 and July 15 on the dates and in the amounts* as follows:

<u>Date</u>	<u>Amount*</u>	<u>Date</u>	<u>Amount*</u>
07/15/2019	\$75,000	07/15/2028	\$260,000
01/15/2020	80,000	01/15/2029	260,000
07/15/2020	60,000	07/15/2029	275,000
01/15/2021	60,000	01/15/2030	280,000
07/15/2021	40,000	07/15/2030	285,000
01/15/2022	45,000	01/15/2031	290,000
07/15/2022	45,000	07/15/2031	295,000
01/15/2023	50,000	01/15/2032	300,000
07/15/2023	135,000	07/15/2032	305,000
01/15/2024	140,000	01/15/2033	310,000
07/15/2024	225,000	07/15/2033	320,000
01/15/2025	225,000	01/15/2034	320,000
07/15/2025	235,000	07/15/2034	330,000

01/15/2026	235,000	01/15/2035	335,000
07/15/2026	245,000	07/15/2035	345,000
01/15/2027	245,000	01/15/2036	345,000
07/15/2027	250,000	07/15/2036	350,000
01/15/2028	255,000	01/15/2037	350,000

* The Issuer reserves the right to modify the amounts above following the sale of the Bonds to achieve the financial objectives of the Issuer.

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the successful bidder. Such term bonds shall have a stated maturity or maturities as determined by the successful bidder. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity at 100% of the principal amount thereof, plus accrued interest to the redemption date, on dates consistent with the above schedule.

At the request of the successful bidder, the Bonds may be issued as fully registered Bonds in book entry only form, registered in the name of CEDE & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). In such case, the successful bidder is expected to apply to DTC to make such Bonds depository eligible.

The Bonds maturing on or after July 15, 2028 are redeemable at the option of the Issuer in whole or in part in any order of maturity as determined by the Issuer and by lot within maturities, on any date not earlier than January 15, 2028, at face value plus accrued interest to the date fixed for redemption and without any premium.

Principal is payable at the office of a registrar and paying agent to be designated by the Issuer. Interest shall be paid by check mailed to the registered owners or by wire transfer to depositories.

Each bid must be for all of said Bonds and must state the rate or rates of interest in multiples of 1/8 or 1/100 of 1%. Any bids specifying two or more interest rates shall also specify the amount and maturities of the Bonds bearing each rate, but all Bonds maturing on the same date shall bear the same single interest rate. The award will be made to the bidder complying with the terms of sale and offering the lowest true interest cost to the Issuer. The true interest cost rate is the rate which when used to compute the total present value as of the date of delivery of the Bonds of all debt service payments on the Bonds on the basis of semiannual compounding, produces an amount equal to the sum of the par value of the Bonds minus any premium bid plus any discount. No conditional bid or bid for less than 99.5% of the face value of said Bonds will be considered. The right is reserved to reject any and all bids. If no satisfactory bids are received at the time and on the date fixed for the sale, the sale may be continued from day to day thereafter without further advertisement for a period of thirty (30) days, during which time no bid which provides a higher net interest cost to the Issuer than the best bid received at the time of the advertised sale will be considered.

Each bid must be on a customary bid form addressed to the Issuer's representative and marked "Union-North United School Building Corporation General Obligation Bonds, Series 2017." The winning bidder must submit a good faith deposit equal to one percent (1%) of the

aggregate principal amount of the Bonds issued in the form of a certified or cashier's check, financial surety bond or wire transfer no later than 3:30 p.m. (E.D.T.) on the business day following the award. If a check is submitted, the check shall be drawn on a bank or trust company which is insured by the Federal Deposit Insurance Corporation. In either case, the deposit shall be payable to the "Union-North United School Building Corporation" and shall be held as a guaranty of the performance of the bid if the same be accepted, or immediately returned if the bid is not accepted. If a financial surety bond is used, it must be from an insurance company licensed to issue such bond in the State of Indiana, and such bond must be submitted to the Issuer prior to the opening of the bids. The financial surety bond must identify each bidder whose good faith deposit is guaranteed by such financial surety bond. No interest on the deposit will accrue to the purchaser. The deposit will be applied to the purchase price of the Bonds. The successful bidder will be required to make payment for such Bonds in Federal Reserve funds or other immediately available funds and accept delivery of the Bonds through the facility of DTC within five (5) days after being notified that the Bonds are ready for delivery. It is anticipated that the Bonds will be ready for delivery within thirty (30) days of the sale date, and if not ready for delivery within forty-five (45) days after the sale date, the purchaser shall be entitled to rescind the sale and obtain the return of the good faith deposit. The successful bidder will be required to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgement of the successful bidder, the Issuer and Bond Counsel. Additional information regarding the establishment of the issue price is set forth in the hereinafter described Official Statement relating to the Bonds. The opinion of Bose McKinney & Evans LLP, Bond Counsel, of Indianapolis, Indiana, approving the legality of said Bonds, together with a transcript of the bond proceedings, and closing certificates in the usual form showing no litigation, will be furnished to the successful bidder at the expense of the Issuer.

Bids may be submitted electronically via PARITY in accordance with this notice until the time fixed for the sale, but no bid will be received after such time. To the extent any instructions or directions set forth in PARITY conflict with this notice, the terms of this notice shall control. For further information about PARITY, potential bidders may contact the Municipal Advisor at the address set forth herein, or may contact i-Deal LLC at 1539 Broadway, 2nd Floor, New York, New York 10018 (phone: 212-849-5021).

If a potential bidder has questions related to the Issuer, the financing or submission of bids, questions should be submitted by email to the addresses above no later than 11:00 a.m. (Indianapolis Time) on November 9, 2018. To the best of the Issuer's ability, all questions will be addressed by or on behalf of the Issuer and sent to potential bidders, including any bidders requesting 24 hours' notice of sale, no later than 5:00 p.m. (Indianapolis Time) on November 9, 2018. Additionally, upon request, the written responses will be emailed to any other interested bidder. Bidders should review this notice as well as the Preliminary Official Statement and submit any questions in advance of this deadline to submit questions.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder therefor to accept delivery of and pay for the Bonds in accordance with the terms of its bid. No CUSIP identification number shall be deemed to be a part of any Bond or a part of the contract evidenced thereby, and no liability shall hereafter attach to the Issuer or any of its officers or agents because of or on account of such numbers. All expenses in relation to the printing of CUSIP identification numbers on the Bonds shall be paid for by the Issuer; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the successful bidder. The successful bidder will also be responsible for any other fees or expenses it incurs in connection with the resale of the Bonds, including any charges in connection with DTC.

The Bonds are being issued under the provisions of Indiana Code 20-47-3 for the purpose of providing funds for (a) the construction of improvements to (i) the LaVille Elementary School building, including lift station improvements, pipework repair, HVAC improvements, door improvements, restroom improvements, switch gears/generator/panels/grounding infrastructure, lockers, carpeting, exterior masonry improvements, technology upgrades, bus garage, and all related improvements (the “Elementary Project”) and (ii) the LaVille Jr.-Sr. High School building, including asbestos remediation, HVAC improvements, gymnasium improvements, door improvements, restroom improvements, switch gears/generator/panels/grounding infrastructure, locker room improvements, classroom renovations, roof improvements, exterior masonry improvements, technology upgrades, and all related improvements (the “Jr.-Sr. High Project”, together with the Elementary Project, the “Projects”), and (b) cost of issuance of the Bonds.

The Bonds will be secured pursuant to the terms of a Trust Indenture dated as of October 1, 2010, as supplemented by a First Supplemental Trust Indenture, dated as of the first day of the month in which the Bonds are delivered, between the Issuer and Regions Bank, as trustee (as supplemented, the “Indenture”), and are payable from lease rental payments under a Lease, dated September 16, 2008, between the Issuer, as Lessor, and the Union-North United School Corporation (the “School Corporation”), as Lessee, as amended by an Amendment to Lease dated as of October 1, 2010 and a Second Amendment to Lease dated as of October 10, 2018 (as amended, the “Lease”). Lease rental payments under the Lease are payable by the School Corporation to the Issuer from *ad valorem* taxes to be levied and collected on all taxable property within the School Corporation. The Bonds are additionally secured by a first mortgage lien on the leased premises described in the Lease. The Bonds are secured under the Indenture on a parity with the Issuer’s Ad Valorem Property Tax First Mortgage Bonds, Series 2010B.

In the opinion of Bond Counsel, under the federal statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is excludable from gross income for purposes of federal income taxation, and is exempt from all taxation in the State of Indiana, except for estate and franchise taxes. The Issuer has designated the Bonds for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended, to qualify for the \$10,000,000 annual exception from the 100% disallowance, in the case of banks and other financial institutions, of the deduction for interest expense allocable to tax-exempt obligations.

In order to assist bidders in complying with Securities and Exchange Commission Rule 15c2-12, as in effect on the date of delivery of the Bonds, the School Corporation will undertake, pursuant to a Continuing Disclosure Undertaking Agreement, to provide notices of certain events. A form of this Continuing Disclosure Undertaking Agreement is available upon request at the offices of Bond Counsel, Dennis H. Otten, Bose McKinney & Evans LLP, 111 Monument Circle, Suite 2700, Indianapolis, IN 46204.

The Issuer has prepared an Official Statement relating to the Bonds which it deems to be nearly final. A copy of the nearly final Official Statement may be obtained from the Municipal Advisor. Information concerning the Issuer may be obtained from the Municipal Advisor.

Within seven (7) business days of the sale, the Issuer will provide the successful bidder with 10 copies of the final Official Statement at the Issuer's expense and such additional copies as may be requested, within five (5) business days of the sale, by the successful bidder at the expense of the successful bidder. Inquiries concerning matters contained in the nearly final Official Statement must be made and pricing and other information necessary to complete the final Official Statement must be submitted by the successful bidder within two (2) business days following the sale to be included in the final Official Statement.

Dated this 24th day of October, 2018.

/s/ Richard Mechling
Secretary, Board of Directors

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APPENDIX A

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UNION-NORTH UNITED SCHOOL CORPORATION

SYSTEM OVERVIEW

The Union-North United School Corporation, Marshall and St. Joseph Counties, Indiana (the “School Corporation”), was organized on July 1, 1962. The School Corporation is comprised of North Township in Marshall County, including the Town of LaPaz, and Union Township in St. Joseph County, including the Town of Lakeville. The School Corporation is located in the South Bend-Mishawaka Metropolitan Statistical Area which provides additional employment and cultural opportunities to residents.

FACILITIES

The School Corporation presently operates the following schools.

<u>School</u>	<u>Grades</u>	<u>Year Opened</u>	<u>Additions/ Renovations</u>	<u>2018/2019 Enrollment</u>
LaVille Elementary School	K-6	1984	1988, 1994, 1996, 2005, 2010, 2012-13, 2014-15, 2016	632
LaVille Jr.-Sr. High School	7-12	1964	1983-85, 1993, 2006-09, 2010, 2012-13, 2014-15, 2016-17	590

SERVICES

The School Corporation provides a complete academic curriculum in grades kindergarten through twelve. English/language arts, mathematics, science, social studies, music, art, and physical education are provided at all grade levels. Foreign language instruction is available for junior high and high school students. Business education is available to high school students, with practical arts, including family and consumer science, mechanical drawing, industrial arts and vocational agriculture available in grades eight through twelve.

Special education services are provided through the Joint Educational Services in Special Education Cooperative, which includes nine area school corporations. Special education programs to assist the learning disabled and the mildly mentally challenged are available at each school site. Individual educational plans form the basis of instruction for these students. Speech and language assistance is offered, as well as a work study program for high school students. Gifted education is also available for students of the School Corporation.

ENROLLMENT

Presented below are enrollment figures as provided by the School Corporation. The statistics represent the number of students enrolled at the beginning of the school years.

<u>School</u>	<u>School Year</u>									
	<u>2009/ 2010</u>	<u>2010/ 2011</u>	<u>2011/ 2012</u>	<u>2012/ 2013</u>	<u>2013/ 2014</u>	<u>2014/ 2015</u>	<u>2015/ 2016</u>	<u>2016/ 2017</u>	<u>2017/ 2018</u>	<u>2018/ 2019</u>
LaVille Elementary School	702	668	671	646	601	572	572	586	608	632
LaVille Jr.-Sr. High School	<u>611</u>	<u>573</u>	<u>555</u>	<u>541</u>	<u>533</u>	<u>540</u>	<u>530</u>	<u>550</u>	<u>578</u>	<u>590</u>
Totals	<u>1,313</u>	<u>1,241</u>	<u>1,226</u>	<u>1,187</u>	<u>1,134</u>	<u>1,112</u>	<u>1,102</u>	<u>1,136</u>	<u>1,186</u>	<u>1,222</u>

Presented below are total projected enrollment figures as provided by the School Corporation.

<u>Year</u>	<u>Projected Enrollment</u>
2019/2020	1,225
2020/2021	1,225
2021/2022	1,225
2022/2023	1,225
2023/2024	1,225

BOARD OF SCHOOL TRUSTEES

<u>Name</u>	<u>Current Term Began</u>	<u>Current Term Ends</u>
Karman Eash, President	01/01/15	12/31/18
Tom Smith, Vice-President*	01/01/17	12/31/20
Larry Ort, Secretary	10/24/18	12/31/21
Arden Balmer	01/01/17	12/31/20
Mike Berger	01/01/15	12/31/18

* Board member Tom Smith works for Skillman Construction. Skillman Construction will serve as construction manager for the project. Tom Smith abstained from the School Board vote to retain the company.

ADMINISTRATION AND STAFF

The School Corporation is under the direction of a five-member elected Board of School Trustees who serve four-year terms. The Superintendent, appointed by the Board of School Trustees, directs a certified staff of 90 and a non-certified staff of 91 with union representation as follows:

<u>Union Name</u>	<u>Union Representation</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
Union-North Teachers Association	Teachers	29	June 30, 2019

PENSION OBLIGATIONS

Public Employees' Retirement Fund

Plan Description

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

Indiana Public Retirement System
1 North Capitol Avenue, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

Employer contributions for the year 2017 were \$185,273.

Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit 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 Indiana Public Retirement System (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 members' contributions, set by state statute at 3 percent 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 financial 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, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed 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 this 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.

Employer contributions for the year 2017 were \$379,625.

Additional Benefits

The School Corporation matches up to \$525 per employee and places it into a 403(b) account, employer contributions for the year 2017 were \$69,585. The School Corporation contributes to a 401(a) based on years of service and in 2017 the employer contributions were \$31,275. The School Corporation also contributes to a VALIC account and in 2017 the employer contributions were \$14,365.

Other Post-Employment Benefits

The School Corporation offers a health insurance plan to retirees hired before June 30, 2003. The School Corporation's assumed contribution to the annual post-retirement single health insurance premium is \$3,500. The School Corporation's assumed contribution to the annual post-retirement family health plan is \$7,000. Irrespective of the teacher's anticipated date of retirement, no further increase in this cost is to be assumed. Furthermore, payments will be deemed to terminate when the individual would otherwise be eligible for Medicare. Employees hired after June 30, 2003 are not entitled to any payment for the eliminated retirement bridge or severance benefits. In 2017 there was one retiree who received post-retirement health insurance plans and the School Corporation made \$2,979 employer contributions for this benefit. The last remaining employee receiving the post-retirement health insurance benefits became eligible for Medicare in 2018 and is no longer receiving this benefit. Retirees may also elect to be included in the life insurance benefit provided they pay 100% of the premium.

The School Corporation provides severance benefits to both certified and classified personnel at varying rates and maximum benefits.

For Classified Personnel the School Corporation pays \$25.00 per unused accumulated sick days, with pay out maximums as follows: employees who qualify for the School Corporation sponsored group health insurance plan and have worked a minimum of five consecutive years for the School Corporation immediately preceding the intended severance are eligible for severance pay, employees who work with the School Corporation for all 12 months can be paid out a maximum of 130 days, Building Secretaries, Treasurers, and Food Service Manager can be paid out a maximum of 120 days; all other eligible classified employees 105 days.

For Certified Personnel if a teacher has worked with the School Corporation for a minimum of five years the severance shall be \$25.00 per unused accumulated sick leave days. Any teacher hired after June 30, 2003 will not be entitled to the severance benefit.

GENERAL PHYSICAL AND DEMOGRAPHIC INFORMATION

LOCATION

The School Corporation is located in north central Indiana in both St. Joseph and Marshall Counties. The School Corporation is approximately 10 miles south of South Bend, 120 miles north of Indianapolis, and 75 miles southeast of Chicago, Illinois.

GENERAL CHARACTERISTICS

The School Corporation is comprised of Union Township in St. Joseph County, including the Town of Lakeville, and North Township in Marshall County, including the Town of LaPaz. Many residents of the School Corporation area commute to nearby South Bend, Plymouth and Bremen for employment opportunities, advanced education, recreational and cultural attractions.

The Towns of Lakeville and LaPaz offer several municipal parks. The Potato Creek State Park, located nearby in the Town of North Liberty, is comprised of over 3,800 acres, offering a variety of recreational activities including fishing, boating, camping, hiking, swimming, and cross-country skiing. The St. Joseph County Public Library serves the residents of the Town of Lakeville through a branch location. The library offers a variety of programs and services for both adults and children including meeting rooms, internet access, reading clubs and homebound services. Residents of the Town of LaPaz are offered library services through the Plymouth Public Library for an annual fee.

Residents of the School Corporation enjoy a variety of cultural attractions offered in nearby South Bend including the Broadway Theater League, the South Bend Symphony Orchestra, and the Southold Dance Theater. Museums located in South Bend include the Northern Indiana Center for History, South Bend Regional Museum of Art, and the Studebaker National Museum.

PLANNING AND ZONING

The Town of Lakeville is served by the 15-member St. Joseph Area Plan Commission to provide orderly growth for residential, commercial and industrial areas within the Town and the unincorporated areas of the School Corporation located within St. Joseph County. The Town of LaPaz and the unincorporated areas of the School Corporation located in Marshall County receive planning services through the nine-member Marshall County Plan Commission. Marshall County also has a five-member Board of Zoning Appeals.

HIGHER EDUCATION

Quality higher education is readily available to the residents of the School Corporation. The University of Notre Dame, Saint Mary's College, Ivy Tech Community College, Bethel College, Indiana University South Bend, and Holy Cross College are located within St. Joseph County

GENERAL ECONOMIC AND FINANCIAL INFORMATION

COMMERCE AND INDUSTRY

Industries within the South Bend-Mishawaka MSA manufacture a wide variety of products, and significant employment for the area is also provided by the technology industry, health services, public and private education, government, and retail trade. The School Corporation's central location between Chicago, Indianapolis, and Detroit makes it an ideal location for many companies. In addition to its prime location, the area has several transportation options to attract companies as well. St. Joseph County is home to several freight rail carriers and the second largest rail switching yard in the nation is located in adjacent Elkhart County. According to the South Bend Regional Chamber (the Chamber") in July 2017, the St. Joseph County Council approved funding for transportation plan that will create a double-track along the existing South Shore line between Gary and Michigan City. This is expected to result in a decrease of 50 minutes in travel time between South Bend and Chicago.

An additional transportation advantage is the South Bend International Airport, the second busiest airport in the State. The airport offers direct flights to cities such as Chicago, Atlanta, Detroit, Las Vegas, and Newark/New York City. In January 2018 the airport announced American Airlines would be adding two new nonstop flights with twice-daily service to Dallas/Fort Worth International Airport and Charlotte Douglas International Airport, per the South Bend-Elkhart Regional Partnership (the "Partnership"). The Partnership notes that more direct flights such as these will help increase connectivity to key national markets and improve economic opportunities. The airport estimates these two new routes could have a \$20 million impact on the area's economy. Both FedEx Express and UPS have shipping operations at the airport.

Historically, the area's income has been lower than the national average; however, in recent years income levels have continued to grow and are catching-up to the national average. According to the Partnership in November 2017, new numbers were released by the U.S. Bureau of Economic Analysis and the per capita personal income in the South Bend-Elkhart Region (the "Region") grew at more than double the national average in 2016. The Region includes St. Joseph, Elkhart, and Marshall Counties in Indiana and Berrien and Cass Counties in Michigan. In 2015, the Region's per capita personal income was \$41,511 which was 85.68% of the national average and in 2016 it had risen to \$42,946 which is 87.21% of the national average. St. Joseph County's, per capita personal income was \$44,568 in 2016. Per the Partnership, stakeholders from the region have developed an approach to executing strategies around key areas to help the region match the national per capita income by 2025. The key areas of focus include educating a world-class workforce, recruiting and retaining great talent, attracting and growing new economy companies, helping entrepreneurs thrive, and promoting inclusion and sparking opportunities for women and minorities.

Niche.com, an online neighborhood analysis platform, ranked South Bend as having the second lowest cost of living in the country for 2018. This ranking takes into consideration factors such as housing, food, fuel costs, and median tax rates.

The University of Notre Dame is one of the largest employers in the area and was founded in 1842. Notre Dame is rated among the nation's top 25 universities for 2018 in surveys conducted by U.S. News & World Report. In fiscal year 2017, Notre Dame received \$138.1 million in research funding, breaking its previous record of \$133.7 million

in fiscal year 2015. Notre Dame's research programs not only advance the university, but have an impact at the local level as well. Approximately 75% of external research funds are expended in the local community, which can be seen in projects such as the Notre Dame Turbomachinery Laboratory ("NDTL"). In July 2014, it was announced that the University of Notre Dame had partnered with General Electric to invest in a new \$36 million facility at Ignition Park for a turbomachinery laboratory. The new 28,000 square foot facility was opened in June 2016. The facility is the nation's foremost research and testing facility for advancing gas turbine technologies used by commercial and military aircraft, power plants, and the oil and gas industries. The lab has 41 full-time employees and works with 7 Ph.D. candidates. NDTL is currently involved with a variety of sponsors and collaborators including Pratt & Whitney, General Electric, Honeywell, Doosan Heavy Industries and Construction Co. Ltd, and Williams International.

In 2017 it was announced the University of Notre Dame was working on another partnership with South Bend to work towards a city-scale testbed platform, called SBXG, for cutting edge wireless research, per the Chamber. SBXG will help to establish South Bend and Notre Dame as a leader for wireless technology research and development. This will lead to an evolution of South Bend's wireless capabilities and infrastructure and attract research funding and wireless jobs to the area.

In addition to the research projects and investments, Notre Dame recently undertook its largest building initiative. Known as the Campus Crossroads Project, construction began in 2014 to add approximately 800,000 square feet in three buildings for classroom, research, student life, media, performance, meeting, event, and hospitality space. According to the South Bend Tribune, the \$400 million project was completed in January 2018.

Memorial Hospital of South Bend is a 526-bed facility that provides many health care services for the community. The hospital is a subsidiary of Beacon Health Systems which was established in 2012 and also operates Elkhart General Hospital in Elkhart, Indiana. In 2004 Memorial Children's Hospital received designation as an official children's hospital making it the region's only comprehensive children's hospital. The facility treats children from 29 hospitals throughout southwest Michigan and northern Indiana. In the summer of 2015 construction began on a \$50 million, 100,000 square-foot expansion next to the current Children's Hospital. The new facility will make it possible for the hospital to treat and care for a broader range of medical conditions and illnesses. The expansion was completed in 2017.

In January 2018 Indiana's first tribal casino, Four Winds Casino, opened in the City of South Bend. The casino contains four restaurants, three bars, a coffee shop, players' lounge, retail store, and 1,800 gaming machines. According to the South Bend Region Economic Development (the "SBRED"), the casino has around 1,200 employees which makes it one of the largest employers in the area. According to the SBRED, many of the top employers in the St. Joseph County are institutional employers, which makes Four Winds stand out as it is owned by a private, for profit entity. Per the President and CEO of the Chamber, the opening of the Four Winds Casino represents the largest opening in the area in 20 years. In addition to being a major job creator, two percent of the net winnings from the casino will be paid to the City of South Bend and it is guaranteed to be a minimum of \$2 million with \$1 million going to South Bend's general fund and \$1 million going to the South Bend Redevelopment Commission, according to the SBRED. The casino anticipates it will have around two million visitors annually.

AM General Corporation, a military and automotive manufacturer, has been headquartered in South Bend since 1986 and has production facilities located in nearby Mishawaka as well. The company's Commercial Assembly Plant in Mishawaka formerly manufactured the Mercedes-Benz R-Class vehicle; however, once the contract expired in October 2017, 435 workers were laid-off. In June 2017, it was announced that the Commercial Assembly Plant in Mishawaka would be sold to SF Motors, a Chinese-owned electric vehicle company and in November 2017, the acquisition closed, according to the SBRED. SF Motors will invest more than \$160 million, including the acquisition, to renovate and equip a 675,500-square-foot manufacturing facility, which served as the former AM General commercial assembly plant in Mishawaka. The vacant facility, which was acquired in November, will be equipped to manufacture at least two lines of its first EV models and serve as the company's primary U.S.-based manufacturing plant. The 35-acre campus will feature advanced automation and house the company's body and paint shop, general assembly and office administration. With its growth, SF Motors plans to begin trial production before the end of the year.

According to Indiana Economic Digest, the sale of the facility will not affect AM General's military assembly plants and other military-related business. The company is continually awarded military contracts for Humvees and other vehicles. In August 2017 the company was awarded a five-year, \$2.2 billion contract to manufacture around 12,000

Humvees for the U.S. Army, per Inside Indiana Business. In May 2018 AM General was awarded a \$69 million five-year contract for the production of Humvee engines.

According to the South Bend Tribune, in May 2016 renovations began on the former Studebaker assembly plant, located in South Bend, to turn the former car manufacturing complex into space for technology companies. The complex includes over one million square-feet of space and the entire project will have four phases, cost \$165.7 million and take up to 10 years to complete. Once completed the complex will be the largest mixed-use technology campus in the Midwest and have over 3,000 employees. In October 2017 three new organizations chose to locate at the complex. One of the companies, Woodsmith, is a wood products business that will re-use the flooring from the former Studebaker building 84 at the complex. Building 84 is the largest of the buildings in the complex and is currently undergoing renovations with façade work and new windows.

In addition to the new technology and manufacturing developments, the area is also seeing several hotel properties being developed. According to the SBRED, over 1,000 new hotel rooms have been added in St. Joseph County over the last two years and at least 393 are already scheduled for 2018. The new Marriott Hotel was built by JSK Development and represents a \$12 to \$14 million investment with 140 rooms and ground-floor retail space. The hotel opened in 2018. The former Chase Tower, now known as the Liberty Tower, welcomed the 183 room Aloft Hotel in 2017. Washington Square Realty owns the 25-story downtown building and is investing \$40 million into a renovation. In addition to the hotel renovation, approximately 90 apartments will be constructed on the upper floors of the tower in 2018.

In June 2017, according to the SBRED, a new Embassy Suites broke ground at Eddy Street Commons, a mixed-use development near Notre Dame. The construction of the Embassy Suites is the beginning of phase two of construction at Eddy Street Commons which will also involve 400 new apartments, 8,000 square feet of retail space, a grocery store, and a new home for the Robinson Community Learning Center. The first phase of Eddy Street Commons was developed in 2008, and consisted of apartments, condos, townhomes, retail, and office space. As of December 2016, phase one was nearly 100% occupied. The hotel represents a \$30 million investment and is expected to open in the fall of 2018. The entire Eddy Street Commons development will represent a \$300 million total investment.

According to the Chamber, in 2016 more than 2,400 new residential units were announced, under construction or completed in the area, with the majority located in South Bend and Mishawaka and the growth continued into 2017. Apartment projects in South Bend that have been recently completed include the former Hoffman Hotel with 48 units, Colfax and Hill Development with 17 units, the renovation of The LaSalle with 67 units, and the former JMS Building with 46 units. According to the South Bend Tribune, in August 2017, construction began on the first home in The Village at Riverwalk, a new housing development in the Howard Park/East Bank Village Area. The development is located on a 12-acre site and will contain 43 custom built single family homes and 42 town homes.

Additional projects are occurring in South Bend's East Bank neighborhood with the redevelopment of three existing buildings. According to the SBRED, Earth Designs Real Estate is renovating three buildings and has plans to continue redeveloping other properties in the neighborhood as well. The South Bend Redevelopment Commission approved \$400,000 in public funding to match \$3.4 million in private investment for the redevelopment project. When complete, the buildings will have office, retail, and restaurant space.

The Chamber reported in March 2017, an 120 unit apartment complex is planned behind the home run fence at South Bend's minor league baseball stadium, Four Winds Field. The project will cost an estimated \$22 million with the goal of copying Chicago's Wrigley Field roof-top experience for fans. On the roofs of the apartment buildings will be an entertainment complex, gardens, restaurants, and stadium seating. According to the Chamber, Four Winds Field was voted the best Class-A ballpark in the country in the 2017 Ballpark Digest's Best of the Ballparks competition.

Several new developments in South Bend are currently proposed and in the planning stages. According to the SBRED, a new 25 acre mixed-use development that would contain offices, retail shops, townhouses, and apartments is proposed on University of Notre Dame property. Notre Dame and Holladay Properties have a tentative agreement for the \$65 to \$75 million development. In downtown South Bend, Elkhart-based Hansell River Park Leasing Corporation is working with Great Lakes Capital to develop a new five-story, \$9 million office building with retail and restaurants on the first floor. Per the SBRED, this would be the first new office construction in downtown South Bend in over two decades.

LARGE EMPLOYERS

Below is a list of the City of South Bend's largest employers. The number of employees shown are as reported by company personnel unless otherwise noted. Because of reporting time lags and other factors inherent in collecting and reporting such information, the statistics may not reflect current employment levels.

<u>Name</u>	<u>Year Established</u>	<u>Type of Business</u>	<u>Reported Employment</u>
Beacon Health System		Health care	7,000 (1)
University of Notre Dame	1842	Higher education	6,086 (2)
South Bend Community School Corporation	1962	Public education	2,195 (3)
AM General Corporation	1964	Mfg. automobiles and military vehicles	1,500 (1) (4)
St. Joseph County	1830	County government	1,377 (5)
City of South Bend	1865	City government	1,285
Indiana University South Bend	1916	Higher education	1,277 (1) (2)
Four Winds Casino	2018	Casino and restaurants	1,200 (6)
Honeywell International, Inc.	1924	Mfg. aircraft and automotive parts	850
Press Ganey Associates, Inc.		Health care consulting	688 (6)

(1) Per the entity website.

(2) Includes full-time and part-time faculty and staff.

(3) Includes 1,250 certified and 945 non-certified staff.

(4) Employment is report per the company website. Per the South Bend Tribune AM General is seeking potential bidders for the Mishawaka facility. The School Corporation does not know how the sale will impact the School Corporation and the area.

(5) Includes 1,172 full-time, 123 part-time and 82 seasonal employees.

(6) Per the SBRED.

EMPLOYMENT

<u>Year</u>	<u>Unemployment Rate</u>			<u>Labor Force</u>	
	<u>Marshall County</u>	<u>St. Joseph County</u>	<u>Indiana</u>	<u>Marshall County</u>	<u>St. Joseph County</u>
2013	7.4%	8.7%	7.7%	23,096	127,097
2014	5.5%	6.5%	6.0%	23,704	128,667
2015	4.2%	5.0%	4.8%	24,009	130,406
2016	3.7%	4.5%	4.4%	24,312	134,050
2017	3.0%	3.6%	3.5%	23,768	133,864
2018, July	3.2%	3.7%	3.5%	24,163	136,138

Source: Indiana Business Research Center. Data collected as of September 24, 2018.

ADJUSTED GROSS INCOME

<u>Adjusted Gross Income</u>	<u>Year</u>	<u>Marshall County Total</u>	<u>St. Joseph County Total</u>
	2011	\$953,109,172	\$5,363,836,810
	2012	948,097,736	5,671,856,428
	2013	965,421,267	5,646,937,662
	2014	1,016,798,515	6,097,930,961
	2015	1,043,675,878	6,365,277,559

Source: Indiana Department of Revenue

POPULATION

<u>Year</u>	<u>Union-North United School Corporation*</u>		<u>Marshall County</u>		<u>St. Joseph County</u>	
	<u>Population</u>	<u>Percent of Change</u>	<u>Population</u>	<u>Percent of Change</u>	<u>Population</u>	<u>Percent of Change</u>
1970	6,279	5.11%	34,986	7.84%	244,827	2.60%
1980	7,287	16.05%	39,155	11.92%	241,617	-1.31%
1990	7,443	2.14%	42,182	7.73%	247,052	2.25%
2000	7,317	-1.69%	45,128	6.98%	265,559	7.49%
2010	7,985	9.13%	47,051	4.26%	266,931	0.52%
2017, Est.	7,999	0.18%	46,498	-1.18%	270,434	1.31%

Source: U.S. Census Bureau

*Consists of North Township in Marshall County and Union Township in St. Joseph County.

AGE STATISTICS

	<u>Marshall County</u>	<u>St. Joseph County</u>
Under 25 Years	16,425	96,015
25 to 44 Years	11,134	66,261
45 to 64 Years	12,588	69,090
65 Years and Over	6,904	35,565
Totals	<u>47,051</u>	<u>266,931</u>

Source: U.S. Census Bureau's 2010 Census

EDUCATIONAL ATTAINMENT

<u>Years of School Completed</u>	<u>Persons 25 and Over</u>	
	<u>Marshall County</u>	<u>St. Joseph County</u>
Less than 9th grade	6.7%	3.7%
9th to 12th grade, no diploma	8.8%	8.6%
High school graduate	40.6%	30.9%
Some college, no degree	16.6%	20.9%
Associate's degree	8.8%	7.7%
Bachelor's degree	11.9%	17.3%
Graduate or professional degree	6.6%	11.0%

Source: U.S. Census Bureau's 2012-2016 American Community Survey 5-Year Estimates

MISCELLANEOUS ECONOMIC INFORMATION

	<u>Marshall County</u>	<u>St. Joseph County</u>	<u>Indiana</u>
Per capita income, past 12 months*	\$23,372	\$24,748	\$26,117
Median household income, past 12 months*	\$49,725	\$46,174	\$50,433
Average weekly earnings in manufacturing (1st qtr. of 2018)	\$912	\$1,120	\$1,348
Land area in square miles - 2010	443.63	457.85	35,826.11
Population per land square mile - 2010	106.1	583.0	181.0
Retail sales in 2012:			
Total retail sales	\$568,561,000	\$3,775,345,000	\$85,857,962,000
Sales per capita**	\$12,084	\$14,144	\$13,242
Sales per establishment	\$3,305,587	\$4,144,177	\$3,974,722

*In 2016 inflation-adjusted dollars – 5-year estimates

**Based on 2010 Population.

Source: Bureau of Census Reports and the Indiana Business Research Center. Data collected as of September 24, 2018.

<u>Employment and Earnings - Marshall County 2016</u>	<u>Earnings</u> (In 1,000s)	<u>Percent of Earnings</u>	<u>Labor Force</u>	<u>Distribution of Labor Force</u>
Manufacturing	\$437,286	41.85%	7,521	29.63%
Services	246,731	23.62%	7,675	30.24%
Government	108,830	10.42%	2,310	9.10%
Other*	82,178	7.87%	1,514	5.96%
Retail trade	69,132	6.62%	2,710	10.68%
Finance, insurance and real estate	47,386	4.54%	1,598	6.30%
Construction	32,193	3.08%	1,001	3.94%
Farming	16,335	1.56%	945	3.72%
Information	4,566	0.44%	110	0.43%
Totals	<u>\$1,044,637</u>	<u>100.00%</u>	<u>25,384</u>	<u>100.00%</u>

* In order to avoid disclosure of confidential information, specific earnings and employment figures are not available for the Forestry, fishing, related activities, Mining, Utilities, Wholesale trade and the Transportation and warehousing Sectors. The data is incorporated here.

<u>Employment and Earnings - St. Joseph County 2016</u>	<u>Earnings</u> (In 1,000s)	<u>Percent of Earnings</u>	<u>Labor Force</u>	<u>Distribution of Labor Force</u>
Services	\$4,058,349	47.60%	79,925	49.72%
Manufacturing	1,303,127	15.29%	15,784	9.82%
Wholesale and retail trade	1,128,771	13.24%	24,250	15.09%
Government	778,599	9.13%	14,618	9.10%
Finance, insurance and real estate	460,330	5.40%	11,467	7.14%
Construction	449,977	5.28%	6,977	4.34%
Transportation and warehousing	189,346	2.22%	4,461	2.78%
Information	114,671	1.35%	2,006	1.25%
Utilities	33,166	0.39%	259	0.16%
Other*	4,207	0.05%	240	0.15%
Farming	4,047	0.05%	719	0.45%
Totals	<u>\$8,524,590</u>	<u>100.00%</u>	<u>160,706</u>	<u>100.00%</u>

* In order to avoid disclosure of confidential information, specific earnings and employment figures are not available for the Forestry, fishing, related activities and Mining Sectors. The data is incorporated here.

Source: Bureau of Economic Analysis and the Indiana Business Research Center. Data collected as of September 24, 2018.

SCHEDULE OF INDEBTEDNESS

The following schedule shows the outstanding indebtedness of the School Corporation and the taxing units within and overlapping its jurisdiction as of September 24, 2018, including issuance of the Bonds, as reported by the respective taxing units.

<u>Direct Debt</u>	<u>Original Par Amount</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Tax Supported Debt			
Union-North United School Building Corporation			
Ad Valorem Property Tax First Mortgage Bonds, Series 2018	\$8,200,000 *	01/15/37	\$8,200,000 *
First Mortgage Bonds, Series 2016	1,905,000	01/15/29	1,650,000
First Mortgage Bonds, Series 2014	1,310,000	01/15/25	960,000
First Mortgage Bonds, Series 2012	1,500,000	01/15/24	850,000
Ad Valorem Property Tax First Mortgage Bonds, Series 2010B	4,200,000	01/15/23	1,705,000
Union-North United School Corporation			
General Obligation Bonds, Series 2017	990,000	01/15/25	905,000
General Obligation Bonds, Series 2013	1,585,000	01/01/22	680,000
Common School Fund Loan		01/15/22	229,000
Total Direct Debt			<u>\$15,179,000</u>

Note: The School Corporation has \$11,062 of capital leases outstanding.

The School Corporation intends to issue two additional Common School Fund Loans in the amount of \$118,000 each, with three year repayment terms.

<u>Overlapping Debt</u>	<u>Total Debt</u>	<u>Percent Allocable to School Corporation (1)</u>	<u>Amount Allocable to School Corporation</u>
Tax Supported Debt			
St. Joseph County	\$32,593,636	1.60%	\$521,498
St. Joseph County Redevelopment District	11,940,000	1.60%	191,040
St. Joseph County Solid Waste Management	430,460	1.60%	6,887
St. Joseph County Public Library (2)	1,665,000	3.06%	50,949
St. Joseph County Airport Authority	10,150,000	1.60%	162,400
Union Township (3)	2,090,000	100.00%	2,090,000
Marshall County	8,015,000	6.12%	490,518
Tax Supported Debt			<u>3,513,292</u>
Self-Supporting Revenue Debt			
Town of Lakeville	503,440	100.00%	503,440
Town of LaPaz	210,000	100.00%	210,000
Self-Supporting Revenue Debt			<u>713,440</u>
Total Overlapping Debt			<u>\$4,226,732</u>

(1) Based upon the 2017 payable 2018 net assessed valuation of the respective taxing units.

(2) The St. Joseph County Public Library is in the process of issuing \$5,000,000* of Taxable General Obligation Bonds, Series 2018 and expects to the bonds to sell in late 2018.

(3) Union Township is in the process of issuing \$2,090,000* of Ad Valorem Property Tax Lease Rental Bonds and expects to the bonds to sell in late 2018.

*Preliminary, subject to change.

The schedule presented above is based on information furnished by the obligors or other sources and is deemed reliable. The School Corporation makes no representation or warranty as to its accuracy or completeness.

DEBT RATIOS

The following presents the ratios relative to the tax supported indebtedness of the taxing units within and overlapping the School Corporation as of September 24, 2018, including issuance of the Bonds.

	Direct Tax Supported Debt*	Allocable Portion of All Other Overlapping Tax Supported Debt	Total Direct and Overlapping Tax Supported Debt*
	<u>\$15,179,000</u>	<u>\$3,513,292</u>	<u>\$18,692,292</u>
Per capita (1)	\$1,897.61	\$439.22	\$2,336.83
Percent of net assessed valuation (2)	5.18%	1.20%	6.37%
Percent of gross assessed valuation (3)	3.23%	0.75%	3.98%
Per pupil (4)	\$12,421.44	\$2,875.03	\$15,296.47

*Preliminary, subject to change.

- (1) According to the U.S. Census Bureau, the estimated 2017 population of the School Corporation is 7,999.
- (2) The net assessed valuation of the School Corporation for taxes payable in 2018 is \$293,253,087 according to the Marshall and St. Joseph County Auditor's office.
- (3) The gross assessed valuation of the School Corporation for taxes payable in 2018 is \$469,374,290 according to the Marshall and St. Joseph County Auditor's office.
- (4) Enrollment of the School Corporation is 1,222 as reported by school personnel.

SCHEDULE OF HISTORICAL NET ASSESSED VALUATION
(As Provided by the Marshall and St. Joseph County Auditors' Offices)

<u>Year</u> <u>Payable</u>	<u>Real Estate</u>	<u>Utilities</u>	<u>Personal</u> <u>Property</u>	<u>Total</u> <u>Taxable Value</u>
2014	\$267,956,225	\$11,178,740	\$15,174,180	\$294,309,145
2015	274,760,830	12,031,594	15,656,110	302,448,534
2016	270,500,938	11,406,860	14,215,805	296,123,603
2017	270,354,285	12,891,630	14,741,269	297,987,184
2018	267,528,165	12,143,450	13,581,472	293,253,087

NOTE: Net assessed valuations represent the assessed value less certain deductions for mortgages, veterans, the aged and the blind, as well as tax-exempt property.

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.

DETAIL OF NET ASSESSED VALUATION
Assessed 2017 for Taxes Payable in 2018
(As Provided by the Marshall and St. Joseph County Auditors' Offices)

	<u>Marshall County</u>		<u>St. Joseph County</u>		
	<u>North</u>	<u>Town of</u>	<u>Union</u>	<u>Town of</u>	
	<u>Township</u>	<u>LaPaz</u>	<u>Township</u>	<u>Lakeville</u>	<u>Total</u>
Gross Value of Land	\$78,918,900	\$4,002,600	\$61,053,300	\$11,230,200	\$155,205,000
Gross Value of Improvements	<u>131,625,200</u>	<u>15,325,400</u>	<u>114,037,600</u>	<u>26,965,300</u>	<u>287,953,500</u>
Total Gross Value of Real Estate	210,544,100	19,328,000	175,090,900	38,195,500	443,158,500
Less: Mortgage Exemptions, Veterans, Blind					
Age 65 & Other Exemptions	(78,426,224)	(7,322,951)	(62,689,021)	(11,317,400)	(159,755,596)
Tax Exempt Property	(1,475,900)	(1,221,600)	(3,683,000)	(7,571,700)	(13,952,200)
TIF				(1,922,539)	(1,922,539)
Net Assessed Value of Real Estate	<u>130,641,976</u>	<u>10,783,449</u>	<u>108,718,879</u>	<u>17,383,861</u>	<u>267,528,165</u>
Business Personal Property	7,409,290	755,790	4,605,940	1,301,320	14,072,340
Less: Deductions	<u>(34,870)</u>	<u>(20,170)</u>	<u>(19,423)</u>	<u>(416,405)</u>	<u>(490,868)</u>
Net Assessed Value of Personal Property	<u>7,374,420</u>	<u>735,620</u>	<u>4,586,517</u>	<u>884,915</u>	<u>13,581,472</u>
Net Assessed Value of Utility Property	<u>6,680,230</u>	<u>747,970</u>	<u>3,900,920</u>	<u>814,330</u>	<u>12,143,450</u>
Total Net Assessed Value	<u><u>\$144,696,626</u></u>	<u><u>\$12,267,039</u></u>	<u><u>\$117,206,316</u></u>	<u><u>\$19,083,106</u></u>	<u><u>\$293,253,087</u></u>

COMPARATIVE SCHEDULE OF CERTIFIED TAX RATES

Per \$100 of Net Assessed Valuation

	Year Taxes Payable				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Detail of Certified Tax Rate:</u>					
Marshall County:					
Debt Service Fund	\$0.3845	\$0.3896	\$0.3566	\$0.3914	\$0.2843
Capital Projects Fund	0.2609	0.2179	0.2089	0.2081	0.1641
Transportation Fund	0.2446	0.2390	0.2501	0.2617	0.2619
Bus Replacement	<u>0.0239</u>	<u>0.0233</u>	<u>0.0244</u>	<u>0.0255</u>	<u>0.0256</u>
Totals	<u>\$0.9139</u>	<u>\$0.8698</u>	<u>\$0.8400</u>	<u>\$0.8867</u>	<u>\$0.7359</u>
St. Joseph County:					
Debt Service Fund	\$0.3961	\$0.4008	\$0.3677	\$0.3914	\$0.2843
Capital Projects Fund	0.2687	0.2240	0.2153	0.2081	0.1641
Transportation Fund	0.2519	0.2458	0.2579	0.2617	0.2619
Bus Replacement	<u>0.0246</u>	<u>0.0240</u>	<u>0.0252</u>	<u>0.0255</u>	<u>0.0256</u>
Totals	<u>\$0.9413</u>	<u>\$0.8946</u>	<u>\$0.8661</u>	<u>\$0.8867</u>	<u>\$0.7359</u>
Total Certified Tax Rate: (1)					
Marshall County:					
North Township	\$1.3734	\$1.3212	\$1.3059	\$1.3673	\$1.2370
Town of LaPaz	\$1.9575	\$1.9386	\$1.9286	\$2.1094	\$2.1036
St. Joseph County:					
Union Township	\$2.2338	\$2.1731	\$2.2384	\$2.1896	\$2.0489
Town of Lakeville	\$3.0700	\$3.1244	\$3.2701	\$3.2072	\$3.1299

(1) Includes certified tax rates of overlapping taxing units.

Source: DLGF Certified Budget Orders for the School Corporation.

PROPERTY TAXES LEVIED AND COLLECTED

Collection Year	Certified Taxes Levied	Circuit Breaker Tax Credit (1)	Certified Taxes Levied Net of Circuit Breaker Tax Credit	Taxes Collected	Collected as Percent of Gross Levy	Collected as Percent of Net Levy
2013	\$2,566,903	(\$22,299)	\$2,544,604	\$2,568,117	100.05%	100.92%
2014	2,627,018	(27,219)	2,599,799	2,676,908	101.90%	102.97%
2015	2,629,346	(27,311)	2,602,035	2,621,374	99.70%	100.74%
2016	2,485,985	(24,082)	2,461,903	2,524,228	101.54%	102.53%
2017	2,602,860	(27,141)	2,575,719	2,633,733	101.19%	102.25%

Source: The Marshall and St. Joseph County Auditors' Office and the DLGF Certified Budget Orders for the School Corporation.

(1) Circuit Breaker Tax Credits allocable to the School Corporation per the DLGF.

Indiana Code 6-1.1-20.6 (the "Statute") provides taxpayers with 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 ("Circuit Breaker Tax Credit").

Property taxes for residential homesteads are limited to 1.0% of the gross assessed value of the homestead; property taxes for agricultural, other residential property and long term care facilities are limited to 2.0% of their gross assessed value; and property taxes for all other real and personal property are limited to 3.0% of gross assessed value. Additional property tax limits have been made available to certain senior citizens. School corporations are authorized to impose a referendum tax levy to replace property tax revenue that the school corporation will not receive due to the Circuit Breaker Tax Credit. 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.

Article 10, Section 1 of the Constitution of the State of Indiana (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 ("Eligible County Exemption"). The School Corporation is located in Marshall and St. Joseph Counties and expects to have an increase in Circuit Breaker Tax Credit losses once the Eligible County Exemption for St. Joseph County expires on January 1, 2020.

If a school corporation has sufficient Circuit Breaker Tax Credit losses (at least ten percent of its transportation fund levy for 2017 and 2018, or operations fund levy after 2018), and such losses are timely certified by the DLGF, it becomes an eligible school corporation under IC 6-1.1-20.6-9.9 and may allocate its Circuit Breaker Tax Credit loss proportionately for 2016, 2017, 2018 and 2019 across all school corporation property tax supported funds, including the debt service fund, thereby being exempted from the protected taxes requirement as described below (an "Eligible School Corporation"). However, in 2017, 2018 or 2019, 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 I.C. 6-1.1-20 or any other law; and (ii) the school corporation's debt service levy in 2018 or 2019 is greater than the school corporation's debt service tax rate in 2016, the school corporation will not be an Eligible School Corporation even if it would otherwise qualify. This School Corporation is expected to have sufficient losses to qualify as an Eligible School Corporation.

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 political subdivision 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.

LARGE TAXPAYERS

The following is a list of the ten largest taxpayers located within the School Corporation.

<u>Name</u>	<u>Type of Business</u>	<u>2017/2018 Net Assessed Valuation</u>	<u>Percent of Total Net Assessed Valuation (1)</u>
R.J. Newton Farms LLC/ Hoosier Racing Tire Corp. (2)	Mfr. automotive tires	\$6,972,540	2.38%
Indiana Tool & Manufacturing Company, Inc.	Mfr. tools	4,392,510	1.50%
CenturyLink (formerly Embarq, Sprint, United Telephone Co.)	Telecommunications utility	3,031,220	1.03%
Indiana Michigan Power Company	Electric utility	3,026,260	1.03%
Gary L. & Linda S. Tillman	Agricultural interests	2,318,900	0.79%
Northern Indiana Public Service Company	Gas and electric utility	2,268,370	0.77%
David L. & Diana L. Schrock	Excavating operations	2,072,305	0.71%
Davenport Farms, Inc.	Agricultural interests	1,867,555	0.64%
CSX Transportation, Inc.	Railroad	1,741,390	0.59%
Dennis Lynn Berger	Agricultural interests	<u>1,715,530</u>	<u>0.58%</u>
Totals		<u><u>\$29,406,580</u></u>	<u><u>10.02%</u></u>

- (1) The total net assessed valuation of the is \$293,253,087 for taxes payable in 2018, according to the Marshall and St. Joseph County Auditors' office.
- (2) Located in a tax increment allocation area ("TIF"); therefore, all or a portion of the taxes are captured as TIF and not distributed to individual taxing units.

Source: Marshall and St. Joseph County Auditors' office and the DLGF. Individual parcel data is submitted by the County Auditors to the DLGF once a year for preparation of the county abstract.

Note: The following financial statements on pages A-19 - A-20 are excerpts from the School Corporation's audit report for the years ended June 30, 2016 and 2017 of the Indiana State Board of Accounts. Consequently, these schedules do not include all disclosures required by generally accepted accounting principles. A complete audit will be furnished upon request. Current reports are available at <http://www.in.gov/sboa/resources/reports/audit/>.

UNION-NORTH UNITED SCHOOL CORPORATION

STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES

REGULATORY BASIS

For the Years Ended June 30, 2016 and 2017.

	Cash and Investments <u>07-01-15</u>	<u>Receipts</u>	<u>Disbursements</u>	Other Financing Sources (Uses)	Cash and Investments <u>06-30-16</u>	<u>Receipts</u>	<u>Disbursements</u>	Other Financing Sources (Uses)	Cash and Investments <u>06-30-17</u>
General	\$169,820	\$7,127,122	\$6,764,550	\$1,032	\$533,424	\$7,340,528	\$6,810,808	\$886	\$1,064,030
Debt Service	326,496	1,252,834	1,104,740		474,590	1,252,143	1,107,320		619,413
Capital Projects	247,684	721,684	635,738	16,690	350,320	684,378	671,401	3,649	366,946
School Transportation	82,140	859,266	699,468		241,938	860,844	759,166		343,616
School Bus Replacement	47,103	90,868	45,508	1,600	94,063	82,712	44,439		132,336
Rainy Day	41,167	9,182			50,349				50,349
Post-Retirement/Severance Future Benefits	28,569				28,569				28,569
Series 2010A Const. Acct. H.S.	1,816		1,816		0				0
G.O. Bond - Series 2013	202,559		162,226		40,333		40,333		0
First Mortgage Bond Series '14	1,130,930	18,916	1,040,262	1,762	111,346		141,806	44,217	13,757
First Mortgage Bond Series '16	0		44,003	1,999,867	1,955,864	1,030,420	2,231,407		754,877
School Lunch	256,128	562,894	603,305		215,717	553,563	641,736		127,544
Textbook Rental	(42,905)	92,212	83,261		(33,954)	101,433	174,328		(106,849)
Levy Excess	264				264				264
Educational License Plates	38	56			94	75			169
Lilly Endowment Grant	0				0	30,000	11,924		18,076
2014 One School At A Time Grant	0				0	100	100		0
Miscellaneous Programs	0				0	2,000			2,000
Formative Assessment	0				0	11,291	11,291		0
2014/2015 Gifted and Talented	7,059		7,059		0				0
2015/2016 Gifted and Talented	0	30,426	28,754		1,672		1,672		0
2016/2017 Gifted and Talented	0				0	30,009	25,317		4,692
Medicaid Reimbursement	207,203	62,230	13,816		255,617	61,827	219,832		97,612
School Technology	1,451		1,451		0				0
Technology Grants	203	4,404	1,283		3,324	4,148			7,472
Career and Technical Performance Grant	0				0	4,069			4,069
Performance Based Awards 14/15	853			(853)	0				0
Subtotals	<u>\$2,708,578</u>	<u>\$10,832,094</u>	<u>\$11,237,240</u>	<u>\$2,020,098</u>	<u>\$4,323,530</u>	<u>\$12,049,540</u>	<u>\$12,892,880</u>	<u>\$48,752</u>	<u>\$3,528,942</u>

(Continued on next page)

UNION-NORTH UNITED SCHOOL CORPORATION

(Cont'd)

STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES

REGULATORY BASIS

For the Years Ended June 30, 2016 and 2017.

	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
Subtotals carried forward	\$2,708,578	\$10,832,094	\$11,237,240	\$2,020,098	\$4,323,530	\$12,049,540	\$12,892,880	\$48,752	\$3,528,942
Performance Based Awards 15/16	0	22,769			22,769				22,769
Excess PTRC Distributions	3,298				3,298				3,298
Project Lead the Way	0	53,450	45,118		8,332		4,283		4,049
2013 Cargill Grant-Jazz	213				213		106		107
Lowe's Toolbox for Education-M	38		38		0				0
Target Grant	0	700			700		700		0
15/16 Title I Grant	0	109,012	136,462		(27,450)	104,432	76,982		0
14/15 Title I Grant	(44,166)	89,074	51,606		(6,698)		(6,698)		0
13/14 Title I Grant	0		125		(125)		(125)		0
16/17 Title I Grant	0				0	135,743	151,262		(15,519)
Part B 619 Grant 17/18	0	1,071	1,071		0				0
Part B TA Grant 13/14	(1,729)	1,729			0				0
Part B 611 Grant 14/15	(39,916)	66,759	45,476		(18,633)		(18,633)		0
Part B 611 Grant 15/16	0	203,783	195,067		8,716	44,193	52,909		0
Part B 619 Grant 15/16	0	6,426	6,426		0				0
Part B 611 Grant 16/17	0				0	213,991	251,367		(37,376)
Medicaid Reimbursement - Federal	12,200	5,411	735		16,876	52,794	1,229		68,441
Title II, Part A 2017	(5,030)	1,767	348		(3,611)	(2,795)	(3,611)		(2,795)
Title II, Part A 2016	0				0	16,770	16,770		0
Title II, Part A 2015	0	26,860	48,186		(21,326)	5,616	(15,710)		0
Title III - NESP	0				0	1,000			1,000
Prepaid Food Elementary	1,559	76,801	74,539		3,821	86,463	66,328		23,956
Prepaid Food Jr.-Sr. High School	2,946	119,761	120,873		1,834	133,695	103,314		32,215
Payroll Deductions	13,172	1,812,121	1,861,744		(36,451)	1,787,002	1,784,639		(34,088)
Student Technology Insurance	10,186	53,305	56,794		6,697	54,011	56,811		3,897
Totals	<u>\$2,661,349</u>	<u>\$13,482,893</u>	<u>\$13,881,848</u>	<u>\$2,020,098</u>	<u>\$4,282,492</u>	<u>\$14,682,455</u>	<u>\$15,414,803</u>	<u>\$48,752</u>	<u>\$3,598,896</u>

The following schedules on pages A-21 - A-26 contain limited and unaudited financial information which is presented solely for the purpose of conveying a statement of cash and investment balances for the School Corporation. Consequently, these schedules do not include all disclosures required by generally accepted accounting principles. Current reports are available at <http://www.doe.in.gov/finance/school-financial-reports>

UNION-NORTH UNITED SCHOOL CORPORATION
SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	Calendar Year			Six Months Ended
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>6/30/2018</u>
<u>GENERAL FUND</u>				
Receipts:				
School Corporation Activities	\$13,143	\$6,387	\$13,605	\$2,181
Other Revenue from Local Sources	106,822	116,081	105,465	94,150
Revenue from Intermediate Sources	4	7	7	5
Revenue from State Sources	6,859,626	7,136,819	7,521,684	3,888,030
Sale of Property, Adjustments and Refunds			1,327	
Other Financing Sources	5,670			569
Interfund Transfers	24,868		1,003	
Total Receipts	<u>7,010,133</u>	<u>7,259,294</u>	<u>7,643,091</u>	<u>3,984,935</u>
Expenditures:				
Instruction	4,427,215	4,223,334	4,439,529	2,349,413
Support Services	2,418,118	2,242,985	2,366,423	1,276,696
Community Services	159,122	154,669	162,792	106,335
Interfund Transfer			350,738	
Facilities Acquisition and Construction		884	2,609	1,077
Total Expenditures	<u>7,004,455</u>	<u>6,621,872</u>	<u>7,322,092</u>	<u>3,733,521</u>
Net Increase (Decrease)	5,678	637,422	320,999	251,414
Beginning Balance - January 1st	<u>207,054</u>	<u>212,732</u>	<u>850,154</u>	<u>1,171,153</u>
Ending Balance	<u><u>\$212,732</u></u>	<u><u>\$850,154</u></u>	<u><u>\$1,171,153</u></u>	<u><u>\$1,422,567</u></u>

The General Fund is the primary operating fund and is used to budget and account for all receipts and disbursements relative to the basic operation and basic programs of the School Corporation.

(Continued on next page)

UNION-NORTH UNITED SCHOOL CORPORATION
SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

(Cont'd)

	Calendar Year			Six Months Ended
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>6/30/2018</u>
<u>DEBT SERVICE FUND</u>				
Receipts:				
Local Property Tax	\$1,184,925	\$1,134,397	\$1,173,243	\$488,691
License Excise Tax	103,760	46,338	112,260	43,232
Commercial Vehicle Excise Tax	8,081	4,677	6,879	2,920
Financial Institutions Tax	2,585	1,889	2,471	988
Local Option Property Tax Replacement	18,199	17,403		
Total Receipts	<u>1,317,551</u>	<u>1,204,704</u>	<u>1,294,853</u>	<u>535,831</u>
Expenditures:				
Principal on Debt	1,105,000	858,500	1,060,000	510,000
Interest on Debt	167,390	82,840	208,180	106,831
Total Expenditures	<u>1,272,390</u>	<u>941,340</u>	<u>1,268,180</u>	<u>616,831</u>
Net Increase (Decrease)	45,161	263,364	26,673	(81,000)
Beginning Balance - January 1st	<u>204,397</u>	<u>249,557</u>	<u>512,921</u>	<u>539,594</u>
Ending Balance	<u>\$249,557</u>	<u>\$512,921</u>	<u>\$539,594</u>	<u>\$458,594</u>

The Debt Service Fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

(Continued on next page)

UNION-NORTH UNITED SCHOOL CORPORATION
SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

(Cont'd)

	Calendar Year			Six Months Ended
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>6/30/2018</u>
<u>CAPITAL PROJECTS FUND</u>				
Receipts:				
Local Property Tax	\$651,669	\$655,327	\$606,745	\$283,298
License Excise Tax	58,015	27,140	59,686	24,954
Commercial Vehicle Excise Tax	4,520	2,740	3,657	1,685
Financial Institutions Tax	1,445	1,106	1,314	570
Local Option Property Tax Replacement	11,522	10,196		
Local Option Income Tax			10,206	
Other Revenue from Local Sources	7,062	4,777	3,327	7,324
School Corporation Activities			6	
Interfund Transfers			25	
Sale of Property, Adjustments and Refunds			809	
Other Items		23,159		
Total Receipts	<u>734,233</u>	<u>724,445</u>	<u>685,776</u>	<u>317,832</u>
Expenditures:				
Support Services	494,068	556,197	664,269	341,317
Facilities Acquisition and Construction	<u>29,319</u>	<u>93,055</u>	<u>92,453</u>	<u>33,972</u>
Total Expenditures	<u>523,387</u>	<u>649,252</u>	<u>756,722</u>	<u>375,289</u>
Net Increase (Decrease)	210,845	75,193	(70,946)	(57,457)
Beginning Balance - January 1st	<u>43,879</u>	<u>254,724</u>	<u>329,917</u>	<u>258,971</u>
Ending Balance	<u><u>\$254,724</u></u>	<u><u>\$329,917</u></u>	<u><u>\$258,971</u></u>	<u><u>\$201,515</u></u>

The Capital Projects Fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

(Continued on next page)

UNION-NORTH UNITED SCHOOL CORPORATION
SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

(Cont'd)

	Calendar Year			Six Months Ended
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>6/30/2018</u>
<u>TRANSPORTATION FUND</u>				
Receipts:				
Local Property Tax	\$715,026	\$784,628	\$775,019	\$448,075
License Excise Tax	63,644	32,500	75,060	39,826
Commercial Vehicle Excise Tax	4,958	3,280	4,599	2,690
Financial Institutions Tax	1,586	1,325	1,652	910
Local Option Property Tax Replacement	14,007	12,209		
Local Option Income Tax			10,206	
School Corporation Activities	2,650	3,077	4,100	732
Other Revenue from Local Sources	30,123	41,580	25,569	26,490
Revenue from State Sources				34
Total Receipts	<u>831,993</u>	<u>878,598</u>	<u>896,206</u>	<u>518,757</u>
Expenditures:				
Support Services	<u>702,662</u>	<u>693,618</u>	<u>796,753</u>	<u>370,665</u>
Total Expenditures	<u>702,662</u>	<u>693,618</u>	<u>796,753</u>	<u>370,665</u>
Net Increase (Decrease)	129,331	184,980	99,453	148,092
Beginning Balance - January 1st	<u>(60,207)</u>	<u>69,125</u>	<u>254,105</u>	<u>353,558</u>
Ending Balance	<u><u>\$69,124</u></u>	<u><u>\$254,105</u></u>	<u><u>\$353,558</u></u>	<u><u>\$501,650</u></u>

The Transportation Fund accounts for financial resources for the transportation of school children to and from school.

(Continued on next page)

UNION-NORTH UNITED SCHOOL CORPORATION
SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

(Cont'd)

	Calendar Year			Six Months Ended
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>6/30/2018</u>
<u>TRANSPORTATION SCHOOL BUS REPLACEMENT FUND</u>				
Receipts:				
Local Property Tax	\$69,754	\$76,615	\$78,613	\$50,147
License Excise Tax	6,209	3,173	7,314	3,893
Commercial Vehicle Excise Tax	483	320	448	263
Financial Institutions Tax	155	129	161	89
Local Option Property Tax Replacement		1,189		
Local Option Income Tax			10,206	
Other Financing Sources	1,600			
Other Items		12,100		
Total Receipts	<u>78,201</u>	<u>93,526</u>	<u>96,742</u>	<u>54,392</u>
Expenditures:				
Support Services		89,947	119,119	
Total Expenditures	<u>0</u>	<u>89,947</u>	<u>119,119</u>	<u>0</u>
Net Increase (Decrease)	78,201	3,579	(22,377)	54,392
Beginning Balance - January 1st	<u>2,998</u>	<u>81,198</u>	<u>84,777</u>	<u>62,400</u>
Ending Balance	<u>\$81,198</u>	<u>\$84,777</u>	<u>\$62,400</u>	<u>\$116,792</u>

The Transportation School Bus Replacement Fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

	Calendar Year			Six Months Ended
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>6/30/2018</u>
<u>LOCAL RAINY DAY FUND</u>				
Receipts:				
Interfund Transfers			\$350,000	
Local Option Tax		\$9,182		
Total Receipts	<u>\$0</u>	<u>9,182</u>	<u>350,000</u>	<u>\$0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Increase (Decrease)	0	9,182	350,000	0
Beginning Balance - January 1st	<u>41,166</u>	<u>41,166</u>	<u>50,348</u>	<u>400,348</u>
Ending Balance	<u>\$41,166</u>	<u>\$50,348</u>	<u>\$400,348</u>	<u>\$400,348</u>

The School Corporation has created a Rainy Day Fund as allowed under IC 36-1-8-5.1 by adopting a resolution. The resolution of the School Corporation designates the purposes of the Rainy Day Fund and restrictions, if any, on the use of funds and allowable sources of funding.

(Continued on next page)

UNION-NORTH UNITED SCHOOL CORPORATION

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	Calendar Year			Six Months Ended
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>6/30/2018</u>
<u>OTHER FUNDS</u>				
Receipts:				
Revenues from Local Sources	\$293,071	\$242,734	\$1,498,247	\$132,705
Investment Income			4,491	11,295
Revenues from State Sources	157,199	142,319	173,019	107,873
Revenues from Federal Sources	871,801	790,455	925,604	484,928
Revenues from Intermediate Sources	2,543	126	56	19
Bonds	1,762		988,262	
Other Financing Sources		2,044,084		
Other	112,969	1,377	350	350
Interfund Transfers			752	307,100
	<u>1,439,344</u>	<u>3,221,095</u>	<u>3,590,782</u>	<u>1,044,270</u>
Total Receipts				
Expenditures:				
Instruction	188,879	614,707	748,650	261,679
Support Services	582,812	168,489	262,293	113,811
Community Services	1,309,756	635,279	695,343	324,030
Facilities Acquisition and Construction	534,932	713,820	1,451,946	132,446
Debt Service		1,025,000		
Interfund Transfers	24,831	23,965	1,042	307,100
	<u>2,641,209</u>	<u>3,181,260</u>	<u>3,159,274</u>	<u>1,139,066</u>
Total Expenditures				
Net Increase (Decrease)	(1,201,865)	39,834	431,507	(94,796)
Beginning Balance - January 1st	<u>1,911,224</u>	<u>709,359</u>	<u>749,193</u>	<u>1,180,700</u>
Ending Balance	<u><u>\$709,359</u></u>	<u><u>\$749,193</u></u>	<u><u>\$1,180,700</u></u>	<u><u>\$1,085,905</u></u>
 <u>GRAND TOTALS</u>				
Total Receipts	<u>\$11,411,455</u>	<u>\$13,390,843</u>	<u>\$14,557,449</u>	<u>\$6,456,018</u>
Total Expenditures	<u>12,144,104</u>	<u>12,177,289</u>	<u>13,422,140</u>	<u>6,235,372</u>
Net Increase (Decrease)	(732,649)	1,213,554	1,135,309	220,646
Beginning Balance - January 1st	<u>2,350,511</u>	<u>1,617,861</u>	<u>2,831,415</u>	<u>3,966,725</u>
Ending Balance	<u><u>\$1,617,861</u></u>	<u><u>\$2,831,415</u></u>	<u><u>\$3,966,725</u></u>	<u><u>\$4,187,371</u></u>

The Building Corporation and School Corporation certify to the best of their knowledge and belief that this Official Statement, as of its date and as it relates to the School Corporation and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

This Official Statement and its execution are duly authorized.

UNION-NORTH UNITED
SCHOOL BUILDING CORPORATION

By: _____

President

Attest: _____

Secretary

UNION-NORTH UNITED SCHOOL CORPORATION

By: _____

Superintendent

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APPENDIX B

UMBAUGH

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Certified Public Accountants, LLP
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Mishawaka, IN 46544
Phone: 574-935-5178
Fax: 574-935-5928
www.umbaugh.com

November 2, 2018

Board of School Trustees
Union-North United School Corporation
22601 Tyler Road
Lakeville, Indiana 46536

Building Corporation Directors
Union-North United School Building Corporation
22601 Tyler Road
Lakeville, Indiana 46536

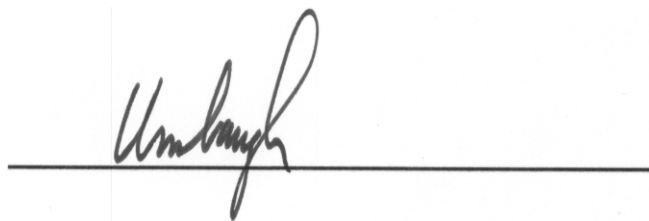
In connection with the issuance of \$8,200,000* principal amount of proposed Ad Valorem Property Tax First Mortgage Bonds, Series 2018 we have, at your request, prepared this special purpose report and the following schedules for inclusion in the Preliminary Official Statement dated November 2, 2018.

Page(s)

B-2 – B-3	General Comments
B-4	Estimated Sources and Uses of Funds
B-5	Preliminary Schedule of Amortization of 8,200,000* Principal Amount of Ad Valorem Property Tax First Mortgage Bonds, Series 2018
B-6	Summary of Estimated Tax Impact
B-7	Existing Debt Service / Lease Rental Payments

In the preparation of these schedules, assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected, and the resulting differences could be material. We have not examined the underlying assumptions nor have we audited or reviewed the historical data. Consequently, we express no opinion thereon, nor do we have a responsibility to prepare subsequent reports.

*Preliminary, subject to change.



**UNION-NORTH UNITED SCHOOL BUILDING CORPORATION
UNION-NORTH UNITED SCHOOL CORPORATION
Lakeville, Indiana**

GENERAL COMMENTS

The Union-North United School Building Corporation (the “Building Corporation”) acting on behalf of Union-North United School Corporation (the “School Corporation”) is issuing \$8,200,000* of Ad Valorem Property Tax First Mortgage Bonds, Series 2018 (the “Bonds”) for the purpose of paying the costs of (i) improvements to the LaVille Elementary School building, including lift station improvements, pipework repair, HVAC improvements, door improvements, restroom improvements, switch gears/ generator/ panels/ grounding infrastructure, lockers, carpeting, exterior masonry improvements, technology upgrades, bus garage, and all related improvements (the “Elementary Project”), (ii) improvements to LaVille Jr.-Sr. High School building, including asbestos remediation, HVAC improvements, gymnasium improvements, door improvements, restroom improvements, switch gears/generator/panels/grounding infrastructure, locker room improvements, classroom renovations, roof improvements, exterior masonry improvements, technology upgrades, and all related improvements (the “Jr.-Sr. High School Project”, together with the Elementary Project, the “Projects” and each a “Project”), and (iii) issuance expenses. The Leased Property consists of the LaVille Elementary School building and certain real estate upon which improvements are to be constructed with a portion of the proceeds of the Bonds (the “Leased Property”).

Payments on the Bonds will be made pursuant to a lease executed on September 16, 2008, as amended by a First Amendment to Lease dated as of October 1, 2010, and a Second Amendment to Lease dated as of October 10, 2018, between the Building Corporation and the School Corporation (collectively the “Lease”). The term of the Lease is extended to July 15, 2038. The Bonds are expected to mature on January 15, 2037. The Bonds are payable from semiannual lease rentals based upon the principal and interest payments in each twelve-month period ending January 15, rounded up to the next \$1,000, plus \$5,000. The lease rental will be payable in advance in semiannual installments on June 30 and December 31 of each year (the “Lease Rental”). Upon payment of sufficient Lease Rental to retire the principal and to meet the obligations of the Building Corporation for interest payments, trustee fees, and other expenses, no further payments will be made on the Lease, and title to the Leased Premises will be transferred to the School Corporation.

Estimated Sources and Uses of Funds – Page B-4

The costs of the projects relating to the Bonds are presented in this schedule, including construction related expenses, allowance for underwriter’s discount, bond issuance expenses and contingencies.

Preliminary Schedule of Amortization of \$8,200,000* Principal Amount of Ad Valorem Property Tax First Mortgage Bonds, Series 2018 – Page B-5

The proposed amortization of \$8,200,000* principal amount of Ad Valorem Property Tax First Mortgage Bonds, Series 2018 is presented in this schedule. The Bonds are assumed to be dated December 5, 2018 and mature over a period of approximately eighteen years and one month with the final maturity on January 15, 2037. The Bonds are amortized based on assumed interest rates. Final interest rates will be determined through a competitive sale.

*Preliminary, subject to change.

**UNION-NORTH UNITED SCHOOL BUILDING CORPORATION
UNION-NORTH UNITED SCHOOL CORPORATION
Lakeville, Indiana**

GENERAL COMMENTS

Summary of Estimated Tax Impact – Page B-6

Calculations were made in this schedule for the annual Lease Rental, and resulting estimated debt service tax rates based upon the amortization schedule found on pages B-5. No growth in assessed value from the 2019 certified net assessed value was assumed in the calculation of the debt service tax rate.

Existing Debt Service / Lease Rental Payments – Page B-7

This schedule shows the outstanding (unaudited) existing debt service and lease rental payments of the School Corporation.

**UNION-NORTH UNITED SCHOOL BUILDING CORPORATION
UNION-NORTH UNITED SCHOOL CORPORATION**

ESTIMATED SOURCES AND USES OF FUNDS

	<u>Building Corporation</u>	<u>School Corporation</u>	<u>Total</u>
<u>Estimated Sources of Funds*</u>			
Ad Valorem Property Tax First Mortgage Bonds, Series 2018	<u>\$8,200,000.00</u>	<u>\$0.00</u>	<u>\$8,200,000.00</u>
<u>Estimated Uses of Funds*</u>			
Jr.-Sr. High School Project	\$2,428,600.00	\$2,166,400.00	\$4,595,000.00
Elementary School Project	3,439,000.00		3,439,000.00
Purchase of a portion of the Leased Property	2,166,400.00	(2,166,400.00)	-
Allowance for Underwriter's Discount (0.5%)	41,000.00		41,000.00
Allowance for Costs of Issuance (1)	<u>125,000.00</u>		<u>125,000.00</u>
Total Estimated Uses	<u>\$8,200,000.00</u>	<u>\$0.00</u>	<u>\$8,200,000.00</u>

(1) Includes estimated fees for bond counsel, local attorney, municipal advisor, trustee, rating, printing and other miscellaneous expenses.

* Preliminary, subject to change.

(Subject to the comments in the accompanying report
dated November 2, 2018 of Umbaugh)

UNION-NORTH UNITED SCHOOL BUILDING CORPORATION
UNION-NORTH UNITED SCHOOL CORPORATION

PRELIMINARY SCHEDULE OF AMORTIZATION OF \$8,200,000* PRINCIPAL AMOUNT
OF AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2018
Principal and Interest Payable Semiannually on January 15 and July 15
Assumes Bonds Dated December 5, 2018

Payment Date	Principal Balance*	Principal*	Assumed Interest Rate (%)	Interest	Total Debt Service	Budget Year Debt Service	Annual Lease Rental Payment (1)
	(-----In 1,000s-----)						
7/15/2019	\$8,200	\$75	1.95	\$166,397.92	\$241,397.92		
1/15/2020	8,125	80	1.95	135,412.50	215,412.50	\$456,810.42	\$462,000.00
7/15/2020	8,045	60	2.10	134,632.50	194,632.50		
1/15/2021	7,985	60	2.10	134,002.50	194,002.50	388,635.00	394,000.00
7/15/2021	7,925	40	2.20	133,372.50	173,372.50		
1/15/2022	7,885	45	2.20	132,932.50	177,932.50	351,305.00	357,000.00
7/15/2022	7,840	45	2.35	132,437.50	177,437.50		
1/15/2023	7,795	50	2.35	131,908.75	181,908.75	359,346.25	365,000.00
7/15/2023	7,745	135	2.50	131,321.25	266,321.25		
1/15/2024	7,610	140	2.50	129,633.75	269,633.75	535,955.00	541,000.00
7/15/2024	7,470	225	2.65	127,883.75	352,883.75		
1/15/2025	7,245	225	2.65	124,902.50	349,902.50	702,786.25	708,000.00
7/15/2025	7,020	235	2.80	121,921.25	356,921.25		
1/15/2026	6,785	235	2.80	118,631.25	353,631.25	710,552.50	716,000.00
7/15/2026	6,550	245	2.90	115,341.25	360,341.25		
1/15/2027	6,305	245	2.90	111,788.75	356,788.75	717,130.00	723,000.00
7/15/2027	6,060	250	3.05	108,236.25	358,236.25		
1/15/2028	5,810	255	3.05	104,423.75	359,423.75	717,660.00	723,000.00
7/15/2028	5,555	260	3.15	100,535.00	360,535.00		
1/15/2029	5,295	260	3.15	96,440.00	356,440.00	716,975.00	722,000.00
7/15/2029	5,035	275	3.30	92,345.00	367,345.00		
1/15/2030	4,760	280	3.30	87,807.50	367,807.50	735,152.50	741,000.00
7/15/2030	4,480	285	3.40	83,187.50	368,187.50		
1/15/2031	4,195	290	3.40	78,342.50	368,342.50	736,530.00	742,000.00
7/15/2031	3,905	295	3.50	73,412.50	368,412.50		
1/15/2032	3,610	300	3.50	68,250.00	368,250.00	736,662.50	742,000.00
7/15/2032	3,310	305	3.60	63,000.00	368,000.00		
1/15/2033	3,005	310	3.60	57,510.00	367,510.00	735,510.00	741,000.00
7/15/2033	2,695	320	3.70	51,930.00	371,930.00		
1/15/2034	2,375	320	3.70	46,010.00	366,010.00	737,940.00	743,000.00
7/15/2034	2,055	330	3.80	40,090.00	370,090.00		
1/15/2035	1,725	335	3.80	33,820.00	368,820.00	738,910.00	744,000.00
7/15/2035	1,390	345	3.90	27,455.00	372,455.00		
1/15/2036	1,045	345	3.90	20,727.50	365,727.50	738,182.50	744,000.00
7/15/2036	700	350	4.00	14,000.00	364,000.00		
1/15/2037	350	350	4.00	7,000.00	357,000.00	721,000.00	726,000.00
		<u>\$8,200</u>		<u>\$3,337,042.92</u>	<u>\$11,537,042.92</u>	<u>\$11,537,042.92</u>	<u>\$11,634,000.00</u>

(1) Based on total annual debt service rounded up to next \$1,000, plus \$5,000 for trustee and miscellaneous fees.

* Preliminary, subject to change.

(Subject to the comments in the accompanying report
dated November 2, 2018 of Umbaugh)

**UNION-NORTH UNITED SCHOOL BUILDING CORPORATION
UNION-NORTH UNITED SCHOOL CORPORATION**

SUMMARY OF ESTIMATED TAX IMPACT

Budget Year	Estimated Net Assessed Value	Total Existing Debt Service	Proposed First Mortgage Bonds, Series 2018	Combined Debt Service	Estimated Existing Debt Service Tax Rate	Estimated Proposed 2018 Bonds Debt Service Tax Rate	Estimated Combined Debt Service Tax Rate
	(1)	(2)	(3)		(4)	(4)	(4) (5)
2017	\$293,544,535	\$1,268,180		\$1,268,180	\$0.3914 (6)		\$0.3914
2018	290,170,443	1,232,009		1,232,009	0.2843 (6)		0.2843
2019	290,170,443	1,143,427	\$462,000	1,605,427	0.3744	\$0.1513	0.5257
2020	290,170,443	1,144,439	394,000	1,538,439	0.3747	0.1290	0.5037
2021	290,170,443	1,180,186	357,000	1,537,186	0.3864	0.1169	0.5033
2022	290,170,443	1,091,076	365,000	1,456,076	0.3572	0.1195	0.4767
2023	290,170,443	905,338	541,000	1,446,338	0.2964	0.1771	0.4735
2024	290,170,443	734,900	708,000	1,442,900	0.2406	0.2318	0.4724
2025	290,170,443	255,000	716,000	971,000	0.0835	0.2344	0.3179
2026	290,170,443	253,000	723,000	976,000	0.0828	0.2367	0.3195
2027	290,170,443	251,000	723,000	974,000	0.0822	0.2367	0.3189
2028	290,170,443	254,000	722,000	976,000	0.0832	0.2364	0.3196
2029	290,170,443		741,000	741,000		0.2426	0.2426
2030	290,170,443		742,000	742,000		0.2429	0.2429
2031	290,170,443		742,000	742,000		0.2429	0.2429
2032	290,170,443		741,000	741,000		0.2426	0.2426
2033	290,170,443		743,000	743,000		0.2433	0.2433
2034	290,170,443		744,000	744,000		0.2436	0.2436
2035	290,170,443		744,000	744,000		0.2436	0.2436
2036	290,170,443		726,000	726,000		0.2377	0.2377

- (1) Based on the certified net assessed values for 2017 pay 2018. Assumes no growth.
(2) See page B-6.
(3) See page B-4.
(4) Assumes license excise/financial institutions tax factor of 5%. Per \$100 of Net Assessed Value.
(5) Represents estimated combined debt service tax rate.
(6) Reflects Certified Pay 2017 and Pay 2018 tax rates.

(Subject to the comments in the accompanying report
dated November 2, 2018 of Umbaugh)

**UNION-NORTH UNITED SCHOOL BUILDING CORPORATION
UNION-NORTH UNITED SCHOOL CORPORATION**

EXISTING DEBT SERVICE/ LEASE RENTAL PAYMENTS

(Unaudited)

Budget Year	First Mortgage Bonds, Series 2010B	First Mortgage Bonds, Series 2012	General Obligation Bonds of 2013	First Mortgage Bonds, Series 2014	First Mortgage Bonds, Series 2016	General Obligation Bonds of 2017	Total Common School Fund Loans	Total Existing Debt Service
	(1)	(1)		(1)	(1)		(2)	
2017	\$411,000	\$166,000	\$207,180	\$160,000	\$324,000			\$1,268,180
2018	413,000	169,000	204,900	162,000	69,000	\$214,109		1,232,009
2019	411,000	167,000	202,620	164,000	69,000	50,976	\$78,831	1,143,427
2020	411,000	165,000	204,200	162,000	68,000	55,376	78,863	1,144,439
2021	409,000	167,000	204,125	164,000	68,000	89,476	78,585	1,180,186
2022	412,000	169,000		165,000	257,000	88,076		1,091,076
2023		166,000		167,000	257,000	315,338		905,338
2024				167,000	256,000	311,900		734,900
2025					255,000			255,000
2026					253,000			253,000
2027					251,000			251,000
2028					254,000			254,000
Totals	<u>\$2,467,000</u>	<u>\$1,169,000</u>	<u>\$1,023,025</u>	<u>\$1,311,000</u>	<u>\$2,381,000</u>	<u>\$1,125,251</u>	<u>\$236,279</u>	<u>\$9,712,555</u>

(1) Represents lease rental payments.

(2) Includes two Common School Fund Loans of \$114,500 each at 1.00% interest.

(Subject to the comments in the accompanying report
dated November 2, 2018 of Umbaugh)

APPENDIX C

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 Lessor is to cause the improvements to the Leased Premises to be financed with the proceeds of the Bonds 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 Lessor and approved by the School Corporation and applicable agencies. The plans and specifications for the improvements to the Leased Premises to be financed with the proceeds of the Bonds may be changed at any time prior to the completion of said improvements to the Leased Premises by mutual agreement of the Lessor and the School Corporation, except that such changes may not alter the character of the buildings or reduce the value thereof.

Lease Terms and Rentals

The Lease Agreement dated September 16, 2008, as amended by an Addendum to Lease dated as of October 1, 2010 and a Second Amendment to Lease dated as of October 10, 2018 (as amended, the "Lease"), between the Lessor and the School Corporation, was for an initial term of twenty-six (26) years which term has been extended to a term ending on July 15, 2038. However, the Lease will terminate at the earlier of (i) the exercise by the School Corporation of the option to purchase the Leased Premises and the payment of such option price or (ii) when bonds are no longer outstanding under the Indenture. By each rent payment date, the School Corporation is to pay the installment of rent due in advance for the following six-month period on June 30 and December 31.

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 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.

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 terms 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 Lessor 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.

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APPENDIX D

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, 2010, as supplemented by the First Supplemental Trust Indenture dated as of _____ 1, 2018 (collectively, the “Indenture”), between the Union-North United School Building Corporation (the “Building Corporation”) and Regions Bank, as trustee, 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 to the 2018 Bond Interest Account of the Construction Fund to pay interest on the Bonds through July 15, 2019. Proceeds of the Bonds in an amount equal to \$ _____ will be deposited in the 2018 Bond Issuance Expense Account of the Construction Fund. The remaining proceeds of the Bonds in an amount equal to \$ _____ will be deposited into the 2018 Construction Account within the Construction Fund to pay costs of construction of the Projects (as hereinafter defined). The proceeds deposited in the 2018 Construction Account will be further deposited to subaccounts thereof for each Project funded from the proceeds of the Bonds.

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

There are created under the Indenture the following funds:

- (1) the Union-North United School Building Corporation Construction Fund (the “Construction Fund”), which includes the 2018 Bond Interest Account, the 2018 Bond Issuance Expense Account and the 2018 Construction Account (which includes subaccounts thereof for each separate Project funded from proceeds of the Bonds);
- (2) the Union-North United School Building Corporation Sinking Fund (the “Sinking Fund”);
- (3) the Union-North United School Building Corporation Operation and Reserve Fund (the “Operation and Reserve Fund”); and
- (4) the Union-North United School Building Corporation Rebate Fund (the “Rebate Fund”).

Interest on the Bonds through July 15, 2019 will be paid from moneys deposited in the 2018 Bond Interest Account.

Costs of issuance of the Bonds will be paid from moneys deposited in the 2018 Bond Issuance Expense Account. It is expected that all costs will be paid within sixty (60) days of closing. Any moneys remaining in the 2018 Bond Issuance Expense Account after all costs have been paid will be transferred to the 2018 Construction Account.

The 2018 Construction Account will be used to finance the construction of improvements to (i) the LaVille Elementary School building, including lift station improvements, pipework repair, HVAC improvements, door improvements, restroom improvements, switch gears/generator/panels/grounding infrastructure, lockers, carpeting, exterior masonry improvements, technology upgrades, bus garage, and all related improvements (the "Elementary Project") and (ii) the LaVille Jr.-Sr. High School building, including asbestos remediation, HVAC improvements, gymnasium improvements, door improvements, restroom improvements, switch gears/generator/panels/grounding infrastructure, locker room improvements, classroom renovations, roof improvements, exterior masonry improvements, technology upgrades, and all related improvements (the "Jr.-Sr. High Project", together with the Elementary Project, the "Projects"). Any moneys remaining in the 2018 Construction Account after completion of the Projects will be transferred to the Operation and Reserve Fund and used to pay the next succeeding interest payments on the Bonds.

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. Moneys deposited in the Sinking Fund from the 2018 Construction Account shall be the first moneys applied to all interest payments until the amount deposited from the 2018 Construction Account and earnings attributable have been exhausted.

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. 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) unsecured certificates of deposit, time deposits and bankers' acceptances of any bank the short-term obligations of which are rated "A-1" or better by Standard and Poor's Ratings Group having an original maturity of not more than 360 days, (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), in banks which have capital and surplus of at least \$5 million, (xiii) money market funds rated "Aam" or "AAM-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 approved in writing by Bond Insurer, (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 three highest rating categories by each Rating Agency. Any income or interest realized upon any such investment shall be credited to the Fund or

Account from which the moneys were invested. Securities purchased with moneys from the Sinking Fund or the Rebate Fund shall mature prior to the time the moneys invested will be needed to pay the amounts which must be paid from such funds. Moneys in the 2016 Construction Account will be invested without restrictions to yield during the applicable temporary period. Moneys in the Operation and Reserve Fund after thirty (30) days of deposit and the Bond Issuance Expense Account after one (1) year of the date of issuance of the Bonds will be invested at yields not in excess of the yield on the Bonds. Moneys in the Sinking Fund and the Rebate Fund will be invested without restriction as to yield during the applicable temporary period pending their use as described in the arbitrage certificate of the Building Corporation delivered in connection with the issuance of the Bonds.

Covenants

The Building Corporation covenants, among other things that:

(a) it has entered into valid and binding Lease of the mortgaged property to School Corporation, and that a full, true and correct copy of the Lease is on file with the Trustee; that construction has been completed on schedule, and the School Corporation has begun paying lease rental;

(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 Lease, 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 Projects 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, and (b) rental value insurance against physical loss or damage for a period of two years.

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.

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APPENDIX E

_____, 2018

Union-North United School Building Corporation
Lakeville, Indiana

Union-North United School Corporation
Lakeville, Indiana

Regions Bank, as trustee
Indianapolis, Indiana

Re: Union-North United School Building Corporation
Ad Valorem Property Tax First Mortgage Bonds, Series 2018

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Union-North United School Building Corporation (the “Building Corporation”) of its Ad Valorem Property Tax First Mortgage Bonds, Series 2018, dated as of _____, 2018 (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, on a parity with the Building Corporation’s Ad Valorem Property Tax First Mortgage Bonds, Series 2010B (the “2010B Bonds”) under a Trust Indenture dated as of October 1, 2010, between the Building Corporation and Regions Bank, as trustee, as supplemented by a First Supplemental Trust Indenture dated as of _____, 2018 (as supplemented, the “Indenture”). The Bonds will be secured, in part, by rentals due under the Lease Agreement dated as of September 16, 2008, as amended by an Amendment to Lease dated October 1, 2010 and a Second Amendment to Lease dated October 10, 2018 (as amended, the “Lease”), between the Building Corporation, as lessor, and Union-North United School Corporation, 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 2010B Bonds and the Bonds. Such payments and other revenues under

Union-North United School Building Corporation
Union-North United School Corporation

Regions Bank, N.A., as trustee
_____, 2018

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 2010B Bonds and 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 2010B 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

Union-North United School Building Corporation
Union-North United School Corporation

Regions Bank, N.A., as trustee
_____, 2018

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. However, interest on the Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on certain corporations for taxable years that began prior to January 1, 2018. 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,

Union-North United School Building Corporation
Union-North United School Corporation

Regions Bank, N.A., as trustee
_____, 2018

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 F

CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This CONTINUING DISCLOSURE UNDERTAKING AGREEMENT (the “Disclosure Agreement”) is executed and delivered by UNION-NORTH UNITED SCHOOL CORPORATION (the “Obligor”), in connection with the issuance by UNION-NORTH UNITED SCHOOL BUILDING CORPORATION (the “Issuer”) of its Ad Valorem Property Tax First Mortgage Bonds, Series 2018, in the aggregate principal amount of \$_____ (the “Bonds”). The Bonds are being issued pursuant to the Trust Indenture dated as of October 1, 2010, as supplemented by a First Supplemental Trust Indenture dated as of _____, 2018 (as supplemented, the “Indenture”), between the Issuer and Regions Bank, as Trustee. The Bonds will be secured, in part, by a Lease Agreement dated as of September 16, 2008, as amended by an Amendment to Lease dated as of October 1, 2010 and a Second Amendment to Lease dated as of October 10, 2018, 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 Bond Proceedings, 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.

“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 _____, 2018.

“Participating Underwriter” shall mean _____.

“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, 2018, 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, 2018, 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”).

UNION-NORTH UNITED SCHOOL CORPORATION

- Enrollment

GENERAL ECONOMIC AND FINANCIAL INFORMATION

- Schedule of Historical Net Assessed Valuation
- Detail of Net Assessed Valuation
- Comparative Schedule of Certified Tax Rates
- Property Taxes Levied and Collected
- Large Taxpayers
- Summary of Receipts and Expenditures by Fund

(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 MRSB 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; and
- (6) appointment of a successor or additional trustee or the change of name of a trustee.

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; and
- (9) bankruptcy, insolvency, receivership or similar event of the obligated person.

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.

(Signature Page to Continuing Disclosure Undertaking Agreement)

**UNION-NORTH UNITED SCHOOL
CORPORATION**

By: _____
Karman Eash, President

Dated: _____, 2018

EXHIBIT A

CERTIFICATE RE: ANNUAL FINANCIAL INFORMATION DISCLOSURE

Name of Issuer: Union-North United School Building Corporation

Name of Obligor: Union-North United School Corporation

Name of Bond Issue: Ad Valorem First Mortgage Bonds, Series 2018

Date of Bonds: _____, 2018

The undersigned, on behalf of the above referenced Obligor, as the Obligor under the Continuing Disclosure Undertaking Agreement, dated _____, 2018 (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.

UNION-NORTH UNITED SCHOOL
CORPORATION

By _____

Its _____

Dated: _____

EXHIBIT B

NOTICE OF FAILURE TO FILE INFORMATION

Name of Issuer: Union-North United School Building Corporation

Name of Obligor: Union-North United School Corporation

Name of Bond Issue: Ad Valorem Property Tax First Mortgage Bonds, Series 2018

Date of Bonds: _____, 2018

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 _____, 2018.

UNION-NORTH UNITED SCHOOL
CORPORATION

By _____

Its _____

Dated: _____

EXHIBIT C

CERTIFICATE RE: EVENT DISCLOSURE

The undersigned, on behalf of Union-North United School Corporation, as Obligor under the Continuing Disclosure Undertaking Agreement, dated _____, 2018 (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: _____

UNION-NORTH UNITED SCHOOL
CORPORATION

By: _____

Name: _____

Title: _____

APPENDIX G

APPENDIX G

This Appendix G assumes that (a) the winning bidder (the “Purchaser”) is purchasing the Bonds as an Underwriter (as hereinafter defined) and is not purchasing the Bonds with the intent to hold the Bonds for its own account, and (b) Union-North United School Building Corporation (the “Issuer”) and the Purchaser shall agree to the process by which issue price will be established on the date of sale of the Bonds in the event that the Competitive Sale Requirements (as hereinafter defined) are not met. The Purchaser must agree to execute the applicable schedules depending on the sale results.

(a) By submitting a bid, the Purchaser agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at the Closing (as hereinafter defined) for the Bonds written evidence identifying the “Issue Price” as defined in the provisions of Treasury Regulation Section 1.148-1 (“Issue Price Rules”) for the Bonds or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the Issuer and Bond Counsel. All actions to be taken by the Issuer to establish the Issue Price of the Bonds may be taken on behalf of the Issuer by the Issuer’s municipal advisor identified in the Official Statement (H.J. Umbaugh & Associates, Certified Public Accountants, LLP) and any notice or report to be provided to the Issuer may be provided to the Issuer’s municipal advisor.

(b) For purposes of this Appendix G, the Competitive Sale Requirements will be satisfied in accordance with the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (the “Competitive Sale Requirements”) for purposes of establishing the Issue Price of the Bonds and will apply to the initial sale of the Bonds if the Issuer receive bids for the Bonds from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds because:

- (1) the Issuer shall disseminate the [Intent to Sell Bonds] [Notice of Sale](the "Notice") to potential Underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid; and
- (3) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost) as set forth in the Notice (the requirements set forth in this paragraph (b), collectively, the “Competitive Sale Requirements”).

Any bid submitted pursuant to the Notice shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. If all of the Competitive Sale Requirements are satisfied, the Purchaser shall execute Schedule I if the Purchaser is purchasing the Bonds as an Underwriter.

(c) In the event that the Competitive Sale Requirements are not satisfied, the Issuer shall so advise the Purchaser and the Issuer and the Purchaser (the “Parties”) agree to execute an agreement which will establish which method to determine Issue Price will be employed, a form of which is attached as Schedule II. The methods are as follows:

(1) General Rule

Issue Price will be established by the first price at which 10% of a maturity of the Bonds is sold to the Public (as hereinafter defined) (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity)(the “10% test”).

Until the 10% test has been satisfied as to each maturity of the Bonds, the Purchaser agrees to promptly report to the Issuer the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the Closing Date (as hereinafter defined) has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold;

- OR -

(2) Hold the Price

Issue Price shall be established by applying the Hold the Price Rule (as defined below), which will allow the Issuer to treat the Initial Offering Price (as defined below) to the Public of each such maturity as of the Sale Date as the Issue Price of that maturity, provided the Purchaser agrees that it will neither offer nor sell these maturities to any person at a price that is higher than the Initial Offering Price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the Sale Date; or

(2) the date on which the Purchaser has sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public.

(the “Hold the Price Rule”). The Purchaser shall promptly advise the Issuer when it has sold 10% of a maturity to the Public at a price that is no higher than the Initial Offering Price to the Public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

(d) **The Purchaser will be required to execute a certificate in the form of Schedule III if the Competitive Sale Requirements are not satisfied indicating that all of the requirements set forth in such certificate have been satisfied such as a certification to that the Purchaser has offered or will offer the Bonds to the Public on or before the date of the award at the Initial Offering Price set forth in the bid submitted by the Purchaser. The Purchaser will also be required to provide a copy of the pricing wire or equivalent communication.**

(e) By submitting a bid, each bidder acting as an Underwriter confirms that: (i) any agreement among Underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (1) to report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Purchaser that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Purchaser, and (2) to promptly notify the Purchaser of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the Public, and (3) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the Purchaser shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the Public, (ii) any agreement among Underwriters or other selling group agreement relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Purchaser or such Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Purchaser or such Underwriter.

(f) Sales of any Bonds to any person that is a related party to an Underwriter participating in the initial sale of the Bonds to the Public shall not constitute sales to the Public for purposes of this Appendix G. Further, for purposes of this Appendix:

- (1) “Public” means any person other than an Underwriter or a related party,
- (2) “Underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public),
- (3) a purchaser of any of the Bonds is a “related party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships

(including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other),

- (4) “Sale Date” means the date that the Bonds are awarded by the Issuer to the winning bidder,
- (5) “Closing” and “Closing Date” mean the day the Bonds are delivered to the Purchaser and payment is made thereon to the Issuer, and
- (6) “Initial Offering Prices” means the respective initial offering prices of the Bonds offered by the Purchaser to the Public on or before the Sale Date as set forth in the pricing wire or equivalent communication for the Bonds provided to the Issuer by the Purchaser.

Schedule I
\$8,200,000
Ad Valorem Property Tax First Mortgage Bonds, Series 2018
ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligation (the “Bonds”).

1. ***Reasonably Expected Initial Offering Price.***

- (a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.
- (b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.
- (c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

- (a) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (b) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).
- (c) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange the Bonds. The Sale Date of the Bonds is November 13, 2018.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Section 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bose McKinney & Evans LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER], as [Underwriter]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

Schedule II
AGREEMENT TO ESTABLISH ISSUE PRICE

The Union-North United School Building Corporation (the “Issuer”) offered its Ad Valorem Property Tax First Mortgage Bonds, Series 2018 (the Bonds”) through a competitive offering in compliance with state law. For federal tax law purposes, Issue Price as defined in Treasury Regulations Section 1.148-1(f) (the “Issue Price Regulations”) must be established by one of the methods set forth in Issue Price Regulations. One of the methods to establish Issue Price is to offer the Bonds to achieve a Competitive Sale as defined by the Issue Price Regulations by meeting specific requirements under the Issue Price Regulation. Although the Issuer achieved a competitive sale to comply with state law, one or more of the requirements for a Competitive Sale, for federal tax law purposes, was not achieved. The Issue Price Regulations provide if more than one rule for determining the Issue Price of the Bonds is available, the Issuer may select the rule it will use to determine the Issue Price of the Bonds.

On the date hereof, the Purchaser represents that the first price at which at least 10% of each maturity of the Bonds listed on Exhibit I was sold to the Public (as defined in Schedule A) is the respective price listed on Exhibit I. For the remaining maturities of the Bonds (the “Unsold Maturities”) the Issuer has determined and the Purchaser agrees that Issue Price will be established as set forth in Schedule A as attached.

[PURCHASER]

By: _____
Authorized Representative

Union-North United School Building Corporation

By: _____

SCHEDULE A

This Schedule A sets forth as of the date hereof, the agreement between Union-North United School Building Corporation (the “Issuer”) and _____ (the “Purchaser”) on the method by which Issue Price, as defined in Treasury Regulations Section 1.148-1(f) (the “Issue Price Regulations”) for the Unsold Bonds (as defined in Schedule II) must be established (the “Agreement”).

Based on the Agreement, the Issuer and the Purchaser have determined that Issue Price for the Unsold Bonds will be established by:

Check one, as applicable:

- _____ (1) General Rule (the “10% test”) set forth below in (1); or
_____ (2) “Hold the Price Rule” set forth below in (2).

SELECTION OF METHOD OF ISSUE PRICE ESTABLISHMENT

The methods are as follows:

(1) General Rule

Issue Price will be established by the first price at which 10% of a maturity of the Bonds is sold to the Public (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity).

Until the 10% test has been satisfied as to each maturity of the Bonds, the Purchaser agrees to promptly report to the Issuer the prices at which the unsold Bonds of that maturity have been sold to the Public provided that, the winning bidder’s reporting obligation after the Closing Date may be at reasonable, periodic intervals or otherwise upon request of the Issuer of bond counsel. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

- OR -

(2) Hold the Price

Issue Price shall be established by applying the Hold the Price Rule (as defined below), which will allow the Issuer to treat the Initial Offering Price to the Public of each such maturity of the Bonds as of the Sale Date as the issue price of that maturity, provided the Purchaser agrees that it will neither offer nor sell these maturities to any person at a price that is higher than the Initial Offering Price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or

(2) the date on which the Purchaser has sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public.

(the “Hold the Price Rule”). The Purchaser will advise the Issuer promptly after the close of the fifth (5th) business day after the Sale Date whether it has sold 10% of a maturity to the Public at a price that is no higher than the Initial Offering Price to the Public.

DEFINITIONS OF GENERAL APPLICABILITY

“Public” shall mean any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (as defined below) or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the Public).

A purchaser of any of the Bonds is a “related party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

“Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is November 13, 2018.

“Closing” and “Closing Date” mean the day the Bonds are delivered to the Purchaser and payment is made thereon to the Issuer.

**[FORM TO USE WHEN GENERAL RULE OR SPECIAL RULE OF COMBINATION OF BOTH
RULES APPLIES]**

Schedule III

\$8,200,000

Ad Valorem Property Tax First Mortgage Bonds, Series 2018

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“[SHORT NAME OF UNDERWRITER]”][the “Representative”]] , on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

Select appropriate provisions below:

1. [Alternative 1¹ – All Maturities Use General Rule: ***Sale of the Bonds***. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.][Alternative 2² – Select Maturities Use General Rule: ***Sale of the General Rule Maturities***. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.] [Alternative 3³-Issue Price not required on Closing Date and Select Maturities Use General Rule]: As of the date of this certificate, the General Rule Maturities and their respective issue prices (the first price at which 10% of such Maturity was sold to the Public) are listed in Schedule A. [SHORT NAME OF UNDERWRITER] certifies that it agreed in its [bid form][bond purchase agreement] to report to the Issuer the prices at which the Unsold Bonds have been sold to the Public within 5 business days of such sale until [SHORT NAME OF UNDERWRITER] can establish the first price at which at least 10% test of each Maturity of the Unsold Bonds has been sold to the Public.]

2. ***Initial Offering Price of the [Bonds][Hold-the-Offering-Price Maturities].***

(a) [Alternative 1⁴ – All Maturities Use Hold-the-Offering-Price Rule: [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.] [Alternative 2⁵ – Select Maturities Use Hold-the-Offering-Price Rule: [SHORT NAME OF

¹ If Alternative 1 is used, delete the remainder of paragraph 1 and all of paragraph 2 and renumber paragraphs accordingly.

² If Alternative 2 is used, delete Alternative 1 of paragraph 1 and use each Alternative 2 in paragraphs 2(a) and (b).

³ If Alternative 3 is used, delete the remainder of paragraph 1 and all of paragraph 2 and renumber paragraphs accordingly.

⁴ If Alternative 1 is used, delete all of paragraph 1 and renumber paragraphs accordingly.

⁵ Alternative 2(a) of paragraph 2 should be used in conjunction with Alternative 2 in paragraphs 1 and 2(b).

UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]

(b) [Alternative 1 – All Maturities use Hold-the-Offering-Price Rule: As set forth in the [Notice of Intent to Sell Bonds][bond sale notice], [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Bonds, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. [Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the [Bond Purchase Agreement][Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

(c) [To be used when the Bonds were subject to a failed competitive bidding process and the Issuer elected to apply the hold the price rule and the bidder confirmed its bid and agreed to comply with hold the price]. The Bonds were originally subject to a competitive bidding process. Attached as Schedule C hereto is the notification received by [SHORT NAME OF UNDERWRITER] that the Issuer elected to invoke the hold-the-offering-price rule and the [SHORT NAME OF UNDERWRITER]’s confirmation of its bid and its agreement to comply with the hold the offering price rule.

3. ***Defined Terms.***

[(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”]

[(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

[(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (November 13, 2018), or (ii) the date on which the [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means the Union-North United School Building Corporation.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is November 13, 2018.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDEWRITING FIRM][the Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer[and the Borrower] with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bose McKinney & Evans LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice it may give to the Issuer [and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By: _____
Name: _____

Dated: [ISSUE DATE]

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES
(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

SCHEDULE C
CERTIFICATE OF INVOCATION OF HOLD THE PRICE RULE AND CONFIRMATION OF
BID

[Defined terms should correspond to those in the Bid Form]

The Issuer hereby notifies _____, as the winning bidder (the "Purchaser") for the [Insert Caption of Bonds] (the "Bonds") that the Issuer has determined to apply the hold the price rule (as described in the Bid Form dated _____, 20__) to the Bonds maturing _____, _____ and _____. (the "Hold the Price Maturities"). The Purchaser's bid will be cancelled and deemed withdrawn unless the Purchaser affirmatively confirms its bid and agrees to comply with the hold the price rule by executing and **[faxing/e-mailing]** the confirmation below by ____:00 **[a.m./p.m.]**.

Union-North United School Building Corporation

By: _____

The Purchaser hereby acknowledges the Issuer's intention to apply the hold the price rule to the "Hold the Price Maturities". The Purchaser confirms its bid with respect to the Bonds and agrees to comply with the hold the price rule with respect to the Hold the Price Maturities.

[PURCHASER]

By: _____