

**NEW ISSUE**

**Programmatic Rating: S&P Global Ratings “AA+”**  
**Underlying Rating: S&P Global Ratings “A”**

***This Preliminary Official Statement is deemed “nearly final”  
and is dated October 11, 2018***

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana (“Bond Counsel”), under existing laws, interest on the 2018 Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the 2018 Bonds (the “Code”), is not an item of tax preference for purposes of the federal alternative minimum tax but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations for taxable years that began prior to January 1, 2018. In the opinion of Bond Counsel under existing laws, interest on the 2018 Bonds is exempt from income taxation in the State of Indiana (the “State”), except for the State financial institutions tax. The 2018 Bonds have been designated as “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Code. See “TAX MATTERS” and Appendix E herein.

**\$4,575,000\***  
**SOUTH VERMILLION MIDDLE SCHOOL BUILDING CORPORATION**  
**Clinton, Indiana**  
**FIRST MORTGAGE BONDS, SERIES 2018**

Original Date: Date of Delivery (Anticipated to be November 15, 2018)

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

The South Vermillion Middle School Building Corporation (the “Building Corporation”) is issuing \$4,575,000\* of First Mortgage Bonds, Series 2018 (the “2018 Bonds”) to pay the South Vermillion Community School Corporation, Vermillion County, Indiana (the “School Corporation”), for the extension of the Building Corporation’s ownership of the Leased Property (hereinafter defined) and to reimburse the School Corporation for improvements made to the Leased Property since the Building Corporation has owned the Leased Property which were paid by the School Corporation, which money the School Corporation will use to pay for (1) all or a portion of (a) general facility expansion, improvement, renovation and equipping projects at the existing South Vermillion High School, including, but not limited to, the construction and equipping of one or more additions to the existing facility to provide an auxiliary gymnasium, which upon completion will be an approximately 16,200 square feet addition that is two stories tall but without a second floor and will provide for IHSA regulation basketball and volleyball courts, two regulation sized basketball and volleyball cross-courts, a perimeter walking track, retractable bleacher seating for at least 200 people, public restrooms, concessions stand and storage areas, locker rooms, a weight training and fitness equipment room and offices, (b) miscellaneous land acquisition projects, (c) miscellaneous capital improvement, renovation and/or equipping projects at one or more facilities operated or to be operated by the School Corporation, and (d) all projects related to any of the foregoing projects (clauses (a) through and including (d), collectively, the “2018 High School Auxiliary Gymnasium Project”) and (2) the costs of issuing the 2018 Bonds. The 2018 Bonds will be issued on a parity with the Building Corporation’s First Mortgage Bonds, Series 2016A, dated May 26, 2016 (the “2016A Bonds”), the Building Corporation’s First Mortgage Bonds, Series 2016B, dated May 26, 2016 (the “2016B Bonds”) and all additional bonds hereafter issued under the Trust Indenture (hereinafter defined) on a parity with the 2016A Bonds, 2016B Bonds and 2018 Bonds.

The 2018 Bonds, together with the 2016A Bonds, the 2016B Bonds and all additional bonds hereafter issued under the Trust Indenture on a parity with the 2016A Bonds, 2016B Bonds and the 2018 Bonds (the “Additional Bonds”) (the 2016A Bonds, the 2016B Bonds, the 2018 Bonds and all Additional Bonds, collectively, the “Bonds”), are secured by and payable from fixed, semiannual lease rental payments (the “Lease Rentals”) to be paid by the School Corporation directly to First Financial Bank, N.A., in Terre Haute, Indiana (successor to Terre Haute First National Bank by assignment), as trustee (the “Trustee”), under a Trust Indenture between the Building Corporation and the Trustee dated as of September 15, 1993 (the “Original Indenture”), as supplemented and amended by a First Supplemental Trust Indenture dated as of January 1, 2003 (the “First Supplemental Indenture”), as supplemented and amended by a Second Supplemental Trust Indenture dated as of September 15, 2012 (the “Second Supplemental Indenture”), as supplemented and amended by a Third Supplemental Trust Indenture dated as of April 15, 2016 (the “Third Supplemental Indenture”), and as supplemented and amended by a Fourth Supplemental Trust Indenture dated as of October 15, 2018 (the “Fourth Supplemental Indenture”) (the Original Indenture as supplemented by the First Supplemental Indenture, Second Supplemental Indenture, Third Supplemental Indenture and Fourth Supplemental Indenture, the “Indenture” or “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, Chapters 3 and 4, each as amended. 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 2018 Bonds are additionally secured by a first mortgage lien on the Leased Property and other revenues held under the Trust Indenture. The 2018 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 2018 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”), if selected by the purchaser of the 2018 Bonds (the “Purchaser”) or the underwriter of the 2018 Bonds (the “Underwriter”). Otherwise, the 2018 Bonds will be registered in the name of the holder of the 2018 Bonds in denominations of \$5,000 or any integral multiple thereof or in the minimum denomination of \$100,000 and denominations of \$1,000 above such minimum denominations, as selected by the Purchaser. If registered in the name of Cede & Co., the purchases of beneficial interests in the 2018 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 2018 Bonds (the “Beneficial Owners”) will not receive physical delivery of certificates representing their interests in the 2018 Bonds. Interest on the 2018 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 First Financial Bank, N.A., in Terre Haute, Indiana, as the registrar and paying agent (the “Registrar” and “Paying Agent”). Interest on the 2018 Bonds will be paid by check, mailed one business day prior to the interest payment date or by wire transfer to depositories or the Purchaser. The principal of and premium, if any, on the 2018 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 2018 Bonds will be paid directly to DTC by the Paying Agent so long as DTC or its nominee is the registered owner of the 2018 Bonds. The final disbursement of such payments to the Beneficial Owners of the 2018 Bonds will be the responsibility of the DTC Participants and the Indirect Participants. See “BOOK-ENTRY-ONLY SYSTEM”. If the 2018 Bonds are not held by DTC or its nominee, then the principal of and premium, if any, and interest on the 2018 Bonds will be paid directly to the registered owner of the 2018 Bonds. The 2018 Bonds are not subject to optional redemption prior to maturity. The 2018 Bonds may be issued as “Term Bonds” at the Purchaser or Underwriter’s discretion and in that case, would be subject to mandatory sinking fund redemption as more fully described herein.

\*Preliminary, subject to change.

*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, 2021	\$65,000				July 15, 2025	\$440,000			
January 15, 2022	65,000				January 15, 2026	445,000			
July 15, 2022	115,000				July 15, 2026	455,000			
January 15, 2023	120,000				January 15, 2027	460,000			
July 15, 2023	120,000				July 15, 2027	470,000			
January 15, 2024	120,000				January 15, 2028	475,000			
July 15, 2024	125,000				July 15, 2028	485,000			
January 15, 2025	125,000				January 15, 2029	490,000			

\*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 principal amounts within maturities to achieve the financial objectives of the School Corporation with respect to its current and future debt service levies based upon the rates bid by the successful bidder, the School Corporation's current debt service levy and the School Corporation's anticipated debt service levy during the term of the 2018 Bonds. In addition, the Building Corporation reserves the right to decrease the entire principal amount of the 2018 Bonds issued based on the actual interest rates bid by the successful bidder based on the annual lease payments to be paid by the School Corporation under the Lease (as hereinafter defined). The Building Corporation also reserves the right to adjust the aggregate principal amount of the 2018 Bonds so that at least \$4,700,000 but no more than \$4,990,000 is received by the Building Corporation from the successful bidder in connection with the sale of the 2018 Bonds. If the maximum principal amount of the 2018 Bonds issued decreases, the Building Corporation reserves the right to adjust principal amounts within maturities based on the parameters set forth in this paragraph.

## INFORMATION FOR BIDDING

**Date and Time of Sale:** Upon 24 hours' notice. Anticipated to take place on October 17, 2018, at 11:00 a.m. (EDT)

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

**Maximum Interest Rate:** 5.0%

**Minimum Purchase Price\*\*:** 99.5% (\$4,552,125\*)

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

**Anticipated Closing Date:** November 15, 2018

**Good Faith Deposit:** \$45,750\* 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 described in Appendix G of this Official Statement, in the event that the Building Corporation fails to receive a bid on the 2018 Bonds from at least three Underwriters (as hereinafter defined in this paragraph), the Building Corporation shall so advise the successful bidder for the 2018 Bonds (such successful bidder for purposes of this paragraph, the "Purchaser"). If the Purchaser is an Underwriter intending to resell all or any portion of the 2018 Bonds to the Public (as hereinafter defined), the Purchaser must, prior to acceptance of its bid by the Building Corporation, either (i) agree in writing to neither offer nor sell any of the 2018 Bonds to any person at a price that is higher than the initial offering price for each maturity of 2018 Bonds during the Holding Period (as hereinafter defined) for any maturity of the 2018 Bonds or (ii) request in writing that the Building Corporation treat the first price at which 10% of a maturity of the 2018 Bonds (the 10% test) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis. For purposes of this paragraph, (a) the term "Public" shall mean any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter, (b) the term "related party" means any two or more persons who have greater than 50 percent common ownership, directly or indirectly, (c) the term "Underwriter" means (i) any person that agrees pursuant to a written contract with the Building Corporation (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2018 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 2018 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2018 Bonds to the Public), (d) the term "Underwriters" means more than one Underwriter, and (e) the term "Holding Period" means the period starting on the date the Building Corporation awards the 2018 Bonds to the Purchaser (the "Sale Date") and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold at least 10% of each maturity of the 2018 Bonds to the Public at prices that are no higher than the initial offering price for such maturity of the 2018 Bonds. Any underwriter executing and delivering an Official Bid Form with respect to the 2018 Bonds agrees thereby that if its bid is accepted by the Building Corporation (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all participating underwriters of the 2018 Bonds for purposes of assuring the receipt of each such participating underwriter of the Final Official Statement. The Purchaser shall be responsible for providing (i) in writing the initial reoffering prices and other terms, if any, to the Municipal Advisor (as hereinafter defined) as and at the time requested and (ii) a certification verifying information as to the bona fide initial offering prices of the 2018 Bonds to the Public and sales of the 2018 Bonds appropriate for determination of the issue price of, and the yield on, the 2018 Bonds under the Code at the time requested by Bond Counsel (as hereinafter defined).

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 2018 Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) or the Purchaser (as hereinafter defined) and subject to the approval of legality by Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on by Hanner Law Office, as Counsel for the School Corporation and Building Corporation. The 2018 Bonds are expected to be available for delivery to the Purchaser or to DTC in New York, New York, or such other location, as requested by the Purchaser or the Underwriter, on or about November 15, 2018.

IN CONNECTION WITH THIS OFFERING THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2018 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 or the School 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 or the School 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 Building Corporation, 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 or the School Corporation since the date of delivery of the securities described herein to the initial purchaser thereof. However, upon delivery of the securities, the Building Corporation and 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.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE 2018 BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

\*Preliminary, subject to change.

\*\*Minimum Purchase Price shall mean the \$4,575,000 of the 2018 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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## TABLE OF CONTENTS

	<u>Page(s)</u>
Introduction to the Official Statement .....	1
The 2018 High School Auxiliary Gymnasium Project	
Project Description .....	4
Construction Program.....	4
Estimated Project Costs and Funding* .....	5
Schedule of Amortization of \$4,575,000* Principal Amount of First Mortgage Bonds, Series 2018 .....	5
Securities Being Offered	
Authorization and Approval Process .....	6
The Building Corporation.....	6
Leased Property .....	6
Security and Sources of Payment .....	6
Lease Rental Payments by the State of Indiana.....	7
Relationship of Annual Lease Rental Payments to Annual Debt Service Requirements .....	8
Additional Bonds.....	8
Investment of Funds .....	8
The 2018 Bonds	
Interest Calculation.....	8
Redemption Provisions.....	8
Book-Entry-Only System .....	9
Procedures for Property Assessment, Tax Levy and Collection.....	11
Circuit Breaker Tax Credit .....	13
Continuing Disclosure .....	15
Bond Rating.....	15
Purchasing/Underwriting.....	15
Municipal Advisor.....	16
Tax Matters.....	16
Original Issue Discount .....	17
Amortizable Bond Premium .....	18
Litigation .....	18
Certain Legal Matters .....	19
Legal Opinions and Enforceability of Remedies .....	19
Appendices:	
i Notice of Intent to Sell Bonds	
A General Information	
B Accounting Report	
C Summary of Certain Provisions of the Lease	
D Summary of Certain Provisions of the Trust Indenture	
E Legal Opinion	
F Continuing Disclosure Contract	
G Issue Price Determination	

\*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 2018 High School Auxiliary Gymnasium Project and the 2018 Bond issue are:

### Building Corporation Directors

William W. Somerville, President  
Joe Hendrix, Vice President  
Victoria C. Cloyd, Secretary

### Board of School Trustees

John Paul Roehm, President  
Bruce West, Vice President  
Ginger Corado, Secretary  
Bonnie Ave  
Larry Cuel  
Jerry Hawkins  
Kelli Hill

### Superintendent

Dave Chapman

### Business Manager

Cindy Guinn

### Building Corporation and School Corporation Attorney

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Hanner Law Office  
101 South Jefferson Street  
Rockville, Indiana 47872

### Bond Counsel

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Barnes & Thornburg LLP  
11 South Meridian Street  
Indianapolis, Indiana 46204

### Municipal Advisor

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H.J. Umbaugh & Associates  
Certified Public Accountants, LLP  
8365 Keystone Crossing, Suite 300  
Indianapolis, Indiana 46240

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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**

**\$4,575,000\***

### **SOUTH VERMILLION MIDDLE SCHOOL BUILDING CORPORATION**

**Clinton, Indiana**

### **FIRST MORTGAGE BONDS, SERIES 2018**

#### **INTRODUCTION TO THE OFFICIAL STATEMENT**

The South Vermillion Middle School Building Corporation (the “Building Corporation”) is issuing \$4,575,000\* of First Mortgage Bonds, Series 2018 (the “2018 Bonds”). The Building Corporation was organized to issue bonds pursuant to Indiana Code Title 20, Article 47, Chapters 3 and 4, each as amended, to finance the construction of and improvements to school buildings and lease them to the South Vermillion Community School Corporation, Vermillion County, Indiana (the “School Corporation”).

#### **SECURITY AND SOURCES OF PAYMENT**

The 2018 Bonds, along with the Building Corporation’s First Mortgage Bonds, Series 2016A (the “2016A Bonds”), the Building Corporation’s First Mortgage Bonds, Series 2016B (the “2016B Bonds”) and all additional bonds hereafter issued under the Trust Indenture (as hereinafter defined) on a parity with the 2016A, 2016B and 2018 Bonds (the “Additional Bonds”) (the 2018 Bonds, the 2016A Bonds, the 2016B Bonds and all Additional Bonds, collectively, the “Bonds”), are obligations of the Building Corporation payable solely from and secured exclusively by (i) a first mortgage lien on and security interest in the Mortgaged Property, as hereinafter defined, and (ii) the lease rental payments to be paid by the School Corporation (the “Lease Rentals”) directly to First Financial Bank, N.A. in Terre Haute, Indiana (successor to Terre Haute First National Bank by assignment), as trustee (the “Trustee”), under a Trust Indenture between the Building Corporation and the Trustee dated as of September 15, 1993 (the “Original Indenture”), as supplemented and amended by a First Supplemental Trust Indenture dated as of January 1, 2003 (the “First Supplemental Indenture”), as supplemented and amended by a Second Supplemental Trust Indenture dated as of September 15, 2012 (the “Second Supplemental Indenture”), as supplemented and amended by a Third Supplemental Trust Indenture dated as of April 15, 2016 (the “Third Supplemental Indenture”), and as supplemented and amended by a Fourth Supplemental Trust Indenture dated as of October 15, 2018 (the “Fourth Supplemental Indenture”) (the Original Indenture as supplemented by the First Supplemental Indenture, Second Supplemental Indenture, Third Supplemental Indenture and Fourth Supplemental Indenture, the “Indenture” or “Trust Indenture”), as instructed by the Building Corporation under the Lease, dated as of July 26, 1993 (the “Original Lease”), as amended by a First Amendment to Lease dated as of September 15, 1993 (the “First Amendment”), as amended by a Second Amendment to Lease dated as of January 1, 2003 (the “Second Amendment”), as amended by a Third Amendment to Lease dated as of January 4, 2016 (the “Third Amendment”), as amended by an Addendum to Third Amendment to Lease dated as of April 15, 2016 (the “Addendum to the Third Amendment”), as amended by a Fourth Amendment to Lease dated as of July 16, 2018 (the “Fourth Amendment”), and an Addendum to Fourth Amendment to Lease dated as of October 15, 2018 (the “Addendum to the Fourth Amendment”) (collectively, the Original Lease, the First Amendment, the Second Amendment, the Third Amendment, the Addendum to the Third Amendment, the Fourth Amendment, and the Addendum to the Fourth Amendment, the “Lease”), each of which is by and between the Building Corporation, as lessor, and the School Corporation, as lessee.

Such Lease Rentals are payable from ad valorem property taxes to be levied against all taxable property within the School Corporation. Pursuant to the Lease, Lease Rentals sufficient to pay the interest on the 2018 Bonds will commence on June 30, 2019, and Lease Rentals sufficient to pay the principal of, and interest on, the 2018 Bonds will commence on June 30, 2021. The 2018 High School Auxiliary Gymnasium Project (as hereinafter defined) is not required to be completed for the commencement of the increased annual lease rental payments which are in turn needed to pay the principal of, and interest on, the 2018 Bonds as such becomes due.

\*Preliminary, subject to change.

## 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).

## PURPOSE

The 2018 Bonds are being issued to pay the School Corporation for the extension of the Building Corporation's ownership of the Leased Property (hereinafter defined) and to reimburse the School Corporation for improvements made to the Leased Property since the Building Corporation has owned the Leased Property which were paid by the School Corporation, which money the School Corporation will use to pay for (1) all or a portion of (a) general facility expansion, improvement, renovation and equipping projects at the existing South Vermillion High School, including, but not limited to, the construction and equipping of one or more additions to the existing facility to provide an auxiliary gymnasium, which upon completion will be an approximately 16,200 square feet addition that is two stories tall but without a second floor and will provide for IHSA regulation basketball and volleyball courts, two regulation sized basketball and volleyball cross-courts, a perimeter walking track, retractable bleacher seating for at least 200 people, public restrooms, concessions stand and storage areas, locker rooms, a weight training and fitness equipment room and offices, (b) miscellaneous land acquisition projects, (c) miscellaneous capital improvement, renovation and/or equipping projects at one or more facilities operated or to be operated by the School Corporation, and (d) all projects related to any of the foregoing projects (clauses (a) through and including (d), collectively, the "2018 High School Auxiliary Gymnasium Project") and (2) the costs of issuing the 2018 Bonds.

## REDEMPTION PROVISIONS

The 2018 Bonds are not subject to optional redemption prior to maturity. The 2018 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 2018 Bonds are being issued in the denomination of \$5,000 or any integral multiple thereof or in the minimum denomination of \$100,000 and denominations of \$1,000 above such minimum denomination, as selected by the Purchaser or the Underwriter.

## REGISTRATION AND EXCHANGE FEATURES

The Trustee shall keep at its designated corporate trust office, a record for the registration of the 2018 Bonds. Each registered 2018 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/her 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/her duly authorized attorney.

## BOOK-ENTRY-ONLY SYSTEM

When issued, the 2018 Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") if selected by the Purchaser or the Underwriter. Otherwise, the 2018 Bonds will be registered in the name of the holder of the 2018 Bonds in the denomination of \$5,000 or any integral multiple thereof or in the minimum denomination of \$100,000 and denominations of \$1,000 above such minimum denomination, as selected by the Purchaser. If registered in the name of Cede & Co., the purchases of beneficial interests in the 2018 Bonds will be made in book-entry-only form. Purchasers of beneficial interests in the 2018 Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the 2018 Bonds. For so long as the 2018 Bonds are held in book-entry-only form, payments of principal of and interest on the 2018 Bonds will be paid by the Paying Agent only to DTC or its nominee. Neither

the School Corporation, Building Corporation nor the Trustee will have any responsibility for a Beneficial Owner's receipt from DTC or its nominee, or from any Direct Participant (as hereinafter defined) or Indirect Participant (as hereinafter defined), of any payments of principal of or interest on any 2018 Bonds. See "Book-Entry-Only System" under this caption of this Official Statement. If the 2018 Bonds are not held by DTC or its nominee, then the principal and premium, if any, and interest on the 2018 Bonds will be paid directly to the registered owner of the 2018 Bonds.

#### PROVISIONS FOR PAYMENT

The principal on the 2018 Bonds shall be payable at the designated corporate trust office of First Financial Bank, N.A., Terre Haute, Indiana, as registrar and paying agent (the "Registrar" and the "Paying Agent"), or by wire transfer to DTC or any successor depository. All payments of interest on the 2018 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 first day of the month in which the interest is payable 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). If the 2018 Bonds are not held by DTC or a successor depository, the principal of the 2018 Bonds will be payable at the designated corporate trust office of the Registrar and the Paying Agent; provided, however, that with respect to the holder of any of the 2018 Bonds who holds the 2018 Bonds at any time in the principal amount of at least One Million Dollars (\$1,000,000), principal payments may be paid by wire transfer or by check mailed to such holder of the 2018 Bonds without any surrender of the 2018 Bonds if written notice is provided to the Paying Agent at least sixteen (16) days prior to the commencement of such wire transfers or mailing of the check without surrender of the 2018 Bonds. Payments on the 2018 Bonds shall be made in lawful money of the United States of America, which, on the date of such payment, shall be legal tender.

For so long as the 2018 Bonds are held in book-entry-only form, the Trustee will send notices of redemption of the 2018 Bonds only to DTC or its nominee, as the registered owner of the 2018 Bonds, in accordance with the preceding paragraphs. Neither the Building Corporation, the School Corporation nor the Trustee will have any responsibility for any Beneficial Owners' receipt from DTC or its nominee, or from any Direct Participant or Indirect Participant, of any notices of redemption. See "Book-Entry-Only System" under this caption of this Official Statement.

#### NOTICES

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 2018 Bonds, not less than 30 nor more than 60 days prior to the date fixed for redemption.

#### TAX MATTERS

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana ("Bond Counsel"), under existing laws, interest on the 2018 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the 2018 Bonds (the "Code"), is not an item of tax preference for purposes of the federal alternative minimum tax but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations for taxable years that began prior to January 1, 2018. In the opinion of Bond Counsel under existing laws, interest on the 2018 Bonds is exempt from income taxation in the State of Indiana (the "State"), except for the State financial institutions tax. The 2018 Bonds have been designated as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code. See "TAX MATTERS" and Appendix E herein.

The foregoing does not purport to be a comprehensive description of all the tax consequences of owning the 2018 Bonds. Prospective purchasers of the 2018 Bonds should consult with their own tax advisors with respect to the foregoing and other tax consequences of owning the 2018 Bonds.

#### MISCELLANEOUS

The information contained in this Official Statement has been compiled from Building Corporation and 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 information presented in this Official Statement is based on the laws and regulations of the United States of America and the State of Indiana and related court and administrative law decisions in effect as of the date of this Official Statement (collectively, the "Laws"). In addition, the opinions delivered by Bond Counsel and the Hanner Law Office in connection with the issuance of the 2018 Bonds are based on the Laws. No assurance can be given as to the impact, if any, future events, regulations, legislation, court decisions or administrative decisions may have with respect to the Laws or that any or all of the Laws will remain in effect during the entire term of the 2018 Bonds.

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 2018 Bonds, the security for the payment of the 2018 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 the Superintendent, South Vermillion Community School Corporation, 800 West Wildcat Drive, Clinton, Indiana 47842, phone (765) 832-2426.

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 2018 Bonds.

### THE 2018 HIGH SCHOOL AUXILIARY GYMNASIUM PROJECT

#### PROJECT DESCRIPTION

The 2018 Bonds are being issued to pay the School Corporation for the for the extension of the Building Corporation's ownership of the Leased Property (hereinafter defined) and to reimburse the School Corporation for improvements made to the Leased Property since the Building Corporation has owned the Leased Property which were paid by the School Corporation, which money the School Corporation will use to pay for (1) all or a portion of (a) general facility expansion, improvement, renovation and equipping projects at the existing South Vermillion High School, including, but not limited to, the construction and equipping of one or more additions to the existing facility to provide an auxiliary gymnasium, which upon completion will be an approximately 16,200 square feet addition that is two stories tall but without a second floor and will provide for IHSAA regulation basketball and volleyball courts, two regulation sized basketball and volleyball cross-courts, a perimeter walking track, retractable bleacher seating for at least 200 people, public restrooms, concessions stand and storage areas, locker rooms, a weight training and fitness equipment room and offices, (b) miscellaneous land acquisition projects, (c) miscellaneous capital improvement, renovation and/or equipping projects at one or more facilities operated or to be operated by the School Corporation, and (d) all projects related to any of the foregoing projects, and (2) the costs of issuing the 2018 Bonds.

#### CONSTRUCTION PROGRAM

The 2018 High School Auxiliary Gymnasium Project is proceeding as a progressive design-build project under Indiana Code Title 5, Article 30, as amended, with Performance Services, Inc., as the design-builder. It is currently anticipated that the Phase 2 Report with all of the final construction prices and guaranteed maximum price will be considered by the Board at its meeting to be held on October 11, 2018. It is currently anticipated that the construction of the 2018 High School Auxiliary Gymnasium Project will begin by the end of October and be completed by November 2019.

ESTIMATED PROJECT COSTS AND FUNDING\*

	<u>Building Corporation</u>	<u>School Corporation</u>	<u>Total</u>
<u>Estimated Project Costs*</u>			
2018 High School Auxiliary Gymnasium Project		\$4,502,125.00	\$4,502,125.00
Payment to School Corporation for Extension of Lease	\$4,677,125.00	(4,677,125.00)	
Allowance for Discount (0.50%) (1)	22,875.00		22,875.00
Allowance for Estimated Costs of Issuance (2)		175,000.00	175,000.00
Total Estimated Project Costs	<u>\$4,700,000.00</u>	<u>\$0.00</u>	<u>\$4,700,000.00</u>
<u>Estimated Project Funding*</u>			
First Mortgage Bonds, Series 2018	\$4,575,000.00		\$4,575,000.00
Original Issue Premium	125,000.00		125,000.00
Total Estimated Project Funding	<u>\$4,700,000.00</u>	<u>\$0.00</u>	<u>\$4,700,000.00</u>

(1) Purchaser's/Underwriter's Discount.

(2) Estimated fees include bond counsel, local counsel, municipal advisor, design fees, trustee, registrar and paying agent, rating, printing and other miscellaneous items.

SCHEDULE OF AMORTIZATION OF \$4,575,000\* PRINCIPAL AMOUNT OF  
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>
07/15/2019	\$4,575					
01/15/2020	4,575					
07/15/2020	4,575					
01/15/2021	4,575					
07/15/2021	4,575	\$65				
01/15/2022	4,510	65				
07/15/2022	4,445	115				
01/15/2023	4,330	120				
07/15/2023	4,210	120				
01/15/2024	4,090	120				
07/15/2024	3,970	125				
01/15/2025	3,845	125				
07/15/2025	3,720	440				
01/15/2026	3,280	445				
07/15/2026	2,835	455				
01/15/2027	2,380	460				
07/15/2027	1,920	470				
01/15/2028	1,450	475				
07/15/2028	975	485				
01/15/2029	490	490				
Totals		<u>\$4,575</u>				

\*Preliminary, subject to change.

## SECURITIES BEING OFFERED

### AUTHORIZATION AND APPROVAL PROCESS

The 2018 Bonds are to be issued under the authority of Indiana law, including, without limitation, Indiana Code Title 20, Article 47, Chapters 3 and 4, each as amended and in effect on the date of delivery of the 2018 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. Beginning with resolutions adopted on or after January 1, 2018, through December 31, 2018, 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 \$5,000,000, or 1% of the gross assessed value of the governmental entity so long as such gross assessed value is \$100,000,000 or more or \$1,000,000 if the gross assessed value of the governmental entity is less than \$100,000,000.

The 2018 High School Auxiliary Gymnasium Project is considered a non-controlled project and the issuance of the 2018 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 land and building comprising the South Vermillion Middle School and the real estate and improvements located thereon (the “Leased Property”).

### SECURITY AND SOURCES OF PAYMENT

The Bonds are obligations of the Building Corporation payable solely from and secured exclusively by (i) a first mortgage lien on and security interest in the Mortgaged Property, and (ii) the Lease Rentals to be paid by the School Corporation directly to the Trustee as instructed by the Building Corporation under the Lease. The “Mortgaged Property” consists of (i) the Leased Property, (ii) all right, title and interest of the Building Corporation in the Lease and any other leases entered into by the Building Corporation and the School Corporation and pledged to the Trustee as a part of the Mortgaged Property, (iii) all of the right, title and interest in and to the proceeds from the sale of all or any property subject to the lien of the Trust Indenture, and (iv) all proceeds of the Bonds and certain other cash and securities now or hereafter held in certain funds and accounts created and established by the Trust Indenture (except the Rebate Fund, as hereafter defined).

Such Lease Rentals are payable from ad valorem property taxes to be levied against all taxable property within the School Corporation. Pursuant to the Lease, Lease Rentals sufficient to pay the interest on the 2018 Bonds will commence on June 30, 2019, and Lease Rentals sufficient to pay the principal of, and the interest on, the 2018 Bonds will commence on June 30, 2021. The 2018 High School Auxiliary Gymnasium Project is not required to be completed for the commencement of the increased annual lease rental payments which are in turn needed to pay the principal of, and interest on, the 2018 Bonds as such becomes due. See “SUMMARY OF CERTAIN PROVISIONS OF THE LEASE” in Appendix C of this Official Statement.

The Lease provides that, in the event the Leased Property is partially or totally destroyed, whether by fire or any other casualty, so as to render the same unfit, in whole or part, for use by the School Corporation: (i) it will then be the obligation of the Building Corporation to restore and rebuild the Leased Property as promptly as may be done, unavoidable strikes and other causes beyond the control of the Building Corporation excepted; provided, the Building Corporation will not be obligated to expend on such restoration or rebuilding more than the amount of the

proceeds received by the Building Corporation from the insurance provided for in the Lease, and provided further, the Building Corporation will not be required to rebuild or restore the Leased Premises if the School Corporation instructs the Building Corporation not to undertake such work because the School Corporation anticipates that either the cost of such work exceeds the amount of insurance proceeds and other amounts available for such purpose, or the work cannot be completed within the period covered by rental value insurance (See "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE – Covenants of the Building Corporation – Use of Proceeds from Insurance" in Appendix D of this Official Statement); and (ii) the Lease Rentals will be abated, for the period during which the Leased Property or any part thereof is unfit for use by the School Corporation, in proportion to the percentage of the area of the Leased Property which is unfit for use by the School Corporation.

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

#### LEASE RENTAL PAYMENTS BY THE STATE OF INDIANA

Indiana Code Title 20, Article 48, Chapter 1, Section 11, as amended (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. In accordance with the Trust Indenture, the Trustee is required to immediately notify and demand payment from the State Treasurer if the School Corporation should default on its

obligation to pay the Lease Rentals on the due date. 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>\$11,941,174</u>
Estimated Combined Maximum Annual Debt Service (2)	<u>\$1,810,425</u>
State Distributions Required to Provide Two-Times Coverage	<u>\$3,620,850</u>
State Distributions Above/(Below) Two-Times Coverage Amount	<u>\$8,320,324</u>

(1) Per the Indiana Department of Education, net of adjustments.

(2) Based on combined outstanding debt for the year 2019 including debt service on the 2018 Bonds.

While the above description is based upon the Act, 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

Pursuant to the Trust Indenture, all funds of the Building Corporation shall be invested by the Trustee at the direction of the Building Corporation in "Qualified Investments" as defined in the Trust Indenture.

#### THE 2018 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 2018 Bonds are not subject to optional redemption prior to maturity.



#### Mandatory Sinking Fund Redemption:

If any 2018 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 2018 Bonds are called for redemption at one time, the 2018 Bonds shall be redeemed in order of maturity determined by the Building Corporation and by lot within maturity. Each authorized denomination principal amount shall be considered a separate bond for purposes of mandatory redemption.

#### Notice of Redemption:

Notice of redemption shall be mailed to the registered owners of all 2018 Bonds to be redeemed at least 30 days but not more than 60 days prior to the date fixed for such redemption, unless notice is waived by the owner of the 2018 Bonds or the 2018 Bonds are redeemed. If any of the 2018 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 2018 Bonds shall cease to bear interest from and after the date fixed for redemption in the call.

#### BOOK-ENTRY-ONLY SYSTEM

If the successful bidder of the 2018 Bonds determines to have the 2018 Bonds held by The Depository Trust Company, the following information will apply to the 2018 Bonds.

DTC will act as securities depository for the 2018 Bonds. The 2018 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 2018 Bond certificate will be issued for each maturity of the 2018 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges 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 S&P Global Ratings' rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2018 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 2018 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 the 2018 Bonds, except in the event that use of the book-entry system for the 2018 Bonds is discontinued.

To facilitate subsequent transfers, all 2018 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 2018 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 2018 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 2018 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 the 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Trust Indenture. For example, Beneficial Owners of the 2018 Bonds may wish to ascertain that the nominee holding the 2018 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 Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2018 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 2018 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 2018 Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, premium and interest payments on the 2018 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 Trustee 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, the Trustee or the Building Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium 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 Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2018 Bonds at any time by giving reasonable notice to the Building Corporation or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2018 Bond certificates are required to be printed and delivered.

The Building Corporation or the School Corporation may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2018 Bond certificates will be printed and delivered to DTC.

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

### **Discontinuation of Book-Entry System**

In the event that the book-entry system for the 2018 Bonds is discontinued, the Trustee would provide for the registration of the 2018 Bonds in the name of the Beneficial Owners thereof. The Building Corporation and the Trustee would treat the person in whose name any 2018 Bond is registered as the absolute owner of such 2018 Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other purposes, and neither the Building Corporation, School Corporation nor the Trustee would be bound by any notice or knowledge to the contrary.

Each 2018 Bond would be transferable or exchangeable only upon the presentation and surrender thereof at the corporate trust office of the Trustee, duly endorsed for transfer or exchange, or accompanied by a written assignment duly executed by the owner or its authorized representative in form satisfactory to the Trustee. Upon due presentation of any 2018 Bonds for transfer or exchange, the Trustee would authenticate and deliver in exchange therefor, within a reasonable time after such presentation, a new 2018 Bond, registered in the name of the transferee or transferees (in the case of a transfer), or the owner (in the case of an exchange), in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the 2018 Bond so presented. The Building Corporation or the Trustee would require the owner of any 2018 Bonds to pay a sum sufficient to cover any tax, fee or other governmental charge required to be paid in connection with the transfer or exchange of such 2018 Bonds. The Trustee would not be required to transfer or exchange any 2018 Bonds.

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

The Lease Rentals are payable from ad valorem property taxes required by law to be levied by or on behalf of the School Corporation. Article 10, Section 1 of the Constitution of the State of Indiana ("Constitutional Provision") provides that, for property taxes first due and payable in 2012 and thereafter, the Indiana General Assembly shall, by law, limit a taxpayer's property tax liability to a specified percentage of the gross assessed value of the taxpayer's real and personal property. The Indiana General Assembly enacted legislation (Indiana Code Title 6, Article 1.1, Chapter 20.6), which implements the Constitutional Provision and provides taxpayers with a tax credit for all property taxes in an amount that exceeds a certain percentage of the gross assessed value of eligible property. See "CIRCUIT BREAKER TAX CREDIT" herein for further details on the levy and collection of property taxes.

Real and personal property in the State is assessed each year as of January 1. On or before August 1 of each year, the County Auditor must submit a certified statement of the assessed value of each taxing unit for the ensuing year to the DLGF. The DLGF shall make the certified statement available on its gateway website located at <https://gateway.ifionline.org/> ("Gateway"). The County Auditor may submit an amended certified statement at any time before February 15<sup>th</sup> of the ensuing year, the date by which the DLGF must certify the taxing units' budgets.

The certified statement of assessed value is used when the governing body of a local taxing unit meets to establish its budget for the next fiscal year (January 1 through December 31) and to set tax rates and levies. In preparing the taxing unit's estimated budget, the governing body must consider the net property tax revenue that will be collected by the taxing unit during the ensuing year, after taking into account the DLGF's estimate of the amount by which the taxing unit's distribution of property taxes will be reduced by the application of the Circuit Breaker Tax Credit (as defined in the summary of "CIRCUIT BREAKER TAX CREDIT" herein), and after taking into account the DLGF's estimate of the maximum amount of net property tax revenue and miscellaneous revenue that the taxing unit will receive in the ensuing year. Before August 1 of each year, the DLGF shall provide to each taxing unit an estimate of the amount by which the taxing unit's distribution of property taxes will be reduced.

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

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

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

Taxing units have until December 31 of the calendar year immediately preceding the ensuing calendar year to file a levy shortfall appeal. The DLGF must complete its review and certification of budgets, tax rates and levies on or before February 15.

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 general reassessments scheduled by the State legislature, 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, the county assessor will

prepare and submit to the DLGF a reassessment plan for each county. Beginning in 2016, 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 reassessment plan once during each reassessment cycle. The reassessment of the first group of parcels under a county's reassessment plan began on July 1, 2014, and was to be completed on or before January 1, 2016. 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.

### CIRCUIT BREAKER TAX CREDIT

#### *Description of Circuit Breaker:*

Article 10, Section 1 of the Constitution of the State of Indiana (the "Constitutional Provision") provides that, for property taxes first due and payable in 2012 and thereafter, the Indiana General Assembly shall, by law, limit a taxpayer's property tax liability to a specified percentage of the gross assessed value of the taxpayer's real and personal property. Indiana Code § 6-1.1-20.6 (the "Statute") authorizes such limits in the form of a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit (the "Circuit Breaker Tax Credit"). For property assessed as a homestead (as defined in Indiana Code § 6-1.1-12-37), the Circuit Breaker Tax Credit is equal to the amount by which the property taxes attributable to the homestead exceed 1% of the gross assessed value of the homestead. Property taxes attributable to the gross assessed value of other residential property, agricultural property, and long-term care facilities are limited to 2% of the gross assessed value, property taxes attributable to other non-residential real property and personal property are limited to 3% of the gross assessed value. The Statute provides additional property tax limits for property taxes paid by certain senior citizens.

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

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

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

The Statute also provides that if a school corporation has sufficient Circuit Breaker Tax Credit losses in either 2014, 2015, 2016, 2017, 2018 or 2019 and has such annual losses timely certified by the DLGF, it will be an eligible school corporation for such year under I.C. 6-1.1-20.6-9.9 (an "Eligible School Corporation"). However, in 2018 and 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 total debt service levy or rate in 2018 or 2019 is greater than the school corporation's debt service levy or rate in 2016, the school corporation will not be an Eligible School Corporation even if it would otherwise qualify. For the applicable year or years, an Eligible School Corporation may allocate its Circuit Breaker Tax Credit losses for that year proportionately across all of its property tax supported funds, including its debt service fund, thereby being exempted from the protected taxes requirement as described above. While the School Corporation did not qualify for this exemption in 2015, the School Corporation did qualify for this exemption for 2014, 2016, 2017, and 2018, but does not know as of the date of this Official Statement if it will qualify for this exemption in 2019.

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 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 school corporation 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 2016, 2017 and 2018 are \$345,689, \$376,594 and \$330,225, respectively. These amounts do not include the estimated debt service on the 2018 Bonds and Lease Rentals on the Lease securing the 2018 Bonds.

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

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 Contract (the "Contract"), if the 2018 Bonds are purchased by Underwriters, to be dated the date of the closing of the 2018 Bonds. The form of the Contract for the 2018 Bonds is attached to the Official Statement as Appendix F.

In order to assist the Underwriter in complying with the Underwriter's obligations pursuant to the Rule, the School Corporation is not aware of any instances in the previous five years in which the School Corporation has failed to comply in any material respects with previous undertaking agreements. The School Corporation has contracted a dissemination agent to assist with future compliance filings. The School Corporation makes no representation as to any potential materiality of such prior instances, as materiality is dependent upon individual facts and circumstances.

BOND RATING

S&P Global Ratings ("S&P Global") has assigned a programmatic bond rating of "AA+" to the 2018 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 2018 Bonds. Such ratings reflect 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 2018 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 2018 Bonds.

Neither the Building Corporation nor the School Corporation applied to any other rating service for a rating on the 2018 Bonds.

PURCHASING/UNDERWRITING

If the purchaser of the 2018 Bonds is purchasing the 2018 Bonds for its own account and without any present intent to resell any of the 2018 Bonds or any interest therein, then the following paragraph will apply:

The 2018 Bonds are being purchased by \_\_\_\_\_ (the "Purchaser") for the Purchaser's own account and without any present intent to resell any of the 2018 Bonds or any interest therein, and the Purchaser will certify to the School Corporation this intent at the time the 2018 Bonds are issued. The 2018 Bonds are being purchased for the amount equal to \$\_\_\_\_\_, which represents the principal amount of the 2018 Bonds less a discount of \$\_\_\_\_\_. The Notice of Intent to Sell Bonds provides that all of the 2018 Bonds will be purchased by the Purchaser if any of such 2018 Bonds are purchased.

If the purchaser of the 2018 Bonds is purchasing the 2018 Bonds as an underwriter with the intent to resell all or any of the 2018 Bonds or any interest therein, then the following paragraphs will apply:

The 2018 Bonds are being purchased by \_\_\_\_\_ (the “Underwriter”) at a purchase price of \$\_\_\_\_\_, which is the par amount of the 2018 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 2018 Bonds will be purchased by the Underwriter if any of such 2018 Bonds are purchased.

The Underwriter intends to offer the 2018 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 2018 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 2018 Bonds. The Municipal Advisor’s fees are expected to be paid from proceeds of the 2018 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 2018 Bonds.

The offer and sale of the 2018 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 2018 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.

### TAX MATTERS

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana (“Bond Counsel”), under existing laws, interest on the 2018 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the 2018 Bonds (the “Code”). The opinion of Bond Counsel is based on certain certifications, covenants and representations of the Building Corporation and the School Corporation and is conditioned on continuing compliance therewith. In the opinion of Bond Counsel, under existing laws, interest on the 2018 Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax. See Appendix E for the form of opinion of Bond Counsel.



The Code imposes certain requirements which must be met subsequent to the issuance of the 2018 Bonds as a condition to the excludability of the interest on the 2018 Bonds from gross income for federal income tax purposes. Noncompliance with such requirements may cause interest on the 2018 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issue, regardless of the date on which noncompliance occurs. Should the 2018 Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the 2018 Bonds would be materially and adversely affected. It is not an event of default if interest on the 2018 Bonds is not excludable from gross income for federal income tax purposes pursuant to any provision of the Code which is not in effect on the date of issuance of the 2018 Bonds.

The interest on the 2018 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. However, interest on the 2018 Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations for taxable years that began prior to January 1, 2018.

The 2018 Bonds have been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Indiana Code 6-5.5 imposes a franchise tax on certain taxpayers (as defined in Indiana Code 6-5.5) which, in general, include all corporations which are transacting the business of a financial institution in the State. 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 2018 Bonds is excludable from gross income for federal income tax purposes and exempt from State income tax, the accrual or receipt of interest on the 2018 Bonds may otherwise affect an owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the owner’s particular tax status and the owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the 2018 Bonds should consult their own tax advisors with regard to the other tax consequences of owning the 2018 Bonds.

The foregoing does not purport to be a comprehensive description of all of the tax consequences of owning the 2018 Bonds. Prospective purchasers of the 2018 Bonds should consult their own tax advisors with respect to the foregoing and other tax consequences of owning the 2018 Bonds.

#### ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the 2018 Bonds maturing on \_\_\_\_\_, 20\_\_, through and including \_\_\_\_\_, 20\_\_ (collectively the “Discount Bonds”), are less than the principal amounts thereof 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 each maturity 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 its maturity, will be treated as “original issue discount.” The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount 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). An owner who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity will treat the accrued 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.

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.

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 public 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 that 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 public offering prices of the 2018 Bonds maturing on \_\_\_\_\_, 20\_\_, through and including \_\_\_\_\_, 20\_\_ (collectively, the “Premium Bonds”), are greater than the principal amounts thereof payable at maturity. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the “Bond Premium”). An owner who acquires a Premium Bond in the initial public offering 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). The amount of amortizable Bond Premium will be computed on the basis of the taxpayer’s yield to maturity, with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning 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 such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of the Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities, are found in Section 75 of the Code. Dealers in tax-exempt securities are urged to consult their own tax advisors concerning the treatment of Bond Premium.

#### LITIGATION

To the knowledge of the officers and counsel for the School Corporation and 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 2018 Bonds, or any proceedings or transactions relating to the issuance, sale or delivery thereof.

The officers and counsel for the Building Corporation and the School Corporation will certify at the time of delivery of the 2018 Bonds that there is no litigation pending or in any way threatened questioning the validity of the 2018 Bonds, or any of the proceedings had relating to the authorization, issuance and sale of the 2018 Bonds, the Trust Indenture or the 2018 High School Auxiliary Gymnasium 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 2018 Bonds are subject to the unqualified approving opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel, whose approving opinion will be available at the time of delivery of the 2018 Bonds. Barnes & Thornburg 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.

### LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The enforceability of the rights and remedies of the Trustee or the registered owners of the 2018 Bonds under the Trust Indenture and the availability of remedies to any party seeking to enforce the lien on the Mortgaged Property are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the enforceability of the rights and remedies under the Trust Indenture and the availability of remedies to any party seeking to enforce the lien on the Mortgaged Property may be limited.


The various legal opinions to be delivered concurrently with the delivery of the 2018 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Those exceptions would encompass any exercise of federal, State or local police powers (including the police powers of the School Corporation and the State), in a manner consistent with the public health and welfare. The enforceability of the Trust Indenture and the availability of remedies to a party seeking to enforce the lien on the Mortgaged Property, in a situation where such enforcement or availability may adversely affect the public health and welfare, may be subject to those police powers.


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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.

SOUTH VERMILLION MIDDLE SCHOOL  
BUILDING CORPORATION

By:   
President

Attest:   
Secretary

SOUTH VERMILLION COMMUNITY SCHOOL  
CORPORATION

By:   
Superintendent

## APPENDIX i



## OFFICIAL NOTICE OF INTENT TO SELL BONDS

### **\$4,575,000 (Preliminary, Subject to Change) SOUTH VERMILLION MIDDLE SCHOOL BUILDING CORPORATION FIRST MORTGAGE BONDS, SERIES 2018**

**NOTICE IS HEREBY GIVEN** that upon not less than twenty-four (24) hours' notice given by telephone, facsimile, electronically or otherwise on behalf of the South Vermillion Middle School Building Corporation, an Indiana nonprofit corporation (the "Corporation"), prior to ninety (90) days from the date of the second publication of this notice, bids will be received on behalf of the Corporation in care of the Corporation's municipal advisor, H.J. Umbaugh & Associates, Certified Public Accountants, LLP (the "Municipal Advisor"), 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240, (317) 465-1500 (telephone), [bids@umbaugh.com](mailto:bids@umbaugh.com) (e-mail), in the manner as set forth herein for the purchase of the First Mortgage Bonds of the Corporation designated as "South Vermillion Middle School Building Corporation, First Mortgage Bonds, Series 2018" (the "2018 Bonds") in the aggregate principal amount of Four Million Five Hundred Seventy-Five Thousand Dollars (\$4,575,000) (preliminary, subject to change), bearing interest at a rate or rates not exceeding five percent (5.00%) per annum. Upon completion of the bidding procedures described herein, the results of the non-electronic bids received shall be compared to the electronic bids received by the Corporation.

**TYPES OF BIDS ALLOWED.** Bids may be submitted via the **PARITY**<sup>®</sup> web site ("**PARITY**<sup>®</sup>") or by e-mail to the Municipal Advisor at [bids@umbaugh.com](mailto:bids@umbaugh.com). Bidders may access the sale at the **PARITY**<sup>®</sup> website via the sale link at Internet Address [www.newissuehome.i-deal.com](http://www.newissuehome.i-deal.com) between 10:00 a.m. and 11:00 a.m. (applicable Eastern Time) on the date identified in the notice given by, or on behalf of the Corporation, twenty-four hours prior to the sale of the 2018 Bonds. To bid via **PARITY**<sup>®</sup>, bidders must have both (1) completed the registration form on **PARITY**<sup>®</sup>, if not previously registered, and (2) requested and received admission to the Corporation's sale, as described in the Registration and Admission to Bid and details set forth below. As an alternative to **PARITY**<sup>®</sup>, bidders may submit either a bid to the Municipal Advisor at the address described above or by e-mail to the Municipal Advisor at [bids@umbaugh.com](mailto:bids@umbaugh.com) until 11:00 a.m. (applicable Eastern Time) on the date identified in the notice given by, or on behalf of the Corporation, twenty-four hours prior to the sale of the 2018 Bonds. It is currently anticipated that bids will be requested to be submitted on October 17, 2018.

**FORM, MATURITY AND PAYMENT OF BONDS.** Interest on the 2018 Bonds shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred and sixty (360)-day year and shall be payable semiannually on January 15 and July 15 in each year, commencing July 15, 2019. The 2018 Bonds will be issued as fully registered bonds in either certificated form or in book-entry-only form (as selected by the successful bidder) in either denominations of \$5,000 each or any integral multiple thereof or minimum denominations of \$100,000 each and any multiple of \$1,000 above such minimum denomination, as selected by the successful bidder, not exceeding the aggregate principal amount of such 2018 Bonds maturing on the applicable principal payment date, and when issued, will be registered in the name of the successful bidder or if the successful bidder determines to have such 2018 Bonds issued in book-entry-only form,

then in the name of CEDE & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York. If book-entry-only form is selected by the successful bidder, the purchasers of beneficial interests in the 2018 Bonds (the “Beneficial Owners”) will not receive physical delivery of bond certificates and ownership by the Beneficial Owners will be evidenced by book-entry only. As long as Cede & Co. is the registered owner of the 2018 Bonds as nominee of DTC, payments of principal and interest will be made directly to such registered owner, which will in turn, remit such payments to the DTC Participants for subsequent disbursement to the Beneficial Owners. None of the Corporation, the South Vermillion Community School Corporation, Vermillion County, Indiana (the “School Corporation”), and First Financial Bank, N.A. (successor to Terre Haute First National Bank by assignment), in Terre Haute, Indiana, as the trustee (the “Trustee”), under the Trust Indenture, dated as of September 15, 1993, as supplemented and amended by the First Supplemental Trust Indenture, dated as of January 1, 2003, the Second Supplemental Trust Indenture, dated as of September 15, 2012, the Third Supplemental Trust Indenture, dated as of April 15, 2016, and the Fourth Supplemental Trust Indenture, dated as of October 15, 2018 (collectively, the “Indenture”), each of which is by and between the Corporation and the Trustee, shall have any liability for the failure of DTC or any DTC Participant to remit the payment or provide any notice to any Beneficial Owner of such series of 2018 Bonds.

The 2018 Bonds shall be numbered consecutively from 2018R-1 upward, shall bear an original issue date which shall be the date the 2018 Bonds are issued and shall mature on January 15 and July 15 in the years and amounts as follows:

<b><u>Maturity Date*</u></b>	<b><u>Principal Amount*</u></b>
July 15, 2021	\$65,000
January 15, 2022	65,000
July 15, 2022	115,000
January 15, 2023	120,000
July 15, 2023	120,000
January 15, 2024	120,000
July 15, 2024	125,000
January 15, 2025	125,000
July 15, 2025	440,000
January 15, 2026	445,000
July 15, 2026	455,000
January 15, 2027	460,000
July 15, 2027	470,000
January 15, 2028	475,000
July 15, 2028	485,000
January 15, 2029	490,000

\*estimated, subject to change

The Corporation reserves the right to adjust principal amounts within maturities to achieve the financial objectives of the School Corporation with respect to its current and future debt service levies based upon the rates bid by the successful bidder, the School Corporation’s current debt



service levy and the School Corporation's anticipated debt service levy during the term of the 2018 Bonds. In addition, the Corporation reserves the right to decrease the entire principal amount of the 2018 Bonds issued based on the actual interest rates bid by the successful bidder based on the annual lease payments to be paid by the School Corporation under the Lease (as defined in the Indenture). The Corporation also reserves the right to adjust the aggregate principal amount of the 2018 Bonds so that at least \$4,700,000 but no more than \$4,990,000 is received by the Corporation from the successful bidder in connection with the sale of the 2018 Bonds. If the maximum principal amount of the 2018 Bonds issued decreases, the Corporation reserves the right to adjust principal amounts within maturities based on the parameters set forth in this paragraph.

All payments of interest on the 2018 Bonds will be paid by check or draft mailed one business day prior to each interest payment date, to the registered owners of the 2018 Bonds as of the first (1<sup>st</sup>) day of the month in which such interest is payable at the address as it appears on the registration books kept by the Trustee as of the first (1<sup>st</sup>) day of the month of the interest payment date or at such other address as is provided to the Trustee in writing by such registered owner. Principal on the 2018 Bonds will be payable at the designated corporate trust office of the Trustee. Notwithstanding the foregoing, so long as DTC or its nominee is the registered owner of the 2018 Bonds, principal of and interest on the 2018 Bonds will be paid directly by the Trustee to DTC as provided hereinabove.

The 2018 Bonds may be transferred or exchanged at the office of the Trustee, subject to the terms and conditions of the Indenture.

The Corporation has designated the 2018 Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

**REDEMPTION PROVISIONS.** Unless otherwise noted in the twenty-four (24) hour notice of sale received by all interested bidders prior to the sale date of the 2018 Bonds, none of the 2018 Bonds shall be subject to optional redemption prior to maturity.

Upon the election of the successful bidder, any of the 2018 Bonds may be issued as term bonds subject to mandatory sinking fund redemption on January 15 and July 15 of the year set forth above at 100% of the face value in accordance with the schedule set forth above. If any 2018 Bonds are subject to mandatory sinking fund redemption, the Trustee shall credit against the mandatory sinking fund requirement for any term bonds and corresponding mandatory sinking fund redemption obligation, in the order determined by the Corporation, any term bonds maturing on the same date 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 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 credit such term bonds only to the extent received on or before forty-five days preceding the applicable mandatory redemption date.

Notice of any redemption will be mailed by first class mail by the Trustee not less than 30 days prior to the date selected for redemption to the registered owners of all 2018 Bonds to be redeemed at the address shown on the registration books of the Trustee; provided, however, that failure to give such notice by mailing or a defect in the notice or the mailing as to the 2018 Bonds will not affect the validity of any proceedings for redemption as to any other 2018 Bonds for which notice is adequately given. Notice having been mailed, the 2018 Bonds designated for redemption will, on the date specified in such notice, become due and payable at the then applicable redemption price. On presentation and surrender of such 2018 Bonds in accordance with such notice at the place at which the same are expressed in such notice to be redeemable, such 2018 Bonds will be redeemed by the Trustee and any paying agent for that purpose. From and after the date of redemption so designated, unless default is made in the redemption of the 2018 Bonds upon presentation, interest on the 2018 Bonds designated for redemption will cease.

With respect to any optional redemption of any of the 2018 Bonds, unless moneys sufficient to pay the principal of, and premium, if any, and interest on such 2018 Bonds to be redeemed has been received by the Trustee prior to the giving of such notice of redemption, such notice will state that said redemption is conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If such moneys are not received by the redemption date, such notice will be of no force and effect, the Trustee will not redeem such 2018 Bonds, the redemption price will not be due and payable and the Trustee will give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such 2018 Bonds will not be redeemed and that the failure to redeem such 2018 Bonds will not constitute an event of default under the Indenture. Moneys need not be on deposit with the Trustee prior to the mailing of the notice of redemption of the 2018 Bonds pursuant to the Indenture.

**INTEREST RATES.** Each bid must be for all of the 2018 Bonds and must state the rate or rates of interest therefor, not exceeding the maximum per annum interest rate hereinbefore specified. Such interest rate or rates must be in multiples of one-eighth (1/8) or one-one hundredth (1/100) of one percent (1.00%). Bids specifying more than one interest rate must also specify the amount and maturities of the 2018 Bonds bearing each rate. All 2018 Bonds maturing on the same date shall bear the same rate of interest. In addition to the foregoing, it is the desire of the Corporation and School Corporation to receive approximately \$150,000 in premium from the sale of the 2018 Bonds, subject to certain annual payment limitations, which limitations and final premium requirements will be provided to the interested bidders of the 2018 Bonds either prior to, or at the time of, the issuance of the 24-hour sale notice by the Municipal Advisor on behalf of the Corporation. Although not a term of sale, it is requested that each bid show the total dollar cost to final maturity and the true interest cost on the entire issue to which such bid relates.

**BIDDING DETAILS.** Any person interested in submitting a bid for the 2018 Bonds must furnish written notice of such intent along with such person's name, address and telephone number, on or before 11:00 a.m. (applicable Eastern Time), October 16, 2018, to the Municipal Advisor at the address set forth above. The person may also furnish a telex or e-mail address. Notwithstanding the foregoing, any person or entity registered in **PARITY**® will be automatically deemed to have complied with the foregoing requirements for so long as such person or entity is registered in **PARITY**®. In addition to sending the notice on **PARITY**®, the Corporation will cause each person so registered to be notified of the date and time bids will be received for the

2018 Bonds 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 telex or facsimile and electronically if a telex or facsimile number or e-mail address has been furnished. No conditional bid or bids for less than ninety-nine and one-half percent (99.50%) of the par value of the 2018 Bonds will be considered. The Corporation reserves the right to reject any and all bids and to waive any informality in any bid. If no acceptable bid is received on the date fixed for sale of the 2018 Bonds, the sale may be continued from day to day thereafter without further advertisement for a period not to exceed thirty (30) days, but if so continued, no bid will be accepted which offers a net interest cost which is equal to or higher than the best bid received at the time fixed for the sale.

A bidder may purchase bond insurance to guarantee the repayment of the debt service of the 2018 Bonds from a bond insurance company; provided, however, the payment of any premium for any such bond insurance will be paid by the successful bidder from its discount bid, and will not be paid by the Corporation.

Bids for the 2018 Bonds not submitted via **PARITY**<sup>®</sup> must be (i) on the form approved by the Corporation, without additions, alterations or erasures, which form may be obtained from the Municipal Advisor at the address set forth herein; and (ii) delivered to the Municipal Advisor on behalf of the Corporation at the address or e-mail address set forth above.

While it is not a requirement for the successful bidder, the Corporation encourages the successful bidder to make a good faith effort to offer the 2018 Bonds to be purchased by residents of the School Corporation.

**POTENTIAL BIDDER QUESTIONS.** If a potential bidder has questions related to the Corporation, the School Corporation, the financing or the submission of bids, questions should be submitted by electronic mail to the Municipal Advisor at the addresses set forth in this notice no later than 11:00 a.m. (applicable Eastern Time) on October 16, 2018. Any question submitted after such date and time or not submitted via electronic mail to the Municipal Advisor at the addresses set forth in this notice will not receive any response. To the best of the Corporation's ability, all questions submitted on or before such date and time and submitted via electronic mail to the Municipal Advisor at the addresses set forth in this notice will be addressed by the Corporation and sent to all potential bidders, including all bidders requesting the 24 hours' notice of sale, no later than 5:00 p.m. (applicable Eastern Time) on October 16, 2018. Additionally, upon request, the written responses of the Corporation will be sent via electronic mail to any other interested person or entity requesting such written responses. Potential bidders should review the information in this notice as well as the Preliminary Official Statement (as hereinafter defined) for information regarding the Corporation, the School Corporation, the financing and the submission of bids prior to submitting any questions.

**INTERNET BIDS.** If using **PARITY**<sup>®</sup>, bidders must first visit the **PARITY**<sup>®</sup> web site where, if they have never registered with **PARITY**<sup>®</sup>, they can register and then request admission to bid on the 2018 Bonds. Only NASD registered broker dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Any questions pertaining to the **PARITY**<sup>®</sup> web site may be directed to **PARITY**<sup>®</sup> at (212) 849-5021.

**RULES OF ELECTRONIC BIDDING.** The “Rules” of *PARITY*<sup>®</sup> can be viewed on its website and are incorporated herein by reference. Bidders must comply with the *PARITY*<sup>®</sup> in addition to requirements of this Official Notice of Intent to Sell Bonds. To the extent there is a conflict between the Rules of *PARITY*<sup>®</sup> and this Official Notice of Intent to Sell Bonds, this Official Notice of Intent to Sell Bonds shall control

**CLOSED AUCTION.** Bidders may change and submit bids as many times as they wish during the sale period, but they may not withdraw a submitted bid. The last bid submitted by a bidder prior to the deadline for the receipt of bids will be compared to all other final bids to determine the winning bid. During the sale, no bidder will see any other bidder’s bid, nor will any bidder see the status of its bid relative to other bids (e.g. whether its bid is a leading bid).

**AMENDMENTS.** The Corporation reserves the right to amend any information contained in this Official Notice of Intent to Sell Bonds. The Corporation also reserves the right to postpone, from time to time, the date established for the receipt of bids on the 2018 Bonds. Any such amendment or postponement will be announced on the Amendments Page accessible through the View Amendments button of *PARITY*<sup>®</sup>, or via TM3 and/or Bloomberg wire service, at any time prior to the date and time established for the auction. If any date fixed for the sale is postponed, any alternative sale date will be announced at least 24 hours prior to such alternative sale date.

**BASIS FOR AWARD.** The sale of the 2018 Bonds will be awarded to the bidder making a bid that conforms to the specifications herein and which produces the lowest True Interest Cost rate to the Corporation for the 2018 Bonds. The True Interest Cost rate is that rate which, when used to compute the total present value as of the date of delivery of the 2018 Bonds of all debt service payments on the 2018 Bonds on the basis of semiannual compounding, produces an amount equal to the sum of the par value of the 2018 Bonds minus any premium bid plus any discount. In the event of a bidder’s error in interest cost rate calculations, the interest rates and premium, if any, set forth or incorporated by reference in the Official Bid Form will be considered as the intended bid.

In the event that the Corporation fails to receive a bid on the 2018 Bonds from at least three Underwriters (as hereinafter defined), the Corporation shall so advise the successful bidder for the 2018 Bonds (such successful bidder, the “Purchaser”). If the Purchaser is an Underwriter intending to resell all or any portion of the 2018 Bonds to the Public (as hereinafter defined), the Purchaser must, prior to acceptance of its bid by the Corporation, either (i) agree in writing to neither offer nor sell any of the 2018 Bonds to any person at a price that is higher than the initial offering price for each maturity of the 2018 Bonds during the Holding Period (as hereinafter defined) for any maturity of the 2018 Bonds or (ii) request in writing that the Corporation treat the first price at which 10% of a maturity of the 2018 Bonds (the 10% test) is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis. For purposes of this Notice of Intent to Sell Bonds, (a) the term “Public” shall mean any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter, (b) the term “related party” means any two or more persons who have greater than 50 percent common ownership, directly or indirectly, (c) the term “Underwriter” means (i) any person that agrees pursuant to a written contract with the Corporation (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2018 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 2018 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2018 Bonds to the Public), (d) the term “Underwriters” means more than one Underwriter, and (e) the term “Holding Period” means the period starting on the date the Corporation awards the 2018 Bonds to the Purchaser (the “Sale Date”) and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold at least 10% of each maturity of the 2018 Bonds to the Public at prices that are no higher than the initial offering price for such maturity of the 2018 Bonds. Any underwriter executing and delivering an Official Bid Form with respect to the 2018 Bonds agrees thereby that if its bid is accepted by the Corporation (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all participating underwriters of the 2018 Bonds for purposes of assuring the receipt of each such participating underwriter of the Official Statement. The Purchaser shall be responsible for providing (i) in writing the initial reoffering prices and other terms, if any, to the Municipal Advisor as and at the time requested and (ii) a certification verifying information as to the bona fide initial offering prices of the 2018 Bonds to the Public and sales of the 2018 Bonds appropriate for determination of the issue price of, and the yield on, the 2018 Bonds under Internal Revenue Code of 1986, as amended, as and at the time requested by the Corporation’s bond counsel.

**GOOD FAITH DEPOSIT.** The Purchaser must provide to the Corporation, or its designee, a wire transfer in Federal Reserve or other immediately available funds made payable to the Corporation in the amount of one percent (1.00%) of the aggregate principal amount of the 2018 Bonds to be sold to the Purchaser (the amount of such wire transfer being referred to hereinafter as the “Deposit”) within twenty-four (24) hours after being notified of being the Purchaser. If the Deposit is not received by the time set forth above, then the bid of the Purchaser shall be rejected. The Deposit will be applied to the purchase price of the 2018 Bonds awarded to the Purchaser.

In the event the Purchaser shall fail or refuse to comply with the provisions of the bid and this notice, such Deposit shall become the property of the Corporation and the School Corporation and shall be taken and considered as liquidated damages of the Corporation and the School Corporation on account of such failure or refusal.

The Purchaser will be required to make payment for the 2018 Bonds in Federal Reserve or other immediately available funds and accept delivery of the 2018 Bonds within five (5) days after being notified that the 2018 Bonds are ready for delivery, at a bank designated by the Corporation. Any premium bid must be paid in cash at the time of delivery as a part of the purchase price of the 2018 Bonds. The 2018 Bonds will be ready for delivery within sixty (60) days after the date on which the award is made, if not deliverable within that period, the Purchaser will be entitled to rescind the sale and the Deposit will be returned. Any notice of rescission must be in writing.

It is anticipated that CUSIP identification numbers will be printed on the 2018 Bonds, but neither the failure to print such numbers on any of the 2018 Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the 2018 Bonds in accordance with the terms of its bid. No CUSIP identification number shall

be deemed to be a part of any 2018 Bond or the contract evidenced thereby and no liability shall hereafter attach to the Corporation or any of its officers or agents because of or on account of such numbers. All expenses in relation to the printing or typing of CUSIP numbers on the 2018 Bonds shall be paid by the Corporation; provided, however, it shall be responsibility of the Purchaser to timely obtain the numbers and to pay the CUSIP Service Bureau charge for the assignment of the numbers. The Purchaser will also be responsible for any other fees or expenses it incurs in connection with the resale of the 2018 Bonds.

**AUTHORITY AND PURPOSE.** The 2018 Bonds are being issued under the provisions of the Indiana Code to provide the Corporation with funds sufficient to pay the School Corporation for the extension of the Corporation's ownership of the Mortgaged Property (as defined in the Indenture) and to reimburse the School Corporation for improvements made to the Mortgaged Property since the Corporation has owned the Mortgaged Property which were paid by the School Corporation. The School Corporation will use the money it receives from the Corporation to pay the costs of the 2018 High School Auxiliary Gymnasium Project, as defined and more fully described in the resolution adopted by the Board of School Trustees of the School Corporation on July 16, 2018, together with the expenses necessarily incurred in connection therewith, including the expenses incurred in connection with the issuance of the 2018 Bonds.

The principal of and interest on the 2018 Bonds are payable solely from the mortgaged property described under the Indenture and as described in more detail in the Preliminary Official Statement on parity with the Corporation's (i) First Mortgage Bonds, Series 2016A and (ii) First Mortgage Bonds, Series 2016B. The 2018 Bonds are not an obligation or indebtedness of the School Corporation.

**BOND DELIVERY.** At the time of delivery of the 2018 Bonds, the approving opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel, as to the validity of the 2018 Bonds, together with a transcript of the proceedings for the 2018 Bonds, the printed 2018 Bonds and closing certificates in the customary form showing no litigation, will be furnished to the Purchaser for the 2018 Bonds at the expense of the Corporation. In addition, unless bond counsel is able, on the date of delivery, to render an opinion to the effect that (1) under existing laws, regulations, judicial decisions and rulings, interest on the 2018 Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended, for federal income tax purposes, and (2) the interest on the particular series of 2018 Bonds is exempt from income taxation in the state of Indiana for all purposes except the state financial institutions tax, the Purchaser for the 2018 Bonds shall have the right to rescind the sale, and in such event the good faith deposit will be returned.

**PRELIMINARY OFFICIAL STATEMENT.** A copy of the Preliminary Official Statement prepared at the direction of the Corporation in connection with the 2018 Bonds (the "Preliminary Official Statement") may be obtained in limited quantities prior to submission of a bid by request from the Municipal Advisor at 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240-0458. Attention: Belvia Gray or Jason Tanselle, Telephone: (317) 465-1500. The Preliminary Official Statement will be in a form deemed final by the Corporation, pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), subject to completion as permitted by the Rule.

The Preliminary Official Statement when further supplemented by an addendum or addenda specifying the interest rates of the 2018 Bonds, and any other information referred to in paragraph (b)(1) of the Rule, shall constitute a “Final Official Statement” of the Corporation with respect to the 2018 Bonds, as that term is defined in the Rule. By awarding the 2018 Bonds to the Purchaser that is acting as an underwriter with respect to the 2018 Bonds, the Corporation agrees that, no more than seven (7) business days after the date of such award, it shall provide to such underwriter, if it is the sole Purchaser, or the senior managing underwriter of the syndicate to which the 2018 Bonds are awarded up to ten (10) copies of the Official Statement at the Corporation’s expense, any additional copies to be at the expense of the underwriter or the underwriting syndicate. The Corporation designates the senior managing underwriter of the syndicate to which the 2018 Bonds are awarded as its agent for purposes of distributing copies of the Final Official Statement to each participating underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the 2018 Bonds agrees thereby that if its bid is accepted by the Corporation (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all participating underwriters of the 2018 Bonds for purposes of assuring the receipt of each such participating underwriter of the Final Official Statement. The Purchaser shall be responsible for providing (i) in writing the initial reoffering prices and other terms, if any, to the Municipal Advisor as and at the time requested and (ii) a certification verifying information as to the bona fide initial offering prices of the 2018 Bonds to the public and sales of the 2018 Bonds appropriate for determination of the issue price of, and the yield on, the 2018 Bonds under Internal Revenue Code of 1986, as amended, as and at the time requested by the Corporation’s bond counsel.

In order to assist bidders in complying with paragraph (b)(5) of the Rule, the School Corporation will undertake, pursuant to the Continuing Disclosure Contract which shall be delivered to the Purchaser of the 2018 Bonds at the closing on the 2018 Bonds, to provide annual reports, certain financial information, and notices of certain events as required by Section (b)(5) of the Rule. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement.

If bids for the 2018 Bonds are submitted by mail, they should be addressed to Corporation in care of the Municipal Advisor at the address listed above.

The Corporation reserves the right to reject any and all bids for any reason and for no reason at all and to waive any and all informalities, defects or requirements set forth in this notice or any bid submitted in response to this notice.

Dated this 1<sup>st</sup> day of October, 2018.

SOUTH VERMILLION MIDDLE  
SCHOOL BUILDING CORPORATION

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## APPENDIX A



## TABLE OF CONTENTS

	<u>Page(s)</u>
South Vermillion Community School Corporation, Vermillion County, Indiana	
System Overview .....	A-1
Facilities .....	A-1
Services .....	A-1
Enrollment .....	A-1
Board of School Trustees .....	A-2
Administration and Staff .....	A-2
Pension Obligations .....	A-2 – A-3
General Physical and Demographic Information	
Location .....	A-3
General Characteristics .....	A-3 – A-4
Higher Education .....	A-4
General Economic and Financial Information	
Commerce and Industry .....	A-4
New Business Developments – Vigo County .....	A-4
Large Employers .....	A-5
Employment .....	A-6
Population .....	A-6
Age Statistics .....	A-7
Educational Attainment .....	A-7
Miscellaneous Economic Information .....	A-8
Schedule of Indebtedness .....	A-9
Debt Ratios .....	A-10
Schedule of Historical Net Assessed Valuation .....	A-11
Detail of Net Assessed Valuation .....	A-12
Comparative Schedule of Certified Tax Rates .....	A-13
Property Taxes Levied and Collected .....	A-14
Large Taxpayers .....	A-15
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and	
Cash and Investment Balances - Regulatory Basis .....	A-16 – A-17
Summary of Receipts and Expenditures by Fund .....	A-18 – A-23

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## **SOUTH VERMILLION COMMUNITY SCHOOL CORPORATION, VERMILLION COUNTY, INDIANA**

### **SYSTEM OVERVIEW**

The South Vermillion Community School Corporation, Vermillion County, Indiana (the "School Corporation"), is located in Vermillion County in west central Indiana. The School Corporation's boundaries cover approximately 120 square miles in Clinton and Helt Townships including the City of Clinton and the Towns of Dana, Fairview Park and Universal. The School Corporation has three elementary schools, one middle school and one high school.

### **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>
Central Elementary School	K-5	1984	1994	288
Ernie Pyle Elementary School	K-5	1961	1999	194
Van Duyn Elementary School	K-5	1961	1999	226
South Vermillion Middle School	6-8	1993		388
South Vermillion High School	9-12	1978	2016	547

### **SERVICES**

The School Corporation offers a complete basic curriculum in grades kindergarten through twelve as well as many extracurricular activities. The School Corporation offers a variety of Advanced Placement courses for high school students. Wabash River Career & Technical Education provides vocational programming to high school students. Wabash River Career & Technical Education serves nine school corporations in the area and offers over 15 varied career and technical programs including computer technology, cosmetology, graphic design, and health careers.

### **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>2008/ 2009</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>
Central Elementary School	376.5	367	373	362	364.5	353.5	331.5	316	298	296	288
Ernie Pyle Elementary School	246	247.5	243.5	233	219.5	213	193.5	216	215	223	194
Van Duyn Elementary School	240	254.5	223.5	228	206.5	196.5	188.5	216	222	210	226
South Vermillion Middle School	494	504	477	444	449	427	439	431	435	417	388
South Vermillion High School	<u>587</u>	<u>573</u>	<u>576</u>	<u>577</u>	<u>533</u>	<u>549</u>	<u>527</u>	<u>525</u>	<u>541</u>	<u>561</u>	<u>547</u>
Totals	<u>1,943.5</u>	<u>1,946</u>	<u>1,893</u>	<u>1,844</u>	<u>1,772.5</u>	<u>1,739</u>	<u>1,679.5</u>	<u>1,704</u>	<u>1,711</u>	<u>1,707</u>	<u>1,643</u>

\*Beginning in the 2015/2016 school year, kindergarten students are counted as one full student. Previously, kindergarten students were counted as ½ for ADM figures.

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

<u>Year</u>	<u>Projected Enrollment</u>
2019/2020	1,633
2020/2021	1,597
2021/2022	1,552
2022/2023	1,605

### **BOARD OF SCHOOL TRUSTEES**

<u>Name</u>	<u>Current Term Began</u>	<u>Current Term Ends</u>
John Paul Roehm, President	01/01/2015	12/31/2018
Bruce West, Vice President	01/01/2017	12/31/2020
Ginger Corado, Secretary	01/01/2015	12/31/2018
Bonnie Ave	01/01/2015	12/31/2018
Larry Cuel	01/01/2015	12/31/2018
Jerry Hawkins	01/01/2017	12/31/2020
Kelli Hill	01/01/2017	12/31/2020

### **ADMINISTRATION AND STAFF**

The School Corporation is under the direction of a seven-member elected Board of School Trustees, each of whom serve four-year terms. The Superintendent, appointed by the Board of School Trustees, directs a certified staff of 127 and a non-certified staff of 124 with union representation as follows:

<u>Union Name</u>	<u>Union Representation</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
South Vermillion Education Association (SVEA)	Teachers	49	June 30, 2018*

\*The School Corporation anticipates approving a renewed contract on October 11, 2018.

### **PENSION OBLIGATIONS**

#### **Public Employees' Retirement Fund**

##### **Plan Description**

The Indiana Public Employees' Retirement Fund ("PERF") is a defined benefit pension plan. PERF is a cost-sharing 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 of Trustees, 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  
One North Capitol, 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 \$231,110.

## 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 INPRS Board of Trustees, 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  
One North Capitol, 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 \$511,305.

### Other Postemployment Benefits

The School Corporation also contributes to an additional plan unique to the School Corporation. Upon retirement, all teachers or administrators will receive \$4,000 annually into a VEBA account until they are eligible for Medicare. It is currently anticipated that additional employees will be eligible to receive this benefit upon retirement. There were 20 retirees receiving this benefit in 2017, which dropped to 16 retirees receiving this benefit in 2018. The cost for the School Corporation for this benefit in 2017 was \$80,000.

Upon termination or retirement, the School Corporation pays out unused vacation days to non-certified staff. Retiring non-certified full-time staff receive \$30 per day for all unused leave days in addition to any unused vacation days.

## **GENERAL PHYSICAL AND DEMOGRAPHIC INFORMATION**

### **LOCATION**

The School Corporation is located in Vermillion County, Indiana (the "County"), in west central Indiana near the Illinois State line. The School Corporation is approximately 13 miles north of Terre Haute, Indiana, and 67 miles west of Indianapolis.

### **GENERAL CHARACTERISTICS**

The School Corporation is predominantly a residential and commercial community with a strong agricultural influence. The County hosts several annual festivals and events for residents and visitors to enjoy including the Little Italy Festival, the Newport Antique Auto Hill Climb, and the Skinner Farm Museum and Village Steam and Gas Show. The Ernie Pyle World War II Museum is located in the Town of Dana at the childhood home of Ernie

Pyle, a World War II correspondent. Library services for residents of the School Corporation are provided by the Clinton Public Library and the Newport-Vermillion County Public Library. The School Corporation's proximity to Terre Haute and Indianapolis provide additional educational, employment, recreational and cultural opportunities.

### **HIGHER EDUCATION**

Higher education opportunities are available at nearby Indiana State University, St. Mary-of-the-Woods College, Rose Hulman Institute of Technology and Ivy Tech State College all of which are within 15 miles of the County.

## **GENERAL ECONOMIC AND FINANCIAL INFORMATION**

### **COMMERCE AND INDUSTRY**

The School Corporation is located in an agricultural area; however, there is still a commercial and light industry presence within the area. The County is bordered on the north by I-74 and Indiana Highway 63, which is a direct route between the Evansville area and Chicago, crosses through the County. The County is home to several industrial sites including the Clinton Industrial Park and the Vermillion Rise Mega Park.

The Vermillion Rise Mega Park (the "Park") is located on the grounds of a former U.S. Army facility and has utilities and infrastructure already in place on its 7,155 acres (11 square miles). Around half of the Park's land is designated for large-scale enterprises with the remaining half set aside for natural and agricultural areas. Garmon Development Company LLC constructed a shell building at the Park that recently opened in 2016. The initial size of the building is 50,000 square feet, but it can be expanded to up to 200,000 square feet. There are currently four tenants at the park.

The largest employer in the County is Eli Lilly & Company ("Lilly"). Clinton Laboratories is located in the Town of Clinton and began operations in 1969. The company's Clinton location bulk manufactures several products for Lilly and Elanco Animal Health ("Elanco"), a division of Lilly. According to company personnel, the company has 350 employees at the Clinton location. In July 2018, Lilly announced plans to spin-off Elanco into a separate company. Elanco will become a publicly traded company, with Lilly still holding a majority share by the end of 2018.

White Construction, Inc. has been operating in the County since 1947 and the company's U.S. Corporate Headquarters is located in Clinton. The company began as a small trucking and excavating company and is now a recognized leader in the infrastructure and energy construction industry. The company offers design-build, engineering, procurement and constructions services for renewable energy. The company has approximately 133 employees in Clinton, according to the 2017 Indiana Harris Service Directory.

### **NEW BUSINESS DEVELOPMENTS – VIGO COUNTY**

According to the Terre Haute Economic Development Corporation (the "EDC"), Pyrolyx USA announced plans for a new \$25 million project in Terre Haute. The company plans to use a high technology and environmentally friendly pyrolysis process to derive carbon black oils and other by-products for use by the plastics and rubber industries. The company plans to create 50 jobs.

In September 2017, GATX Corporation, a global railcar leasing company, announced plans to expand its operations in Terre Haute. The company is investing \$38.5 million into its 104-acre location, making it the company's only full-scale service center in the Midwest. The project will add up to 30 new railcar maintenance spots, expand administrative offices, construct new finishing and interior lining operations, and build new rail infrastructure. The company plans to create up to 59 new jobs by 2020.

According to Inside INdiana Business, Allura USA reopened a 438,000 square-foot facility in Terre Haute in January 2018, which includes a 1,200 square-foot dosing building and 9,120 square-foot office building. The facility was previously closed in 2014, but reopened after Allura USA signed a contract with KB Home to serve as its exclusive supplier of exterior fiber cement siding products. The plant employs approximately 60 employees.



### **LARGE EMPLOYERS**

Below is a list of the County'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 recent employment levels.

<u>Name</u>	<u>Year Established</u>	<u>Type of Business</u>	<u>Reported Employment</u>
Eli Lilly & Company*	1969	Pharmaceutical/research	350
South Vermillion Community School Corporation	-	Public education	251 (1)
Union Hospital Clinton	1892	Health care	200 (2)
International Paper Co. - Newport Mill	1975	Mfg. paper products	180
Wal-Mart	-	Retail	140
White Construction, Inc	1947	Renewable energy contractor	133 (2)
Duke Energy	-	Electric generation plant	120 (2)
Vermillion County	1824	County government	118
Clinton Gardens	1988	Nursing Home	109
North Vermillion Community School Corporation	-	Public education	98 (3)

\* In July 2018, Eli Lilly & Company ("Lilly") announced plans to spin-off Elanco Animal Health, Inc. ("Elanco") into a separate company. Lilly's presence in Vermillion County is through Elanco, which is anticipated to be majority-owned by Lilly. Elanco is currently a subsidiary of Lilly and is expected to become a publicly traded company by the end of 2018.

(1) Per the School Corporation, includes 127 certified and 124 non-certified staff.

(2) Per the 2017 Indiana Harris Service Directory.

(3) Per the School Corporation, includes 60 certified and 38 non-certified staff.

## EMPLOYMENT

<u>Year</u>	<u>Unemployment Rate</u>		<u>Vermillion County Labor Force</u>
	<u>Vermillion County</u>	<u>Indiana</u>	
2013	10.7%	7.7%	7,324
2014	8.6%	6.0%	7,222
2015	7.1%	4.8%	7,226
2016	6.6%	4.4%	7,267
2017	5.4%	3.5%	7,131
2018, July	5.8%	3.5%	7,302

Source: Indiana Business Research Center. Data collected as of September 17, 2018.

## POPULATION

<u>Year</u>	<u>South Vermillion Community School Corporation*</u>		<u>Vermillion County</u>	
	<u>Population</u>	<u>Percent of Change</u>	<u>Population</u>	<u>Percent of Change</u>
1970	11,903	-8.25%	16,793	-5.03%
1980	12,883	8.23%	18,229	8.55%
1990	11,941	-7.31%	16,773	-7.99%
2000	12,195	2.13%	16,788	0.09%
2010	11,729	-3.82%	16,212	-3.43%
2017, Est.	11,231	-4.25%	15,505	-4.36%

\*Consists of the populations of Clinton and Helt Townships.

Source: U.S. Census Bureau

### AGE STATISTICS

	South Vermillion Community <u>School Corporation</u>	Vermillion <u>County</u>
Under 25 Years	3,608	4,910
25 to 44 Years	2,824	3,801
45 to 64 Years	3,347	4,765
65 Years and Over	<u>1,950</u>	<u>2,736</u>
Totals	<u><u>11,729</u></u>	<u><u>16,212</u></u>

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

### EDUCATIONAL ATTAINMENT

	<u>Persons 25 and Over</u>	
Years of <u>School Completed</u>	South Vermillion Community <u>School Corporation</u>	Vermillion <u>County</u>
Less than 9th grade	3.6%	2.9%
9th to 12th grade, no diploma	8.6%	8.1%
High school graduate	44.1%	45.3%
Some college, no degree	20.0%	20.1%
Associate's degree	10.6%	10.6%
Bachelor's degree	9.2%	9.5%
Graduate or professional degree	3.8%	3.5%

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

### MISCELLANEOUS ECONOMIC INFORMATION

	<u>South Vermillion Community School Corporation</u>	<u>Vermillion County</u>	<u>Indiana</u>
Per capita income, past 12 months*	\$21,997	\$22,932	\$26,117
Median household income, past 12 months*	\$43,430	\$44,409	\$50,433
Average weekly earnings in manufacturing (1st qtr. of 2018)	N/A	\$2,114	\$1,348
Land area in square miles - 2010	116.89	256.88	35,826.11
Population per land square mile - 2010	100.3	63.1	181.0
Retail sales in 2012:			
Total retail sales	N/A	\$194,074,000	\$85,857,962,000
Sales per capita**	N/A	\$11,971	\$13,242
Sales per establishment	N/A	\$3,732,192	\$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 17, 2018.

<u>Employment and Earnings - Vermillion County 2016</u>	<u>Earnings (In 1,000s)</u>	<u>Percent of Earnings</u>	<u>Labor Force</u>	<u>Distribution of Labor Force</u>
Manufacturing	\$71,390	23.19%	696	11.41%
Services	58,794	19.10%	1,741	28.54%
Construction	49,487	16.07%	780	12.78%
Government	32,520	10.56%	749	12.28%
Wholesale and retail trade	31,271	10.16%	914	14.98%
Utilities	24,590	7.99%	177	2.90%
Farming	16,805	5.46%	307	5.03%
Other*	11,108	3.61%	474	7.77%
Transportation and warehousing Information	9,651 2,205	3.14% 0.72%	214 49	3.51% 0.80%
Totals	<u>\$307,821</u>	<u>100.00%</u>	<u>6,101</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, Finance, insurance and real estate, and certain areas of the Service Sectors. The data is incorporated here.

Source: Bureau of Economic Analysis and the Indiana Business Research Center. Data collected as of September 17, 2018.

<u>Adjusted Gross Income</u>	<u>Year</u>	<u>Vermillion County Total</u>
	2011	\$276,457,522
	2012	292,346,608
	2013	296,335,749
	2014	304,147,217
	2015	302,947,819

Source: Indiana Department of Revenue

## 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 17, 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			
South Vermillion Middle School Building Corporation			
First Mortgage Bonds, Series 2018	\$4,575,000 *	01/15/29 *	\$4,575,000 *
First Mortgage Bonds, Series 2016A	1,685,000	01/15/25	1,625,000
First Mortgage Bonds, Series 2016B	1,860,000	01/15/25	1,790,000
South Vermillion School Building Corporation			
First Mortgage Refunding Bonds, Series 2015	3,965,000	01/15/22	2,090,000
General Obligation Bonds, Series 2018	1,485,000	01/15/25	1,485,000
General Obligation Bonds, Series 2015A	1,650,000	01/15/21	525,000
General Obligation Bonds, Series 2015B	805,000	01/15/21	265,000
General Obligation Bonds, Series 2015C	530,000	01/15/21	175,000
			<hr/>
Total Direct Debt			<u>\$12,530,000</u>

Note: The School Corporation has an Installment Payment Contract outstanding in the amount of \$2,435,000 with a final maturity of January 15, 2028. The Installment Payment Contract is payable from the Capital Projects Fund. The School Corporation also has a copier lease payable from the Capital Projects Fund in the amount of \$264,537, of which \$185,176 is remaining, with a final maturity of May 2022.

The School Corporation evaluates its capital needs continuously and may issue bonds, if needed, to meet those needs.

	<u>Total Debt</u>	<u>Percent Allocable to School Corporation (1)</u>	<u>Amount Allocable to School Corporation</u>
<u>Overlapping Debt</u>			
Tax Supported Debt			
City of Clinton	\$846,000	100.00%	\$846,000
Clinton Township	8,950	100.00%	8,950
Clinton Public Library	220,000	100.00%	220,000
Newport-Vermillion County Public Library	35,000	39.05%	13,668
			<hr/>
Tax Supported Debt			<u>1,088,618</u>
Self-Supporting Revenue Debt			
City of Clinton	7,161,458	100.00%	7,161,458
Town of Dana	1,817,000	100.00%	1,817,000
Town of Fairview Park	3,766,048	100.00%	3,766,048
Town of Universal	58,118	100.00%	58,118
			<hr/>
Self-Supporting Revenue Debt			<u>12,802,624</u>
			<hr/>
Total Overlapping Debt			<u>\$13,891,242</u>

\*Preliminary, subject to change

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

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 17, 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>\$12,530,000</u>	<u>\$1,088,618</u>	<u>\$13,618,618</u>
Per capita (1)	\$1,115.66	\$96.93	\$1,212.59
Percent of net assessed valuation (2)	2.90%	0.25%	3.15%
Percent of gross assessed valuation (3)	1.81%	0.16%	1.96%
Per pupil (4)	\$7,626.29	\$662.58	\$8,288.87

\* Preliminary, subject to change

- (1) According to the U.S. Census Bureau, the estimated 2017 population of the School Corporation is 11,231.
- (2) The net assessed valuation of the School Corporation for taxes payable in 2018 is \$432,074,243 according to the Vermillion County Auditor's office.
- (3) The gross assessed valuation of the School Corporation for taxes payable in 2018 is \$694,151,830 according to the Vermillion County Auditor's office.
- (4) Enrollment of the School Corporation is 1,643 as reported by school personnel.

# **SCHEDULE OF HISTORICAL NET ASSESSED VALUATION**

(As Provided by the Vermillion County Auditor's Office)

<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	\$290,731,980	\$27,079,060	\$107,448,430	\$425,259,470
2015	303,245,346	30,187,950	120,119,840	453,553,136
2016	309,615,258	30,282,260	99,900,129	435,589,127
2017	306,235,172	29,495,070	97,251,054	432,981,296
2018	304,301,223	28,907,950	98,865,070	432,074,243
2019 (1)	N/A	N/A	N/A	416,347,731

- (1) Represents the 2019 Certified Net Assessed Value per the Department of Local Government Finance (the "DLGF").

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 Vermillion County Auditor's Office)

	Clinton <u>Township</u>	Clinton Civil <u>City</u>	Fairview Park Civil <u>City</u>	Universal Civil <u>City</u>	Helt <u>Township</u>	Dana Civil <u>Town</u>	<u>Total</u>
Gross Value of Land	\$42,594,600	\$20,812,600	\$10,102,900	\$1,330,700	\$84,931,100	\$3,579,000	\$163,350,900
Gross Value of Improvements	104,364,400	108,908,000	40,816,600	4,761,100	86,215,900	19,869,800	364,935,800
Total Gross Value of Real Estate	146,959,000	129,720,600	50,919,500	6,091,800	171,147,000	23,448,800	528,286,700
Less: Mortgage Exemptions, Veterans, Blind Age 65 & Other Exemptions	(57,050,158)	(53,559,023)	(27,322,533)	(3,292,697)	(39,155,887)	(11,575,395)	(191,955,693)
Tax Exempt Property	(3,094,300)	(18,450,100)	(771,600)		(1,202,700)	(789,600)	(24,308,300)
TIF		(2,634,237)			(5,087,247)		(7,721,484)
Net Assessed Value of Real Estate	86,814,542	55,077,240	22,825,367	2,799,103	125,701,166	11,083,805	304,301,223
Business Personal Property	7,278,490	7,736,840	254,650	14,170	115,567,080	6,105,950	136,957,180
Less: Deductions	(753,940)	(3,876,860)	(27,320)		(30,192,150)	(3,241,840)	(38,092,110)
Net Assessed Value of Personal Property	6,524,550	3,859,980	227,330	14,170	85,374,930	2,864,110	98,865,070
Net Assessed Value of Utility Property	3,012,630	4,132,430	734,900	155,720	19,909,360	962,910	28,907,950
Total Net Assessed Value	<u>\$96,351,722</u>	<u>\$63,069,650</u>	<u>\$23,787,597</u>	<u>\$2,968,993</u>	<u>\$230,985,456</u>	<u>\$14,910,825</u>	<u>\$432,074,243</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>
Detail of Certified Tax Rate:					
Debt Service	\$0.3908	\$0.3651	\$0.3781	\$0.3848	\$0.2987
Capital Projects	0.4451	0.4165	0.4232	0.4291	0.4287
Transportation	0.1810	0.1927	0.2007	0.1655	0.1663
Bus Replacement	<u>0.0586</u>	<u>0.0563</u>	<u>0.0586</u>	<u>0.0634</u>	<u>0.0648</u>
Totals	<u>\$1.0755</u>	<u>\$1.0306</u>	<u>\$1.0606</u>	<u>\$1.0428</u>	<u>\$0.9585</u>

Total District Certified Tax Rate (1)

Clinton Township	\$2.3724	\$2.3608	\$2.3948	\$2.4354	\$2.4233
Clinton Civil City	\$3.6508	\$3.6484	\$3.7557	\$3.8681	\$3.8964
Fairview Park Civil Town	\$2.7070	\$2.6625	\$2.6663	\$2.7133	\$2.7080
Universal Civil Town	\$2.5371	\$2.4970	\$2.5737	\$2.5719	\$2.5668
Helt Township	\$2.1019	\$2.0308	\$2.0873	\$2.1193	\$2.0841
Dana Civil Town	\$2.6515	\$2.5533	\$2.4693	\$2.8289	\$2.8296

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

Source: DLGF Certified Budget Orders for the School Corporation.

# **PROPERTY TAXES LEVIED AND COLLECTED**

Collection <u>Year</u>	Certified Taxes <u>Levied</u>	Circuit Breaker <u>Tax Credit</u> (1)	Certified Taxes Levied Net of Circuit Breaker <u>Tax Credit</u>	Taxes <u>Collected</u>	Collected as Percent of <u>Gross Levy</u>	Collected as Percent of <u>Net Levy</u>
2013	\$4,630,598	(\$260,268)	\$4,370,330	\$4,392,067	94.85%	100.50%
2014	4,504,561	(307,707)	4,196,854	4,278,510 (2)	94.98%	101.95%
2015	4,614,546	(295,304)	4,319,242	4,445,597 (2)	96.34%	102.93%
2016	4,676,857	(345,689)	4,331,168	4,221,762	90.27%	97.47%
2017	4,413,195	(376,594)	4,036,601	4,099,473	92.89%	101.56%
2018	4,073,896	(330,225)	3,743,671	(.....In Process.....)		

Source: The Vermillion County Auditor's Office and the DLGF Certified Budget Orders for the School Corporation.

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

(2) A portion of the taxes, in an amount of approximately 3% of tax collections, include property taxes paid by the property owners located in the Dana/Helt Economic Revitalization Area, and there is a possibility that all or a portion of the taxes paid by such property owners have failed to take into account the 10-year property tax abatement granted in 2014 and 2015 by the Town of Dana. The School Corporation does not anticipate that any future decision regarding the property taxes paid will have an adverse effect on the financial health of the School Corporation. However, no assurances can be given regarding such matters.

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.

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. While the School Corporation did not qualify for this exemption in 2015, the School Corporation did qualify for this exemption for 2016, 2017 and 2018 but does not know as of the date of this Official Statement if it will qualify for this exemption in 2019.

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>
Eli Lilly & Company	Pharmaceutical & research	\$88,706,840	20.53%
Rockies Express Pipeline LLC / Panhandle Eastern Pipeline Co., LP	Utility	11,838,100	2.74%
White Construction Inc. / IEA Equipment Mgt. Inc. (2)	Renewable energy contractor	9,769,210	2.26%
Duke Energy Indiana, Inc. (2)	Electric generation station	8,788,640	2.03%
AC Grain LLC (3)	Grain elevator, grain company	6,619,050	1.53%
Swinford Farms, Inc.	Farming	4,856,292	1.12%
Redman Farms, Inc.	Farming and trucking	4,562,360	1.06%
CSX Transportation, Inc.	Railroad	4,095,080	0.95%
Foltz Family Farms LP / Timothy C. & Nancy C. Foltz	Farming	3,958,765	0.92%
National Gypsum Company / New NGC Inc. (2)	Mfg. gypsum board	<u>3,278,210</u>	<u>0.76%</u>
Totals		<u><u>\$146,472,547</u></u>	<u><u>33.90%</u></u>

- (1) The total net assessed valuation of the School Corporation is \$432,074,243 for taxes payable in 2018, according to the Vermillion County Auditor's 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.
- (3) A portion of this property is subject to a 10-year real and personal property tax abatement.

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

Note: The following financial statements on pages A-16 - A-17 are excerpts from the School Corporation's July 1, 2014 to June 30, 2016 audit report 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/>.

**SOUTH VERMILLION COMMUNITY SCHOOL CORPORATION**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES:**  
**REGULATORY BASIS**

For the Years Ended June 30, 2015 and 2016

	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$1,081,949	\$11,194,899	\$11,726,407		\$550,441	\$11,371,433	\$10,817,405	\$5	\$1,104,474
Debt Service	960,626	1,831,540	1,728,421	(\$29,439)	1,034,306	1,751,261	1,731,655	(43,796)	1,010,116
Capital Projects	710,313	1,892,652	2,006,350		596,615	1,768,196	1,675,967		688,844
School Transportation	303,137	884,225	918,084		269,278	833,093	843,433		258,938
School Bus Replacement	247,939	252,077	462,570		37,446	241,610	150,000		129,056
GO Bonds 2015A	0				0		596,330	1,660,353	1,064,023
GO Bonds 2015B	0				0			805,000	805,000
GO Bonds 2015C	0				0			530,000	530,000
Construction 2016A	0				0		432,259	1,802,715	1,370,456
Construction 2016B	0				0		30,154	1,999,847	1,969,693
School Lunch	408,125	928,592	1,091,543		245,174	977,935	967,802		255,307
Textbook Rental	250,168	168,627	119,858		298,937	235,093	258,071		275,959
Levy Excess	0			29,439	29,439			43,796	73,235
PVETI 2013-2014	97,880		65,479	(32,404)	(3)	401,324	369,606	49,130	80,845
PVETI 2014-2015	0	613,938	498,568	32,404	147,774	94,441	193,085	(49,130)	0
Educational License Plates	319	263			582	263	750		95
Alternative Education	5,940		5,940		0				0
Early Intervention Grant	0	10,000	6,301		3,699		3,699		0
Early Intervention Grant - V Duyn	0	10,000	26,262		(16,262)	20,000	3,738		0
ISU Prof. Dev.	2,247		2,247		0				0
Adult and Continuing Education	2,191	8,348	11,121		(582)	11,538	6,408		4,548
Giacoletto Foundation	9,817	5,000	3,509		11,308	10,000	6,351		14,957
Construction, Remodeling, and Equipping Buildings	0				0	100,000			100,000
Duke Energy Literacy Grant	0				0	18,065	18,065		0
Formative Assessment	0				0	21,522	21,522		0
High Ability 2013-14	1,137		1,137		0	32,549	28,604		3,945
Tech Prep	0	31,740	27,212		4,528		4,528		0
School Technology	11,904	23,262	33,819		1,347	28,907	15,604		14,650
Helt TWP Preschool	(845)	23,694	24,522		(1,673)	24,396	24,486		(1,763)
Wellness Program	183	4,900	5,083		0				0
Alternative Suspension	909	15,940	12,617		4,232	10,000	14,810		(578)
PVETI Health Center 14-15	0	76,317	58,082	8,683	26,918		1,338	(25,580)	0
Subtotals	\$4,093,939	\$17,976,014	\$18,835,132	\$8,683	\$3,243,504	\$17,951,626	\$18,215,670	\$6,772,340	\$9,751,800

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**SOUTH VERMILLION COMMUNITY 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, 2015 and 2016

	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
Subtotals carried forward	\$4,093,939	\$17,976,014	\$18,835,132	\$8,683	\$3,243,504	\$17,951,626	\$18,215,670	\$6,772,340	\$9,751,800
Senator David Ford Technology	0	91,595	91,920		(325)	8,405	8,080		0
PVETI Health Center 13-14	8,788	2,000	2,104	(8,683)	1	65,000	61,117	25,580	29,464
Title I	0	270,977	309,237		(38,260)	70,815	32,555		0
Title I 13-14	(18,755)	67,241	48,487		(1)	227,087	268,731		(41,645)
Title I 1003(A)	0	10,888	15,410		(4,522)	10,112	5,590		0
Adult Comp. 13-14	(24,107)	28,326	4,218		1	58,093	102,449		(44,355)
Adult Comp. 14-15	0	82,370	101,368		(18,998)	29,140	10,142		0
Perkins 13-14	(2,068)	34,222	32,154		0	62,998	82,147		(19,149)
Perkins 14-15	0	36,629	37,970		(1,341)	31,792	30,451		0
Medicaid Reimbursement - Federal	62,733	49,504	112,237		0	50,766	15,651		35,115
CTE Tech Resource 2015	0	12,840	12,840		0	86,552	86,552		0
Perkins Rural 2016	0				0		4,000		(4,000)
CTE Curriculum Grant	0	29,012	34,221		(5,209)	60,698	55,489		0
CTE Grant 2016	0				0	63,969	80,958		(16,989)
Class Size Reduction	0	47,241	53,520		(6,279)	23,251	16,972		0
Title II(A), Class Red 13-14	(7,203)	23,827	16,624		0	27,052	30,349		(3,297)
Improving Teacher Quality, No Child Left, Title II, Part A	(4,400)	15,250	10,850		0		659		(659)
Digital Learning Grant	(1,230)		(1,230)		0				0
ELearning Conf. Grant 2015	0		11,432		(11,432)	17,000	5,568		0
Payroll Clearing	38,245	3,091,244	3,094,543		34,946	2,929,427	2,927,687		36,686
<b>Totals</b>	<b>\$4,145,942</b>	<b>\$21,869,180</b>	<b>\$22,823,037</b>	<b>\$0</b>	<b>\$3,192,085</b>	<b>\$21,773,783</b>	<b>\$22,040,817</b>	<b>\$6,797,920</b>	<b>\$9,722,971</b>

The following schedules on pages A-18 - A-23 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>.

## SOUTH VERMILLION COMMUNITY 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:				
Earnings on Investments	(\$104)	\$2,416	\$405	\$158
School Corporation Activities	58,038	13,679	29,680	17,452
Other Revenue from Local Sources	15,407	16,375	16,803	9,940
Revenue from Intermediate Sources	550	1,101		
Revenue from State Sources	11,064,253	11,541,474	11,555,367	5,862,969
Other Items	5	11,319	815,823	1,213
Loan Proceeds				39,442
Interfund Transfers				4,987
Total Receipts	<u>11,138,150</u>	<u>11,586,362</u>	<u>12,418,077</u>	<u>5,936,160</u>
Expenditures:				
Instruction	7,669,582	7,475,953	7,635,988	3,833,030
Support Services	3,230,672	3,285,050	3,380,439	1,725,438
Community Services	107,846	114,329	194,321	123,600
Nonprogrammed Charges	110	199	800,000	
Total Expenditures	<u>11,008,211</u>	<u>10,875,530</u>	<u>12,010,748</u>	<u>5,682,068</u>
Net Increase (Decrease)	129,939	710,832	407,329	254,092
Beginning Balance - January 1st	<u>629,062</u>	<u>759,001</u>	<u>1,469,833</u>	<u>1,877,162</u>
Ending Balance	<u><u>\$759,001</u></u>	<u><u>\$1,469,833</u></u>	<u><u>\$1,877,162</u></u>	<u><u>\$2,131,254</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.

The School Corporation anticipates the December 31, 2018 cash balance to be approximately \$1.9 million.

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**SOUTH VERMILLION COMMUNITY 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>
<b><u>DEBT SERVICE FUND</u></b>				
Receipts:				
Local Property Tax	\$1,678,543	\$1,627,299	\$1,563,872	\$702,740
License Excise Tax	115,917	120,011	127,100	47,749
Commercial Vehicle Excise Tax	15,916	9,873	9,909	4,058
Financial Institutions Tax	15,797	11,859	11,045	4,263
Other Revenue from Local Sources	2,085			
Other Financing Sources		12,143		
Interfund Transfer		73,235		
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts	<u>1,828,258</u>	<u>1,854,419</u>	<u>1,711,925</u>	<u>758,810</u>
Expenditures:				
Interest on Debt	172,394	599,658	833,935	281,246
Lease Rental	1,559,761	1,604,397	900,000	449,500
Interfund Transfers	73,235			
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>1,805,390</u>	<u>2,204,055</u>	<u>1,733,935</u>	<u>730,746</u>
Net Increase (Decrease)	22,868	(349,636)	(22,010)	28,063
Beginning Balance - January 1st	<u>840,875</u>	<u>863,743</u>	<u>514,107</u>	<u>492,097</u>
Ending Balance	<u><u>\$863,743</u></u>	<u><u>\$514,107</u></u>	<u><u>\$492,097</u></u>	<u><u>\$520,160</u></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)

**SOUTH VERMILLION COMMUNITY 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>
<b><u>CAPITAL PROJECTS FUND</u></b>				
Receipts:				
Local Property Tax	\$1,731,823	\$1,608,650	\$1,653,478	\$1,008,585
License Excise Tax	132,236	134,326	141,732	68,530
Commercial Vehicle Excise Tax	11,369	11,051	11,049	5,825
Financial Institutions Tax	11,283	13,273	12,317	6,118
Other Revenue from Local Sources	<u>770</u>	<u>13</u>	<u></u>	<u></u>
Total Receipts	<u>1,887,481</u>	<u>1,767,312</u>	<u>1,818,576</u>	<u>1,089,058</u>
Expenditures:				
Support Services	1,083,603	1,029,728	985,785	500,050
Facilities Acquisition and Construction	<u>686,538</u>	<u>859,656</u>	<u>740,706</u>	<u>653,789</u>
Total Expenditures	<u>1,770,141</u>	<u>1,889,383</u>	<u>1,726,491</u>	<u>1,153,838</u>
Net Increase (Decrease)	117,340	(122,071)	92,085	(64,781)
Beginning Balance - January 1st	<u>358,304</u>	<u>475,644</u>	<u>353,572</u>	<u>445,658</u>
Ending Balance	<u><u>\$475,644</u></u>	<u><u>\$353,572</u></u>	<u><u>\$445,658</u></u>	<u><u>\$380,877</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.

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**SOUTH VERMILLION COMMUNITY 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>
<b><u>TRANSPORTATION FUND</u></b>				
Receipts:				
Local Property Tax	\$801,313	\$763,078	\$637,785	\$391,247
License Excise Tax	61,181	63,703	54,665	26,584
Commercial Vehicle Excise Tax	2,873	5,241	4,262	2,259
Financial Institutions Tax	2,852	6,295	4,750	2,373
Other Revenue from Local Sources	51,066	18,439	4,570	5,127
Other Items		6,791	2,352	
Interfund Transfers				20,948
Total Receipts	<u>919,285</u>	<u>863,546</u>	<u>708,383</u>	<u>448,539</u>
Expenditures:				
Support Services	<u>904,453</u>	<u>819,471</u>	<u>817,464</u>	<u>414,202</u>
Total Expenditures	<u>904,453</u>	<u>819,471</u>	<u>817,464</u>	<u>414,202</u>
Net Increase (Decrease)	14,832	44,075	(109,080)	34,336
Beginning Balance - January 1st	<u>152,127</u>	<u>166,960</u>	<u>211,034</u>	<u>101,954</u>
Ending Balance	<u><u>\$166,960</u></u>	<u><u>\$211,034</u></u>	<u><u>\$101,954</u></u>	<u><u>\$136,290</u></u>

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

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**SOUTH VERMILLION COMMUNITY SCHOOL CORPORATION**

(Cont'd)

**SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND**  
**(Unaudited)**

	<u>Calendar Year</u>			<u>Six Months Ended</u>
	<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	\$233,919	\$222,736	\$244,338	\$152,452
License Excise Tax	17,875	18,600	20,941	10,359
Commercial Vehicle Excise Tax	931	1,530	1,633	880
Financial Institutions Tax	924	1,838	1,820	925
Total Receipts	<u>253,649</u>	<u>244,704</u>	<u>268,731</u>	<u>164,616</u>
Expenditures:				
Support Services	<u>231,285</u>	<u>381,285</u>	<u>231,285</u>	
Total Expenditures	<u>231,285</u>	<u>381,285</u>	<u>231,285</u>	<u>0</u>
Net Increase (Decrease)	22,364	(136,581)	37,446	164,616
Beginning Balance - January 1st	<u>117,685</u>	<u>140,049</u>	<u>3,468</u>	<u>40,914</u>
Ending Balance	<u><u>\$140,049</u></u>	<u><u>\$3,468</u></u>	<u><u>\$40,914</u></u>	<u><u>\$205,530</u></u>

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

(Continued on next page)

**SOUTH VERMILLION COMMUNITY 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>	(1)	(2)		(3)
Receipts:				
Revenues from Local Sources	\$1,135,876	\$1,054,130	\$977,714	\$450,292
Revenues from State Sources	289,906	264,780	293,945	145,534
Revenues from Federal Sources	1,300,349	1,352,136	1,472,974	714,042
Revenues from Intermediate Sources	83,290	73,263	70,244	25,075
Interfund Transfers	147,945	62,633	11,107	
Other Financing Sources				1,480,294
Other Items	3,096,925	3,802,592	3,896	
	<u>6,054,292</u>	<u>6,609,535</u>	<u>2,829,880</u>	<u>2,815,238</u>
Total Receipts				
Expenditures:				
Support Services	833,840	756,618	711,013	317,431
Community Services	1,044,563	997,256	925,829	479,456
Facilities Acquisition and Construction	134,340	6,397,006	352,073	59,017
Instruction	1,014,244	872,879	1,047,497	508,653
Nonprogrammed Charges	129	1,114	7,521	57
Interfund Transfers	74,710	135,868	11,107	25,935
	<u>3,101,826</u>	<u>9,160,741</u>	<u>3,055,041</u>	<u>1,390,547</u>
Total Expenditures				
Net Increase (Decrease)	2,952,466	(2,551,206)	(225,160)	1,424,690
Beginning Balance - January 1st	651,061	3,603,527	1,052,321	827,160
Ending Balance	<u>\$3,603,527</u>	<u>\$1,052,321</u>	<u>\$827,160</u>	<u>\$2,251,851</u>
 <u>GRAND TOTALS</u>				
Total Receipts	<u>\$22,081,115</u>	<u>\$22,925,878</u>	<u>\$19,755,573</u>	<u>\$11,212,420</u>
Total Expenditures	<u>18,821,305</u>	<u>25,330,466</u>	<u>19,574,963</u>	<u>9,371,403</u>
Net Increase (Decrease)	3,259,810	(2,404,588)	180,610	1,841,017
Beginning Balance - January 1st	2,749,113	6,008,923	3,604,335	3,784,945
Ending Balance	<u>\$6,008,923</u>	<u>\$3,604,335</u>	<u>\$3,784,945</u>	<u>\$5,625,962</u>

- (1) The School Corporation issued \$2,985,000 of General Obligation Bonds in 2015.  
 (2) The Building Corporation issued \$3,545,000 of First Mortgage Bonds in 2016.  
 (3) The School Corporation issued \$1,485,000 of General Obligation Bonds in 2018.

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.

SOUTH VERMILLION MIDDLE SCHOOL  
BUILDING CORPORATION

By: William W. Domicile  
President

Attest: Vutera Chayd  
Secretary

SOUTH VERMILLION COMMUNITY SCHOOL  
CORPORATION

By: Darrel A. Chapana  
Superintendent

## APPENDIX B



# UMBAUGH

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www.umbaugh.com

October 11, 2018

Board of School Trustees  
South Vermillion Community School Corporation  
800 W. Wildcat Drive  
Clinton, IN 47842

Building Corporation Directors  
South Vermillion Middle School Building Corporation  
800 W. Wildcat Drive  
Clinton, IN 47842

In connection with the issuance of \$4,575,000\* principal amount of 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 October 11, 2018.

Page(s)

B-2 - B-3	General Comments
B-4	Estimated Project Costs and Funding*
B-5	Preliminary Schedule of Amortization of \$4,575,000* Principal Amount of Proposed First Mortgage Bonds, Series 2018
B-6	Summary of Projected Debt Service Tax Rates
B-7	Schedule of 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.





**SOUTH VERMILLION MIDDLE SCHOOL BUILDING CORPORATION  
SOUTH VERMILLION COMMUNITY SCHOOL CORPORATION, VERMILLION COUNTY, INDIANA  
Clinton, Indiana**

**GENERAL COMMENTS**

The South Vermillion Middle School Building Corporation (the “Building Corporation”) is issuing \$4,575,000\* of First Mortgage Bonds, Series 2018 (the “2018 Bonds”) to pay the South Vermillion Community School Corporation, Vermillion County, Indiana (the “School Corporation”), for the extension of the Building Corporation’s ownership of the Leased Property (as defined in the Official Statement) and to reimburse the School Corporation for improvements made to the Leased Property since the Building Corporation has owned the Leased Property which were paid by the School Corporation, which money the School Corporation will use to pay for (1) all or a portion of (a) general facility expansion, improvement, renovation and equipping projects at the existing South Vermillion High School, including, but not limited to, the construction and equipping of one or more additions to the existing facility to provide an auxiliary gymnasium, which upon completion will be an approximately 16,200 square feet addition that is two stories tall but without a second floor and will provide for IHSAA regulation basketball and volleyball courts, two regulation sized basketball and volleyball cross-courts, a perimeter walking track, retractable bleacher seating for at least 200 people, public restrooms, concessions stand and storage areas, locker rooms, a weight training and fitness equipment room and offices, (b) miscellaneous land acquisition projects, (c) miscellaneous capital improvement, renovation and/or equipping projects at one or more facilities operated or to be operated by the School Corporation, and (d) all projects related to any of the foregoing projects (clauses (a) through and including (d), collectively, the “2018 High School Auxiliary Gymnasium Project”) and (2) the costs of issuing the 2018 Bonds. The 2018 Bonds will be issued on a parity with the Building Corporation’s First Mortgage Bonds, Series 2016A, dated May 26, 2016 (the “2016A Bonds”), the Building Corporation’s First Mortgage Bonds, Series 2016B, dated May 26, 2016 (the “2016B Bonds”) and all additional bonds hereafter issued under the Trust Indenture (as hereinafter defined) on a parity with the 2016A Bonds, 2016B Bonds and 2018 Bonds.

The 2018 Bonds, along with the Building Corporation’s 2016A Bonds, the 2016B Bonds and all additional bonds hereafter issued under the Trust Indenture (as hereinafter defined) on a parity with the 2016A, 2016B and 2018 Bonds (the “Additional Bonds”) (the 2018 Bonds, the 2016A Bonds, the 2016B Bonds and all Additional Bonds, collectively, the “Bonds”), are obligations of the Building Corporation payable solely from and secured exclusively by (i) a first mortgage lien on and security interest in the Mortgaged Property, as hereinafter defined, and (ii) the lease rental payments to be paid by the School Corporation (the “Lease Rentals”) directly to First Financial Bank, N.A. in Terre Haute, Indiana (successor to Terre Haute First National Bank by assignment), as trustee (the “Trustee”), under a Trust Indenture between the Building Corporation and the Trustee dated as of September 15, 1993 (the “Original Indenture”), as supplemented and amended by a First Supplemental Trust Indenture dated as of January 1, 2003 (the “First Supplemental Indenture”), as supplemented and amended by a Second Supplemental Trust Indenture dated as of September 15, 2012 (the “Second Supplemental Indenture”), as supplemented and amended by a Third Supplemental Trust Indenture dated as of April 15, 2016 (the “Third Supplemental Indenture”), and as supplemented and amended by a Fourth Supplemental Trust Indenture dated as of October 15, 2018 (the “Fourth Supplemental Indenture”) (the Original Indenture as supplemented by the First Supplemental Indenture, Second Supplemental Indenture, Third Supplemental Indenture and Fourth Supplemental Indenture, the “Indenture” or “Trust Indenture”), as instructed by the Building Corporation under the Lease, dated as of July 26, 1993 (the “Original Lease”), as amended by a First Amendment to Lease dated as of September 15, 1993 (the “First Amendment”), as amended by a Second Amendment to Lease dated as of January 1, 2003 (the “Second Amendment”), as amended by a Third Amendment to Lease dated as of January 4, 2016 (the “Third Amendment”), as amended by an Addendum to Third Amendment to Lease dated as of April 15, 2016 (the “Addendum to the Third Amendment”), as amended by a Fourth Amendment to Lease dated as of July 16, 2018 (the “Fourth Amendment”), and an Addendum to Fourth Amendment to Lease dated as of October 15, 2018 (the “Addendum to the Fourth Amendment”) (collectively, the Original Lease, the First Amendment, the Second Amendment, the Third Amendment, the Addendum to the Third Amendment, the Fourth Amendment, and the Addendum to the Fourth Amendment, the “Lease”), each of which is by and between the Building Corporation, as lessor, and the School Corporation, as lessee.

\*Preliminary, subject to change.

**SOUTH VERMILLION MIDDLE SCHOOL BUILDING CORPORATION  
SOUTH VERMILLION COMMUNITY SCHOOL CORPORATION, VERMILLION COUNTY, INDIANA  
Clinton, Indiana**

**GENERAL COMMENTS (CONT'D)**

Such Lease Rentals are payable from ad valorem property taxes to be levied against all taxable property within the School Corporation. Pursuant to the Lease, Lease Rentals sufficient to pay the interest on the 2018 Bonds will commence on June 30, 2019, and Lease Rentals sufficient to pay the principal of, and interest on, the 2018 Bonds will commence on June 30, 2021. The 2018 High School Auxiliary Gymnasium Project is not required to be completed for the commencement of the increased annual lease rental payments which are in turn needed to pay the principal of, and interest on, the 2018 Bonds as such becomes due.

**Estimated Project Costs and Funding\* – Page B-4**

The costs of the 2018 High School Auxiliary Gymnasium Project are presented in this schedule, including funds available for improvements, the extension of the Building Corporation's ownership of the Leased Property, allowance for Purchaser's/Underwriter's discount, and allowance for costs of issuance. Funding for the 2018 High School Auxiliary Gymnasium Project will be provided from proceeds of the 2018 Bonds.

**Preliminary Schedule of Amortization of \$4,575,000\* Principal Amount of First Mortgage Bonds, Series 2018 – Page B-5**

The proposed amortization of \$4,575,000\* principal amount of First Mortgage Bonds, Series 2018 is presented in this schedule. The 2018 Bonds are assumed to be dated November 15, 2018, and mature over a period of approximately ten years and two months with the final maturity on January 15, 2029. The 2018 Bonds are amortized based on maximum interest rates. Final interest rates will be determined through a competitive sale.

**Summary of Projected Debt Service Tax Rates – Page B-6**

Calculations are made in this schedule for the proposed annual Lease Rentals and resulting estimated Debt Service tax rates based upon the amortization schedule found on page B-5. The Lease Rental payments for the 2018 Bonds are payable from ad valorem property taxes to be levied against all taxable property within the School Corporation. No growth in assessed value from the 2019 certified net assessed value is assumed in the calculation of the projected debt service tax rates.

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

This schedule shows the outstanding (unaudited) debt service and lease rental payments of the School Corporation. This schedule does not include interest on temporary loans.

\*Preliminary, subject to change.

**SOUTH VERMILLION MIDDLE SCHOOL BUILDING CORPORATION  
SOUTH VERMILLION COMMUNITY SCHOOL CORPORATION, VERMILLION COUNTY, INDIANA**

**ESTIMATED PROJECT COSTS AND FUNDING\***

<u>Estimated Project Costs*</u>	<u>Building Corporation</u>	<u>School Corporation</u>	<u>Totals</u>
2018 High School Auxiliary Gymnasium Project		\$4,502,125.00	\$4,502,125.00
Payment to School Corporation for Extension of Lease	\$4,677,125.00	(4,677,125.00)	0.00
Allowance for Discount (0.50%) (1)	22,875.00		22,875.00
Allowance for Estimated Costs of Issuance (2)		175,000.00	175,000.00
Total Estimated Project Costs	<u>\$4,700,000.00</u>	<u>\$0.00</u>	<u>\$4,700,000.00</u>
<u>Estimated Project Funding*</u>			
First Mortgage Bonds, Series 2018	\$4,575,000.00		\$4,575,000.00
Original Issue Premium	125,000.00		125,000.00
Total Estimated Project Funding	<u>\$4,700,000.00</u>	<u>\$0.00</u>	<u>\$4,700,000.00</u>

(1) Purchaser's/Underwriter's Discount.

(2) Includes estimated fees for local counsel, bond counsel, municipal advisor, design fees, trustee, registrar and paying agent, rating, printing and other miscellaneous items.

\*Preliminary, subject to change.

(Subject to the comments in the attached report  
dated October 11, 2018, of H.J. Umbaugh & Associates)

**SOUTH VERMILLION MIDDLE SCHOOL BUILDING CORPORATION  
SOUTH VERMILLION COMMUNITY SCHOOL CORPORATION, VERMILLION COUNTY, INDIANA**

**PRELIMINARY SCHEDULE OF AMORTIZATION OF \$4,575,000\* PRINCIPAL  
AMOUNT OF PROPOSED FIRST MORTGAGE BONDS, SERIES 2018**

Assumes Bonds Dated: November 15, 2018

Payment Date*	Principal Balance*	Principal*	Assumed Interest Rate (1)	Interest	Total Debt Service	Budget Year Debt Service	Annual Lease Rental Payment
	(-----In \$1,000's-----)		(%)				(2)
7/15/2019	\$4,575			\$152,500.00	\$152,500.00		
1/15/2020	4,575			114,375.00	114,375.00	\$266,875.00	\$270,000
7/15/2020	4,575			114,375.00	114,375.00		
1/15/2021	4,575			114,375.00	114,375.00	228,750.00	232,000
7/15/2021	4,575	\$65	5.00	114,375.00	179,375.00		
1/15/2022	4,510	65	5.00	112,750.00	177,750.00	357,125.00	361,000
7/15/2022	4,445	115	5.00	111,125.00	226,125.00		
1/15/2023	4,330	120	5.00	108,250.00	228,250.00	454,375.00	458,000
7/15/2023	4,210	120	5.00	105,250.00	225,250.00		
1/15/2024	4,090	120	5.00	102,250.00	222,250.00	447,500.00	451,000
7/15/2024	3,970	125	5.00	99,250.00	224,250.00		
1/15/2025	3,845	125	5.00	96,125.00	221,125.00	445,375.00	449,000
7/15/2025	3,720	440	5.00	93,000.00	533,000.00		
1/15/2026	3,280	445	5.00	82,000.00	527,000.00	1,060,000.00	1,063,000
7/15/2026	2,835	455	5.00	70,875.00	525,875.00		
1/15/2027	2,380	460	5.00	59,500.00	519,500.00	1,045,375.00	1,049,000
7/15/2027	1,920	470	5.00	48,000.00	518,000.00		
1/15/2028	1,450	475	5.00	36,250.00	511,250.00	1,029,250.00	1,033,000
7/15/2028	975	485	5.00	24,375.00	509,375.00		
1/15/2029	490	490	5.00	12,250.00	502,250.00	1,011,625.00	1,015,000
Totals		<u>\$4,575</u>		<u>\$1,771,250.00</u>	<u>\$6,346,250.00</u>	<u>\$6,346,250.00</u>	<u>\$6,381,000</u>

(1) Based on maximum interest rates.

(2) Based on total annual debt service rounded up to next \$1,000, plus \$3,000 for trustee and miscellaneous fees.

\*Preliminary, subject to change.

(Subject to the comments in the attached report  
dated October 11, 2018, of H.J. Umbaugh & Associates)

**SOUTH VERMILLION MIDDLE SCHOOL BUILDING CORPORATION  
SOUTH VERMILLION COMMUNITY SCHOOL CORPORATION, VERMILLION COUNTY, INDIANA**

**SUMMARY OF PROJECTED DEBT SERVICE TAX RATES**

Payment Year	Existing Debt Service / Lease Rental	Proposed First Mortgage Bonds, Series 2018	Existing and Proposed Total	Estimated Net Assessed Value	Estimated Existing Debt Service Tax Rate	Estimated 2018 FM Bonds Debt Service Tax Rate	Estimated Total Debt Service Tax Rate
	(1)	(2)		(3)	(3)(4)	(3)(4)	(3)(4)(5)
2017	\$1,734,225		\$1,734,225	\$423,206,267	\$0.3848 (6)		\$0.3848 (6)
2018	1,464,500		1,464,500	425,028,297	0.2987 (6)		0.2987 (6)
2019	1,540,425	\$270,000	1,810,425	416,347,731	0.3515	\$0.0616	0.4131
2020	1,510,995	232,000	1,742,995	416,347,731	0.3448	0.0529	0.3977
2021	1,331,188	361,000	1,692,188	416,347,731	0.3037	0.0824	0.3861
2022	1,228,588	458,000	1,686,588	416,347,731	0.2803	0.1045	0.3848
2023	1,229,113	451,000	1,680,113	416,347,731	0.2805	0.1029	0.3834
2024	1,225,113	449,000	1,674,113	416,347,731	0.2795	0.1025	0.3820
2025		1,063,000	1,063,000	416,347,731		0.2425	0.2425
2026		1,049,000	1,049,000	416,347,731		0.2394	0.2394
2027		1,033,000	1,033,000	416,347,731		0.2357	0.2357
2028		1,015,000	1,015,000	416,347,731		0.2316	0.2316

(1) See page B-7.

(2) See page B-5.

(3) Based on the 2017 certified net assessed value of \$423,206,267, the 2018 certified net assessed value of \$425,028,297, and the 2019 certified net assessed value of \$416,347,731 for the School Corporation with no growth assumed thereafter.

(4) Assumes license excise/financial institutions factor of 5.00%. Per \$100 of net assessed value.

(5) Represents estimated debt service tax rate for combined debt.

(6) Certified debt service tax rate for 2017 and 2018 per the Vermillion County Budget Orders.

(Subject to the comments in the attached report  
dated October 11, 2018, of H.J. Umbaugh & Associates)

**SOUTH VERMILLION MIDDLE SCHOOL BUILDING CORPORATION  
SOUTH VERMILLION COMMUNITY SCHOOL CORPORATION, VERMILLION COUNTY, INDIANA**

**SCHEDULE OF EXISTING DEBT SERVICE/LEASE RENTAL PAYMENTS**

(Unaudited)

Payment Year	First Mortgage Refunding Bonds, Series 2015	General Obligation Bonds, Series 2015A	General Obligation Bonds, Series 2015B	General Obligation Bonds, Series 2015C	First Mortgage Bonds, Series 2016A	First Mortgage Bonds, Series 2016B	General Obligation Bonds, Series 2018	Totals
	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
2017	\$669,000	\$465,200	\$223,500	\$145,525	\$107,000	\$124,000		\$1,734,225
2018	666,000	312,000	160,143	93,358	108,000	125,000		1,464,500
2019	654,000	315,950	152,508	101,785	112,000	130,000	\$74,183	1,540,425
2020	642,000	66,000	35,425	30,383	321,000	371,000	45,188	1,510,995
2021	580,000				339,000	367,000	45,188	1,331,188
2022					340,000	367,000	521,588	1,228,588
2023					340,000	367,000	522,113	1,229,113
2024					336,000	367,000	522,113	1,225,113
Totals	<u>\$3,211,000</u>	<u>\$1,159,150</u>	<u>\$571,575</u>	<u>\$371,050</u>	<u>\$2,003,000</u>	<u>\$2,218,000</u>	<u>\$1,730,370</u>	<u>\$11,264,145</u>

(1) Payable on a budget year basis.

Note: Does not include interest on temporary loans.

(Subject to the comments in the attached report  
dated October 11, 2018, of H.J. Umbaugh & Associates)

## APPENDIX C





## **SUMMARY OF CERTAIN PROVISIONS OF THE LEASE**

**THE FOLLOWING IS A BRIEF SUMMARY OF CERTAIN PROVISIONS CONTAINED IN THE LEASE. THIS SUMMARY DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE LEASE. CAPITALIZED TERMS NOT DEFINED IN THIS SUMMARY WILL HAVE THE MEANINGS SET FORTH ELSEWHERE IN THIS OFFICIAL STATEMENT.**

### **General, Term and Rent**

In the Lease, the Building Corporation leases to the School Corporation real estate in Vermillion County, Indiana (the “Real Estate”), and the buildings, structure and improvements and related outdoor facilities located on the Real Estate, including the existing South Vermillion Middle School and its related outdoor facilities as they currently exist and as renovated and expanded (the “Structures”)(the Real Estate, the Structures, collectively, the “Premises” or “Leased Premises”). Except upon the occurrence and continuation of an event of default under the Lease, the term of the Lease will end on December 31, 2028. The School Corporation may renew for a further like or lesser term upon the same or like conditions established in the Lease.

Under the Lease, the School Corporation agrees to pay the Building Corporation lease rental at the rate per year during the term of the Lease in amounts sufficient to pay the principal of, and interest on the Bonds issued and outstanding under the Indenture (the “Rent” or “Annual Rent”). Each rental installment is payable in advance in semi-annual installments on June 30 and December 31 of each year, with the next rental installment due on December 31, 2018. All Annual Rent payable under the terms of the Lease are paid by the School Corporation to the Trustee.

The Lease provides that the School Corporation will pay as further rental for the Leased Premises all taxes and assessments levied against or on account of the Premises or the receipt of lease rental payments, and amounts required to be paid, after taking into account other available money, to the United States government to prevent the Bonds from becoming arbitrage bonds under Section 148 of the Code.

### **Operation, Maintenance and Repair of Leased Premises**

The Lease provides that the School Corporation will operate, maintain and repair the Premises in good repair, working order and condition at its own expense. At the end of the term of the Lease, the School Corporation will deliver the Leased Premises to the Building Corporation in as good condition as at the beginning of the term of this Lease, reasonable wear and tear excepted.

The School Corporation may, at its own expense, install on any of the Leased Premises personal property which is not an addition or improvement to, modification of or substitution for the facilities comprising the Leased Premises, which will be the sole property of the School Corporation and in which the Building Corporation will have no interest. This additional property of the School Corporation may be modified or removed at any time if the School Corporation is not in default under the Lease.

## **Insurance**

The School Corporation, at its own expense, will keep the Leased Premises insured against physical loss or damage in an amount at least equal to one hundred percent (100%) of the full replacement cost of the Leased Premises, with such exceptions as are ordinarily required by insurers of similar facilities. During the full term of this Lease, the School Corporation will also, at its own expense, carry combined bodily injury insurance, including accidental death, and property damage with references to the Leased Premises in an amount not less than Three Million Dollars (\$3,000,000) CSL on account of each occurrence. The School Corporation will also, at its own expense, maintain rent or rental value insurance in an amount equal to the full rental value of the Leased Premises for a period of two (2) years against physical loss or damage.

## **Damage and Destruction of Leased Premises; Abatement of Rent**

The Lease provides that, in the event the Leased Premises are partially or totally destroyed, whether by fire or any other casualty, so as to render the same unfit, in whole or part, for use by the School Corporation: (i) it will then be the obligation of the Building Corporation to restore and rebuild the Leased Premises as promptly as may be done, unavoidable strikes and other causes beyond the control of the Building Corporation excepted; provided, the Building Corporation will not be obligated to expend on such restoration or rebuilding more than the amount of the proceeds received by the Building Corporation from the insurance provided for in the Lease, and provided further, the Building Corporation will not be required to rebuild or restore the Leased Premises if the School Corporation instructs the Building Corporation not to undertake such work because the School Corporation anticipates that either the cost of such work exceeds the amount of insurance proceeds and other amounts available for such purpose, or the work cannot be completed within the period covered by rental value insurance; and (ii) if there is in force on the date of partial or total destruction or taking the property damage insurance and rental value insurance as described in the immediately preceding paragraph, then the Rent will be abated, for the period during which the Leased Premises or any part thereof is unfit for use by the School Corporation, in proportion to the percentage of the area of the Leased Premises which is unfit for use by the School Corporation as it relates to the entire Leased Premises. If the School Corporation so instructs the Building Corporation not to undertake such work, the School Corporation will use the insurance proceeds and other amounts available to exercise its option to purchase under the Lease. (See "Option to Purchase Leased Premises" below)

In certain circumstances, proceeds of insurance may be used for redemption of Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE--Insurance--Use of Proceeds from Insurance" in Appendix D of this Official Statement.

## **Option to Purchase Leased Premises**

The School Corporation has the right and option, on any date prior to the expiration of the Lease, to purchase the Leased Premises at a price equal to the amount required to enable the Building Corporation to pay or defease all indebtedness related to the Leased Premises, including the Bonds as determined by the Building Corporation and the Trustee, and to enable the Building Corporation to liquidate, if the Building Corporation is to be liquidated, by paying the expense and charges of liquidation, and to pay the cost of transferring the Leased Premises.

### **Transfer of Ownership to School Corporation**

In the event the School Corporation has not exercised its option to purchase all of the Leased Premises, or its option to renew the Lease, then upon expiration of the Lease and full performance by the School Corporation of its obligations under the Lease, the Leased Premises will become the absolute property of the School Corporation.

### **Defaults**

The Lease provides that if the School Corporation defaults (i) in the payment of any rentals or other sums payable to the Building Corporation under the Lease, or (ii) in the observance of any other covenant, agreement or condition thereof and such default continues for ninety (90) days after written notice to correct the same, the Building Corporation may protect and enforce its rights by suit in equity or at law in any court of competent jurisdiction, or may authorize or delegate the authority to file a suit, or the Building Corporation, at its option and without further notice, may terminate the estate and interest of the School Corporation thereunder, and the Building Corporation may resume possession of the Leased Premises. The exercise by the Building Corporation of its right to terminate the Lease will not release the School Corporation from the performance of any obligation under the Lease maturing prior to the Building Corporation's actual entry into possession.

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## APPENDIX D



## **SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE**

**THE FOLLOWING IS A SUMMARY OF CERTAIN PROVISIONS CONTAINED IN THE INDENTURE. THIS SUMMARY DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE INDENTURE. CAPITALIZED TERMS NOT DEFINED IN THIS SUMMARY WILL HAVE THE MEANINGS SET FORTH ELSEWHERE IN THIS OFFICIAL STATEMENT.**

### **Creation of Funds and Accounts**

The Indenture establishes the following funds and accounts to be held by the Trustee:

- (i) Construction Fund;
- (ii) Project Fund;
- (iii) Sinking Fund;
- (iv) Rebate Fund;
- (v) Operation Fund; and
- (vi) Redemption Fund.

### **Operation of Funds and Accounts**

Construction Fund. As of the date that the 2018 Bonds are issued, there will be no money in the Construction Fund or any account previously established under the Construction Fund. The Building Corporation has used the Construction Fund from time to time to fund various improvements to the Mortgaged Property and to pay costs of issuance related to Bonds issued prior to the issuance of the 2018 Bonds.

Project Fund. As of the date that the 2018 Bonds are issued, the Project Fund will consist of a 2018 Reimbursement/Lease Extension Account. All of the proceeds of the 2018 Bonds in an amount equal to \$\_\_\_\_\_ will be deposited by the Trustee into the 2018 Reimbursement/Lease Extension Account on the date of the issuance of the 2018 Bonds and immediately transferred to the School Corporation as payment for the extension of the Building Corporation's ownership interest of the Mortgaged Property and reimbursement for improvements at the Mortgaged Property made by the School Corporation.

Sinking Fund. The Trustee will deposit in the Sinking Fund from each rental payment received by the Trustee pursuant to the Lease, and from proceeds of rental value insurance which represents lease rental payments under the Lease, all of such rental payment or if less an amount which, when added to the amount in the Sinking Fund on the deposit date, equals the sum of (i) principal due on the Bonds on the next principal payment date or sinking fund redemption

date and (ii) interest on the Bonds due within twenty (20) days after the date such rental payment becomes due. Any portion of a rental payment remaining after such deposit will be deposited by the Trustee in the Operation Fund. The Trustee will pay from the Sinking Fund the principal of the Bonds at maturity or upon mandatory sinking fund redemption and the interest on the Bonds as the same falls due. Investment earnings may be used for deposits in the Rebate Fund.

Rebate Fund. If in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), the Building Corporation determines upon the advice of counsel that it is required to cause to be calculated amounts to be rebated to the United States government, the Building Corporation will cause to be computed the amount required to be rebated, or if the Building Corporation determines upon the advice of counsel to pay a penalty in lieu of rebate, the Building Corporation will cause to be computed the amount of the penalty to be paid. The Trustee will deposit such amounts, at the direction of the Building Corporation, in the Rebate Fund from the Project Fund, the Operation Fund or investment earnings on the Sinking Fund. The Trustee will pay required amounts from the Rebate Fund as directed by the Building Corporation and as required by Section 148 of the Code.

Operation Fund. The Operation Fund will be used only for the payment of necessary incidental expenses of the Building Corporation, such as Trustee’s, Registrar’s and Paying Agent’s fees, expenses incurred in connection with any continuing disclosure obligations, the payment of any rebate or penalties to the United States government, to transfer funds to the Redemption Fund if so directed by the Building Corporation, the payment of principal of and premium, if any, and interest on the Bonds upon redemption or the purchase price of Bonds purchased as provided in the Indenture, and if the amount in the Sinking Fund at any time is less than the required amount, the Trustee will transfer funds from the Operation Fund to the Sinking Fund in an amount sufficient to raise the amount in the Sinking Fund to the required amount. Incidental expenses will be paid by the Trustee upon the presentation of an affidavit (except in the case of amounts owing to the Trustee, which may be withdrawn from the Fund when due without presentation of an affidavit) stating the character of the expenditure, the amount thereof and to whom due.

Notwithstanding anything herein to the contrary, upon receipt by the Trustee of a Request for Release of Funds, as defined below, the Trustee will as soon thereafter as practical release to the School Corporation funds in the Operation Fund in accord with such Request. For these purposes, a “Request for Release of Funds” means a written request made by the School Corporation which (i) is signed by an appropriate representative of the School Corporation, (ii) sets forth the amount requested to be released from the Operation Fund to the School Corporation, and (iii) includes a statement, accompanied by supporting schedules prepared by an accountant or firm of accountants which verify the statement, that the balance to be held in the Operation Fund immediately after such amount is released to the School Corporation is expected to be sufficient to meet the known and anticipated payments and transfers to be satisfied from the Operation Fund in the succeeding eighteen months. The supporting schedules will identify with particularity the anticipated sources and applications of funds. The statement and supporting schedules required by clause (iii) above will not include anticipated investment earnings based on assumptions about reinvestment rates, but may include known investment earnings scheduled



to be received on then current investments, and will include any known or anticipated gain or loss from the disposition of investments. Notwithstanding the foregoing provisions of this paragraph, the Trustee will not so release funds from the Operation Fund to the School Corporation during any time that there exists an uncured or unwaived event of default under the Indenture, or an event which with notice or lapse of time or both would become such an event of default, or if the Trustee determines that the information set forth in the Request for Release of Funds (including the supporting schedules) is not reasonably consistent with the books and records of the Trustee or is otherwise not accurate or appropriate.

Redemption Fund. The Trustee and the Building Corporation will use funds in the Redemption Fund to call the Bonds for redemption or to purchase the Bonds.

Investment of Funds. All funds will be invested by the Trustee in Qualified Investments. Until the filing of the Affidavit of Completion all investment earnings from all of the funds will be deposited into the Construction Account. After such filing, investment earnings will be allocated to the fund or account to which the earnings are allocable. Funds invested for the Sinking Fund and Rebate Fund will mature prior to the time the funds invested will be needed for payment of principal of and interest on the Bonds or rebate to the United States government. The Trustee is authorized to sell any securities so acquired from time to time in order to make required payments from a particular fund or account.

Redemption of Bonds. Whenever the amounts contained in the Sinking Fund, Redemption Fund and Operation Fund are sufficient, together with any other funds deposited with the Trustee by the Building Corporation (other than amounts deposited into the Rebate Fund), to redeem, upon the next redemption date, all Bonds then outstanding under the Indenture, after accounting for the intervening uses of such amounts, the Trustee will apply the amounts in such funds to the redemption of the Bonds.

Purchase of Bonds. At the request of the Building Corporation, the Trustee will remove funds from the Operation Fund or the Redemption Fund to be used for the redemption of the Bonds or for the purchase of the Bonds.

### **Additional Bonds**

Additional Bonds may be issued under the Indenture on a parity with the 2016 Bonds, the 2018 Bonds and all other Bonds issued under the Indenture. Additional Bonds will be limited to amounts which can be repaid, along with all outstanding Bonds, from lease rentals paid by the School Corporation pursuant to the Lease.

### **Covenants of the Building Corporation**

In the Indenture, the Building Corporation makes certain covenants to the Trustee for the benefit of Bondholders, including but not limited to the following.

Title to Mortgaged Property. The Building Corporation covenants that it will preserve good and indefeasible title to the Mortgaged Property. The Building Corporation also covenants

that it will not suffer any lien or charge equal or prior to the lien created by the Indenture to be enforced or to exist against the Mortgaged Property or any part thereof, except the lien of current taxes not yet due.

Corporate Existence. The Building Corporation covenants that it will maintain its corporate existence. Nothing in the Indenture prevents any consolidation or merger of the Building Corporation with or into, or any conveyance or transfer subject to the Indenture of all the Mortgaged Property as an entirety to, any other Building Corporation; provided, however, that such consolidation, merger, conveyance or transfer must not impair the lien of the Indenture or any of the rights or powers of the Trustee or the registered owners under the Indenture; and provided, further, that upon any such consolidation, merger, conveyance or transfer, the due and punctual payment of the principal of and interest on all 2018 Bonds, and the performance and observance of all terms and covenants and conditions of the Indenture and of the Lease to be kept or performed by the Building Corporation, must be assumed by the Building Corporation formed by such consolidation or into which such merger has been made, or to which the Mortgaged Property has been so conveyed and transferred.

Books of Record and Account. The Building Corporation covenants that proper books of record and account will be kept in which full, true and correct entries will be made of all dealings or transactions of or in relation to the properties, business and affairs of the Building Corporation. The Building Corporation will from time to time furnish the Trustee such information as to the property of the Building Corporation as the Trustee reasonably requests and such other information and reports as the Indenture requires.

Incurring Indebtedness. The Building Corporation covenants that it will not incur any indebtedness other than the 2016 Bonds or the 2018 Bonds except Additional Bonds as permitted by the Indenture or indebtedness payable from income of the Building Corporation from some source other than the rental payments under the Lease pledged under the Indenture as long as any 2016 Bonds or 2018 Bonds are outstanding under the Indenture.

Tax Covenants. In order to preserve the exclusion of interest on the 2018 Bonds from gross income for federal income tax purposes, the Building Corporation represents, covenants and agrees that, among other things, it will not take any action or fail to take any action with respect to the 2018 Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the 2018 Bonds pursuant to Section 103 of the Code, nor will the Building Corporation act in any other manner which would adversely affect such exclusion. The Building Corporation is not required to comply with one or more of these tax covenants to the extent the Building Corporation receives an opinion of nationally recognized bond counsel to the effect that any tax covenant is unnecessary to preserve the exclusion of interest on the 2018 Bonds from gross income under federal income tax law.

## **Insurance**

Insurance Required During Construction, Renovation, Expansion and Equipping. During the construction, renovation, expansion and equipping of the Structures, the Building Corporation was required to carry or cause other persons to carry for its benefit builder's risk insurance in the cumulative amount of one hundred percent (100%) of the insurable value of the

Structures, physical loss or damage thereto, and bodily injury and property damage insurance. All contracts for the construction, renovation, expansion and equipping of the Structures will or do, require the contractor to carry such insurance as will protect the contractor from liability under Indiana Worker's Compensation and Worker's Occupations Diseases Acts.

Insurance Required After Completion of the Structures. In the Lease, the Lessee has agreed to carry (i) insurance on the Mortgaged Property against physical loss or damage; (ii) rent or rental value insurance; and (iii) combined bodily injury insurance, including accidental death and property damage with references to the Mortgaged Property in an amount not less than One Million Dollars (\$1,000,000) CSL on account of each occurrence. See "SUMMARY OF CERTAIN PROVISIONS OF THE LEASE - Insurance" in Appendix C of this Official Statement.

Use of Proceeds from Insurance. Subject to the terms of the Lease, the proceeds of such insurance (other than rental value insurance which represents lease rental payments) received by the Trustee will be applied to the repair, replacement or reconstruction of the damaged or destroyed property. In the event the Building Corporation does not commence to repair, replace or reconstruct the Mortgaged Property within ninety (90) days after damage or destruction, or the Building Corporation abandons or fails diligently to pursue the same, the Trustee may make or complete such repairs, replacements or reconstructions, unless the Lessee instructs the Building Corporation not to undertake such work in accordance with the Lease (which may occur if, for example, the Lessee anticipates that the cost of such repair, replacement or reconstruction exceeds the amount of insurance proceeds and other amounts available for such purpose, or that the repair, replacement or reconstruction cannot be completed within the period covered by rental value insurance). If the Building Corporation does not proceed in good faith with repair, replacement or reconstruction for one hundred twenty (120) days or if the Lessee instructs the Building Corporation not to undertake such work in accordance with the Lease, the Trustee, upon receipt of the insurance moneys, must (unless the Trustee proceeds to make such repairs, replacements or reconstructions) apply the proceeds in the following manner: (i) if the proceeds are sufficient to redeem all the Bonds then outstanding under the Indenture, the Trustee will apply the proceeds to the redemption of such Bonds in an extraordinary prepayment in the manner provided in the Indenture as if redemption had been at the option of the Building Corporation, but without premium or penalty, and (ii) if the proceeds are not sufficient to redeem all the Bonds then outstanding under the Indenture, the Trustee will apply the proceeds to the partial redemption of outstanding Bonds in an extraordinary prepayment, without premium or penalty, in the manner provided by the Indenture in the case of proceeds from the sale of the Mortgaged Property, as described below under the heading "Events of Default and Remedies-- Application of Proceeds from Sale of Mortgaged Property" in this Appendix D. Furthermore, if at any time the Mortgaged Property is totally or substantially destroyed and the amount of insurance money is sufficient to redeem all the Bonds then outstanding and such Bonds are then subject to redemption, the Building Corporation, at the written request of the Lessee, will direct the Trustee to use said moneys for the purpose of redeeming all such Bonds outstanding at the then current redemption price. See "SUMMARY OF CERTAIN PROVISIONS OF THE LEASE - Damage and Destruction of Premises" in Appendix C of this Official Statement.

## **Mortgaged Property**

Unless an event of default under the Indenture has occurred and continues beyond any applicable grace period, the Building Corporation may remain in full possession, enjoyment and control of all of the Mortgaged Property. While in possession of the Mortgaged Property and not in default under the Indenture, the Building Corporation may alter, change, add to, repair or replace any of the Mortgaged Property, provided that the Building Corporation maintains and preserves the value of the Mortgaged Property from substantial impairment or reduction so that the security of the Bonds outstanding under the Indenture is not thereby substantially impaired or reduced.

The Trustee has full power and authority to release from the lien of the Indenture, in the manner and subject to the conditions as the Trustee deems proper, such portion of the Mortgaged Property that has become unfit or unnecessary for use. The proceeds from all sales of such Mortgaged Property which, within ninety (90) days after receipt, are not invested in other property which becomes subject to the lien of the Indenture will be deposited in the Operation Fund.

## **Events of Default and Remedies**

Events of Default. The following are each an “event of default” under the Indenture:

- (i) Default in the payment on the due date of the interest on any Bond outstanding under the Indenture;
- (ii) Default in the payment on the due date of the principal of or premium on any such Bond, whether at the stated maturity thereof, or upon proceedings for the redemption thereof, or upon the maturity thereof by declaration;
- (iii) Default in the performance or observance of any other of the covenants or agreements of the Building Corporation in the Indenture or in the Bonds, and the continuance thereof for a period of sixty (60) days after written notice thereof to the Building Corporation by the Trustee;
- (iv) The Building Corporation: (a) admits in writing its inability to pay its debts generally as they become due, (b) files a petition in bankruptcy, (c) makes an assignment for the benefit of its creditors, or (d) consents to or fails to contest the appointment of a receiver or trustee for itself or of the whole or any substantial part of the Mortgaged Property;
- (v) (a) The Building Corporation is adjudged insolvent by a court of competent jurisdiction; (b) the Building Corporation, on a petition in bankruptcy filed against the Building Corporation, is adjudged a bankrupt; or (c) an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the Building Corporation, a

receiver or trustee of the Building Corporation or of the whole or any substantial part of the Mortgaged Property, and any of the aforesaid adjudications, orders, judgments or decrees is not vacated, set aside or stayed within sixty (60) days from the date of entry thereof;

- (vi) Any judgment is recovered against the Building Corporation or any attachment or other court process issues that becomes or creates a lien upon any of its property, and such judgment, attachment or court process is not discharged or effectually secured within sixty (60) days;
- (vii) The Building Corporation files a petition under the provisions of the United States Bankruptcy Code, or files an answer seeking the relief provided in said Bankruptcy Code;
- (viii) A court of competent jurisdiction enters an order, judgment or decree approving a petition filed against the Building Corporation under the provisions of said Bankruptcy Code, and such judgment, order or decree is not vacated, set aside or stayed within one hundred twenty (120) days from the date of the entry thereof;
- (ix) Under the provisions of any other law now or hereafter existing for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the Building Corporation or of the whole or any substantial part of the Mortgaged Property, and such custody or control is not terminated within one hundred twenty (120) days from the date of assumption of such custody or control;
- (x) Failure of the Building Corporation to bring suit to mandate the Lessee to levy a tax to pay the rental provided in the Lease, or such other action to enforce the Lease as is reasonably requested by the Trustee, if such rental is more than sixty (60) days in default; o
- (xi) If there is a failure to pay the Lease Rentals within sixty (60) days after they are due.

Remedies. In the case of the happening and continuance of any of the events of default, the Trustee, by notice in writing mailed to the Building Corporation, may, and upon written request of the registered owners of twenty-five percent (25%) in principal amount of the Bonds then outstanding under the Indenture must, declare the principal of all such Bonds, and the interest accrued thereon, immediately due and payable. However, the registered owners of a majority in principal amount of all outstanding Bonds, by written notice to the Building Corporation and to the Trustee, may annul each declaration and destroy its effect at any time before any sale under the Indenture if all agreements with respect to which default has been made are fully performed and all such defaults are cured, and all arrears of interest upon all Bonds outstanding and the reasonable expenses and charges of the Trustee, the Registrar and Paying Agent, its agents and attorneys, and all other indebtedness secured by the Indenture,

except the principal of any Bonds not then due by their terms and interest accrued thereon since the then last Interest Payment Date, are paid or the amount thereof is paid to the Trustee for the benefit of those entitled thereto. Interest shall be payable on overdue principal at the rate of interest set forth in each Bond.

Upon the occurrence of one or more events of default, the Building Corporation, upon demand of the Trustee, must surrender to the Trustee the actual possession of all the Mortgaged Property. In such event, the Trustee may, but is under no obligation to: (i) hold, operate and manage the same, and from time to time to make all needed repairs and such extensions, additions or improvements as the Trustee deems wise; (ii) receive the rents, revenues, issues, earnings, income, profits and proceeds thereof and out of the same pay all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel, any charges of the Trustee, the Registrar and Paying Agent under the Indenture, any taxes and assessments and other charges prior to the lien of the Indenture which the Trustee may deem it wise to pay, and all expenses in connection therewith; and (iii) apply the remainder of the moneys so received by the Trustee, first, to the payment of the installments of interest which are due and unpaid in the order of their maturity, and next, if the principal of the Bonds is due, to the payment of the principal thereof and the accrued interest thereon pro rata, without any preference or priority whatsoever except as aforesaid. Whenever all that is due upon the Bonds outstanding under the Indenture and installments of interest and under any of the terms of the Indenture have been paid, and all defaults made good, the Trustee will surrender possession to the Building Corporation, its successors or assigns.

Upon the occurrence of any one or more events of default, the Trustee may, if at the time such action is lawful, sell all the Mortgaged Property as an entirety, or in such parts or parcels as the registered owners of a majority in principal amount of the Bonds outstanding under the Indenture may in writing request, or in the absence of such request as the Trustee may determine, at public auction.

In case of the happening and continuance of any event of default, the Trustee may, and will upon the written request of the registered owners of at least twenty-five percent (25%) in principal amount of the Bonds then outstanding under the Indenture and upon being indemnified to its reasonable satisfaction, proceed to protect and enforce its rights and the rights of the registered owners of the Bonds by suit or suits in equity or at law, in any court of competent jurisdiction, whether for specific performance of any covenant or agreement contained in the Indenture or in aid of any power granted in the Indenture, or for any foreclosure of or under the Indenture, or for the enforcement of any other appropriate legal or equitable remedy. Notwithstanding anything contained in the Indenture to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the Trustee to liability under any law, statute, regulation or similar requirement relating to the environment, the Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action.

Application of Proceeds from Sale of Mortgaged Property. The proceeds of any sale, together with any other amounts of cash which may then be held by the Trustee as a part of the Mortgaged Property, will be applied as follows:

- (i) to the payment of all costs and expenses of sale, and of all costs of the suit or suits wherein such sale may have been ordered and to the creation of a reserve for anticipated fees, costs and expenses;
- (ii) to the payment of all other expenses of the trust created by the Indenture, with interest thereon at the highest rate of interest on any of the Bonds issued under the Indenture when sold, whether or not then outstanding;
- (iii) to the payment of all the principal and accumulated and unpaid interest on the Bonds then outstanding under the Indenture in full, if said proceeds are sufficient, but if not sufficient, then to the payment thereof ratably without preference or priority of any one Bond over any other or of interest over principal, or of principal over interest, or of any installment of interest over any other installment of interest; and
- (iv) any surplus thereof remaining, to the Building Corporation, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

Limitation on Rights of Bondholders. No owner of any Bond outstanding under the Indenture has the right to institute any proceeding at law or in equity for the foreclosure of the Indenture, or for the appointment of a receiver, or for any other remedy under the Indenture, without first giving notice in writing to the Trustee of the occurrence and continuance of an event of default, and unless the registered owners of at least twenty-five percent (25%) in principal amount of the then outstanding Bonds have made written request to the Trustee and have offered it reasonable opportunity either to proceed to exercise the powers granted under the Indenture or to institute such action, suit or proceeding in its own name, and without also having offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred by the Trustee; and such notice, request and offer of indemnity may be required by the Trustee as conditions precedent to the execution of the powers and trusts of the Indenture or to the institution of any suit, action or proceeding at law or in equity for the foreclosure thereof, for the appointment of a receiver, or for any other remedy under the Indenture, or otherwise, in case of any such default. No one or more registered owners of the Bonds outstanding under the Indenture has any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by such owner's or owners' action, or to enforce any right thereunder except in the manner therein provided, and all proceedings at law or in equity must be instituted, had and maintained in the manner therein provided, and for the equal benefit of all registered owners of outstanding Bonds. However, the right of any registered owner of any Bond outstanding under the Indenture to receive payment of the principal of and interest on such Bond on or after the respective due dates therein expressed, or to institute suit for the recovery of any such payment on or after such respective dates, will not be impaired or affected without the consent of such registered owner.

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or in any Bond secured thereby, or because of the creation of any indebtedness thereby secured, may be had against any incorporator, member, officer, director, employee, or agent, present or future, of the Building Corporation or of any successor Building Corporation, either directly or through the Building Corporation, by the enforcement of any assessment or by any legal or equitable proceeding or by virtue of any statute or otherwise.

### **Supplemental Indentures**

The Building Corporation, Trustee, and the Registrar and Paying Agent may, without notice to or consent of any Bondholder, enter into supplemental indentures:

- (i) to cure any ambiguity or formal defect or omission in the Indenture, or in any supplemental indenture; or
- (ii) to grant to or confer upon the Trustee, for the benefit of the registered owners, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the registered owners or the Trustee; or
- (iii) to provide for the issuance of Additional Bonds as provided in the Indenture, or
- (iv) to procure a rating on the Bonds from a nationally recognized securities rating agency designated in such supplemental indenture, if such supplemental indenture will not adversely affect the owners of the Bonds; or
- (v) to secure or maintain bond insurance with respect to the Bonds; or
- (vi) to provide for the refunding or advance refunding of the Bonds; or
- (vii) to evidence the appointment of a separate or co-trustee or the succession of a new Trustee or Paying Agent; or
- (viii) to make any other change which, in the determination of the Building Corporation and the Lessee in their sole discretion, is not to the prejudice of the owners of the Bonds.

In addition, the registered owners of not less than 66-2/3% in aggregate principal amount of the Bonds then outstanding under the Indenture may consent to and approve supplemental indentures as are deemed necessary or desirable by the Building Corporation for the purpose of modifying or amending in any particular any of the terms or provisions contained in the Indenture or in any supplemental indenture; provided, however, that such supplemental indenture does not effect:



- (i) an extension of the maturity of the principal of or interest or premium, if any, on any Bond, or an advancement of the earliest redemption date on any Bond, without the consent of the holder of each Bond so affected; or
- (ii) a reduction in the principal amount of any Bond or the rate of interest thereon or the premium payable upon redemption thereof, or a change in the monetary medium in which such amounts are payable, without the consent of the holder of each Bond so affected; or
- (iii) the creation of a lien upon the Mortgaged Property ranking prior to or on a parity with the lien created by the Indenture, without the consent of the holders of all Bonds then outstanding; or
- (iv) a preference or priority of any Bond over any other Bond, without the consent of the holders of all Bonds then outstanding; or
- (v) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, without the consent of the holders of all Bonds then outstanding.

Notwithstanding the foregoing, the rights, duties and obligations of the Building Corporation and of the registered owners of the Bonds, and the terms and provisions of the Bonds and the Indenture, or any supplemental indenture, may be modified or amended in any respect with the consent of the Building Corporation and the consent of the registered owners of all the Bonds then outstanding under the Indenture.

### **Defeasance**

If, when the Bonds outstanding under the Indenture or a portion thereof have become due and payable in accordance with their terms or have been duly called for redemption or irrevocable instructions to call such Bonds or any portion thereof for redemption have been given by the Building Corporation to the Trustee, and the whole amount of the principal, premium, if any, and the interest so due and payable upon such Bonds or any portion thereof then outstanding are paid or (i) sufficient money, or (ii) noncallable Government Obligations, the principal of and the interest on which when due, without reinvestment, will provide sufficient money, or (iii) a combination thereof, are held for such purpose under the provisions of the Indenture, and provision is also made for paying all Trustee's and Paying Agents' fees and expenses and other sums payable under the Indenture by the Building Corporation, the Building Corporation shall be released from all liability on such Bonds or portion thereof and such Bonds shall no longer be deemed to be outstanding under the Indenture. In the event the foregoing applies to all Bonds secured by the Indenture, the right, title and interest of the Trustee will thereupon cease, determine and become void.

Upon any such termination of the Trustee's title, on demand of the Building Corporation, the Trustee will turn over to the Building Corporation or to such officer, board or body as may then be entitled by law to receive the same, any surplus in the Sinking Fund and in the Operation

Fund and all balances remaining in any other funds or accounts, other than moneys and obligations held for the redemption or payment of the Bonds.

## APPENDIX E



\_\_\_\_\_, 2018

South Vermillion Middle School Building Corporation  
Clinton, Indiana

Re:     \$x,xxx,xxx South Vermillion Middle School Building Corporation First Mortgage  
      Bonds, Series 2018

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Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the South Vermillion Middle School Building Corporation (the “Issuer”) of \$x,xxx,xxx aggregate principal amount of its First Mortgage Bonds, Series 2018, dated as of the date hereof (the “2018 Bonds”), pursuant to Indiana Code 20-47-3 and Indiana Code 20-47-4, each as amended, and a Trust Indenture, dated as of September 15, 1993 (the “Original Indenture”), as supplemented and amended by a First Supplemental Trust Indenture, dated as of January 1, 2003 (the “First Supplemental Indenture”), a Second Supplemental Trust Indenture, dated as of September 15, 2012 (the “Second Supplemental Indenture”), a Third Supplemental Trust Indenture, dated as of April 15, 2016 (the “Third Supplemental Indenture”), and a Fourth Supplemental Trust Indenture, dated as of October 15, 2018 (the “Fourth Supplemental Indenture”) (the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and the Fourth Supplemental Indenture, the “Indenture”), each by and between the Issuer and First Financial Bank, N.A. (successor to Terre Haute First National Bank by assignment), as trustee. We have examined the law and such certified proceedings and such other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer and the South Vermillion Community School Corporation, Vermillion County, Indiana (the “School Corporation”), contained in the Indenture, the Lease (as defined in the Indenture), by and between the School Corporation, as lessee, and the Issuer, as lessor, the certified proceedings and other certifications of public officials furnished to us, and certifications, representations and other information furnished to us by or on behalf of the Issuer, the School Corporation and others, including, but not limited to, certifications contained in the tax and arbitrage certificate of the Issuer and the School Corporation dated the date hereof, without undertaking to verify the same by independent investigation. We have relied upon the opinion of Hanner Law Office, Rockville, Indiana, as to the matters stated therein. We have relied upon the report of H.J. Umbaugh & Associates, Certified Public Accountants, LLP, Indianapolis, Indiana, dated the date hereof, as to the matters stated therein.

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

South Vermillion Middle School Building Corporation  
\_\_\_\_\_, 2018

1. The Issuer is a corporation validly existing under the laws of the State of Indiana, with the corporate power to enter into the Indenture and perform its obligations thereunder and to issue the 2018 Bonds.

2. The 2018 Bonds have been duly authorized, executed and delivered, and are valid and binding limited obligations of the Issuer, enforceable in accordance with their terms. The 2018 Bonds are payable solely from the Mortgaged Property (as defined in the Indenture) on parity with the Issuer's First Mortgage Bonds, Series 2016A and the Issuer's First Mortgage Bonds, Series 2016B.

3. The Indenture has been duly authorized, executed and delivered by the Issuer, and is a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms.

4. The Lease has been duly authorized, executed and delivered by the Issuer and the School Corporation, and is a valid and binding obligation of the Issuer and the School Corporation, enforceable against the Issuer and the School Corporation in accordance with its terms. The obligations of the School Corporation under the Lease are payable solely from *ad valorem* taxes to be levied and collected on all taxable property in the territory of the School Corporation.

5. Under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on this date (the "Code"), interest on the 2018 Bonds is excludable from gross income for federal income tax purposes. The opinion set forth in this paragraph is subject to the condition that each of the Issuer and the School Corporation comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2018 Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Each of the Issuer and the School Corporation has covenanted or represented that it will comply with such requirements. Failure to comply with certain of such requirements may cause interest on the 2018 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2018 Bonds.

6. Interest on the 2018 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations for taxable years that began prior to January 1, 2018.

7. Interest on the 2018 Bonds is exempt from income taxation in the State of Indiana (the "State") for all purposes except the State financial institutions tax.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Final Official Statement, dated as of \_\_\_\_\_, 2018, or any other offering material relating to the 2018 Bonds, and we express no opinion relating thereto.

South Vermillion Middle School Building Corporation  
\_\_\_\_\_, 2018

We express no opinion regarding any tax consequences arising with respect to the 2018 Bonds, other than as expressly set forth herein.

With respect to the enforceability of any document or instrument, this opinion is subject to the qualifications that: (i) the enforceability of such document or instrument may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance and similar laws relating to or affecting the enforcement of creditors' rights; (ii) the enforceability of equitable rights and remedies provided for in such document or instrument is subject to judicial discretion, and the enforceability of such document or instrument may be limited by general principles of equity; (iii) the enforceability of such document or instrument may be limited by public policy; and (iv) certain remedial, waiver and other provisions of such document or instrument may be unenforceable, provided, however, that in our opinion the unenforceability of those provisions would not, subject to the other qualifications set forth herein, affect the validity of such document or instrument or prevent the practical realization of the benefits thereof.

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

Very truly yours,

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## APPENDIX F



## CONTINUING DISCLOSURE CONTRACT

This Continuing Disclosure Contract (this “Contract”) is made this \_\_\_\_ day of \_\_\_\_\_, 2018, from the South Vermillion Community School Corporation, Vermillion County, Indiana (the “Promisor”) to each registered owner or holder of any Bond (as hereinafter defined) (each, a “Promisee”);

WITNESSETH THAT:

WHEREAS, the South Vermillion Middle School Building Corporation, an Indiana nonprofit corporation (the “Issuer”), is issuing on the date hereof its South Vermillion Middle School Building Corporation First Mortgage Bonds, Series 2018 (the “Bonds”), pursuant to a Trust Indenture, dated as of September 15, 1993 (the “Original Indenture”), as supplemented and amended by a First Supplemental Trust Indenture, dated as of January 1, 2003 (the “First Supplemental Indenture”), a Second Supplemental Trust Indenture, dated as of September 15, 2012 (the “Second Supplemental Indenture”), a Third Supplemental Trust Indenture, dated as of April 15, 2016 (the “Third Supplemental Indenture”), and a Fourth Supplemental Trust Indenture, dated as of October 15, 2018 (the “Fourth Supplemental Indenture”) (the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and the Fourth Supplemental Indenture, the “Indenture”), each by and between the Issuer and First Financial Bank, N.A. (successor to Terre Haute First National Bank by assignment), as trustee (the “Trustee”); and

WHEREAS, \_\_\_\_\_ (the “Underwriter”) is, in connection with an offering of the Bonds directly or indirectly by or on behalf of the Issuer, purchasing the Bonds from the Issuer and selling the Bonds to certain purchasers; and

WHEREAS, Rule 15c2-12, as amended (the “Rule”), promulgated by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “Act”), provides that, except as otherwise provided in the Rule, a participating underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an offering (as defined in the Rule) unless the participating underwriter has reasonably determined that an issuer of municipal securities (as defined in the Rule) or an obligated person (as defined in the Rule) for whom financial or operating data is presented in the final official statement (as defined in the Rule) has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide certain information; and

WHEREAS, the Promisor desires to enter into this Contract in order to assist the Underwriter in complying with the Rule; and

WHEREAS, any registered owner or holder of any Bond shall, by its payment for and acceptance of such Bond, accept and assent to this Contract and the exchange of (i) such payment and acceptance for (ii) the promises of the Promisor contained herein;

NOW, THEREFORE, in consideration of the Underwriter’s and any Promisee’s payment for and acceptance of any Bonds, and other good and valuable consideration, the receipt and

sufficiency of which are hereby acknowledged, the Promisor hereby promises to each Promisee as follows:

Section 1. Definitions. The terms defined herein, including the terms defined above and in this Section 1, shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Any terms defined in the Rule, but not otherwise defined herein, shall have the meanings specified in the Rule unless the context or use clearly indicates another or different meaning or intent.

- (a) “Bond” shall mean any of the Bonds.
- (b) “Bondholder” shall mean any registered or beneficial owner or holder of any Bond.
- (c) “Final Official Statement” shall mean the Official Statement, dated \_\_\_\_\_, 2018, relating to the Bonds, including any document included therein by specific reference which is available to the public on the MSRB’s Internet Web site or filed with the Commission.
- (d) “Fiscal Year” of any person shall mean any period from time to time adopted by such person as its fiscal year for accounting purposes.
- (e) “MSRB” shall mean the Municipal Securities Rulemaking Board.
- (f) “Obligated Person” shall mean any person who is either generally or through an enterprise, fund or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Bonds (other than any providers of municipal bond insurance, letters of credit or liquidity facilities), for whom financial information or operating data is presented in the Final Official Statement.
- (g) “State” shall mean the State of Indiana.

Section 2. Term. The term of this Agreement shall commence on the date of delivery of the Bonds by the Issuer to the Underwriter and shall expire on the earlier of (a) the date of payment in full of principal of and premium, if any, and interest on the Bonds, whether upon scheduled maturity, redemption, acceleration or otherwise, or (b) the date of defeasance of the Bonds in accordance with the terms of the Indenture.

Section 3. Obligated Person(s). The Promisor hereby represents and warrants that, as of the date hereof:

- (a) The only Obligated Person with respect to the Bonds is the Promisor; and
- (b) Except as set forth in the Final Official Statement, there have been no instances in the previous five years in which the Obligated Person has failed to comply, in all material respects, with one or more of its previous

undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2-12.

Section 4. Undertaking to Provide Information.

(a) The Promisor hereby undertakes to provide the following to the MSRB in an electronic format as prescribed by the MSRB, either directly or indirectly through an indenture trustee or a designated agent, for the Promisor:

(i) Annual Financial Information. Within one hundred eighty (180) days after the close of each Fiscal Year of such Obligated Person, beginning with the Fiscal Year ending in the year after the Bonds are issued, the following financial information and operating data for such Obligated Person as identified in Appendix A of the Final Official Statement under the following headings:

(A) “SOUTH VERMILLION COMMUNITY SCHOOL CORPORATION, VERMILLION COUNTY, INDIANA—Enrollment;”

(B) “GENERAL ECONOMIC AND FINANCIAL INFORMATION—Schedule of Historical Net Assessed Valuation;”

(C) “GENERAL ECONOMIC AND FINANCIAL INFORMATION—Comparative Schedule of Certified Tax Rates (First Table only);”

(D) “GENERAL ECONOMIC AND FINANCIAL INFORMATION—Property Taxes Levied and Collected;”

(E) “GENERAL ECONOMIC AND FINANCIAL INFORMATION—Large Taxpayers;” and

(F) “GENERAL ECONOMIC AND FINANCIAL INFORMATION—Summary of Revenues and Expenditures by Fund”

(the financial information and operating data set forth in Section 4(a)(i) hereof, collectively, the “Annual Financial Information”);

(ii) If not submitted as part of the Annual Financial Information, then when and if available the audited financial statements for such Obligated Person;

(iii) Within 10 business days of the occurrence of any of the following events with respect to the Bonds, if material (which determination

of materiality shall be made by the Promisor in accordance with the standards established by federal securities laws):

- (A) Non-payment related defaults;
  - (B) Modifications to rights of Bondholders;
  - (C) Bond calls (other than mandatory, scheduled redemptions, not otherwise contingent upon the occurrence of an event, the terms of which redemptions are set forth in detail in the Final Official Statement);
  - (D) Release, substitution or sale of property securing repayment of the Bonds;
  - (E) 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
  - (F) Appointment of a successor or additional trustee or the change of name of a trustee;
- (iv) Within 10 business days of the occurrence of any of the following events with respect to the Bonds, regardless of materiality:
- (A) Principal and interest payment delinquencies;
  - (B) Unscheduled draws on debt service reserves reflecting financial difficulties;
  - (C) Unscheduled draws on credit enhancements reflecting financial difficulties;
  - (D) Substitution of credit or liquidity providers, or their failure to perform;
  - (E) Adverse tax opinions or events affecting the tax-exempt status of the security;
  - (F) Defeasances;
  - (G) Rating changes;
  - (H) The issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security;

- (I) Tender offers;
  - (J) Bankruptcy, insolvency, receivership or similar events of the Obligated Person; and
- (v) In a timely manner, notice of a failure of such Obligated Person to provide required Annual Financial Information or audited financial statements, on or before the date specified in this Contract.
- (b) Any financial statements of any Obligated Person provided pursuant to subsection (a)(i) of this Section 4 shall be prepared in accordance with any accounting principles mandated by the laws of the State, as in effect from time to time, or any other consistent accounting principles that enable market participants to evaluate results and perform year to year comparisons, but need not be audited.
- (c) Any Annual Financial Information or audited financial statements may be set forth in a document or set of documents, or may be included by specific reference to documents available to the public on the MSRB's Internet Web site or filed with the Commission.
- (d) If any Annual Financial Information otherwise required by subsection (a)(i) of this Section 4 no longer can be generated because the operations to which it relates have been materially changed or discontinued, a statement to that effect shall be deemed to satisfy the requirements of such subsection.
- (e) All documents provided to the MSRB under this Contract shall be accompanied by identifying information as prescribed by the MSRB.

Section 5. Termination of Obligation. The obligation to provide Annual Financial Information, audited financial statements and notices of events under Section 4(a) hereof shall terminate with respect to any Obligated Person, if and when such Obligated Person no longer remains an obligated person (as defined in the Rule) with respect to the Bonds.

Section 6. Bondholders. Each Bondholder is an intended beneficiary of the obligations of the Promisor under this Contract, such obligations create a duty in the Promisor to each Bondholder to perform such obligations, and each Bondholder shall have the right to enforce such duty.

Section 7. Limitation of Rights. Nothing expressed or implied in this Contract is intended to give, or shall give, to the Issuer, the Underwriter, the Commission or any Obligated Person, or any underwriters, brokers or dealers, or any other person, other than the Promisor and each Promisee, any legal or equitable right, remedy or claim under or with respect to this Contract or any rights or obligations hereunder. This Contract and the rights and obligations hereunder are intended to be, and shall be, for the sole and exclusive benefit of the Promisor and each Promisee.

Section 8. Remedies.

- (a) The sole and exclusive remedy for any breach or violation by the Promisor of any obligation of the Promisor under this Contract shall be the remedy of specific performance by the Promisor of such obligation. Neither any Promisee nor any Bondholder shall have any right to monetary damages or any other remedy for any breach or violation by the Promisor of any obligation of the Promisor under this Contract, except the remedy of specific performance by the Promisor of such obligation.
- (b) No breach or violation by the Promisor of any obligation of the Promisor under this Contract shall constitute a breach or violation of or default under the Bonds or the Indenture.
- (c) Any action, suit or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Contract shall be instituted, prosecuted and maintained only in a court of competent jurisdiction in Vermillion County, Indiana.
- (d) No action, suit or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Contract shall be instituted, prosecuted or maintained by any Promisee or any Bondholder unless, prior to instituting such action, suit or other proceeding: (i) such Promisee or such Bondholder has given the Promisor notice of such breach or violation and demand for performance; and (ii) the Promisor has failed to cure such breach or violation within sixty (60) days after such notice.

Section 9. Waiver. Any failure by any Promisee or any Bondholder to institute any suit, action or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Contract, within three hundred sixty (360) days after the date such Promisee or such Bondholder first has knowledge of such breach or violation, shall constitute a waiver by such Promisee or such Bondholder of such breach or violation and, after such waiver, no remedy shall be available to such Promisee or such Bondholder for such breach or violation.

Section 10. Annual Appropriations. This Contract and the obligations of the Promisor hereunder are subject to annual appropriation by the fiscal body of the Promisor.

Section 11. Limitation of Liability. The obligations of the Promisor under this Contract are special and limited obligations of the Promisor, payable solely from the trust estate under the Indenture. The obligations of the Promisor under this Contract are not and shall never constitute a general obligation, debt or liability of the Promisor or the State, or any political subdivision thereof, within the meaning of any constitutional limitation or provision, or a pledge of the faith, credit or taxing power of the Promisor or the State, or any political subdivision thereof, and do not and shall never constitute or give rise to any pecuniary liability or charge against the general credit or taxing power of the Promisor or the State, or any political subdivision thereof.



Section 12. Immunity of Officers, Directors, Members, Employees and Agents. No recourse shall be had for any claim based upon any obligation in this Contract against any past, present or future officer, director, member, employee or agent of the Promisor, as such, either directly or through the Promisor, or under any rule of law or equity, statute or constitution.

Section 13. Amendment of Obligations. The Promisor may, from time to time, amend any obligation of the Promisor under this Contract, without notice to or consent from any Promisee or any Bondholder, if: (a)(i) such amendment 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 any Obligated Person, or type of business conducted, (ii) this Contract, after giving effect to such amendment, would have complied with the requirements of the Rule on the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment does not materially impair the interests of any Bondholders, as determined either by (A) any person selected by the Promisor that is unaffiliated with the Promisor, the Issuer or any Obligated Person (such as any trustee under the Indenture) or (B) an approving vote of the Bondholders pursuant to the terms of the Indenture at the time of such amendment; or (b) such amendment is otherwise permitted by the Rule.

Section 14. Assignment and Delegation. Neither any Promisee nor any Bondholder may, without the prior written consent of the Promisor, assign any of its rights under this Contract to any other person. The Promisor may not assign any of its rights or delegate any of its obligations under this Contract to any other person, except that the Promisor may assign any of its rights or delegate any of such obligations to any entity (a) into which the Promisor merges, with which the Promisor consolidates or to which the Promisor transfers all or substantially all of its assets or (b) which agrees in writing for the benefit of Bondholders to assume such rights or obligations.

Section 15. Communications. Any information, datum, statement, notice, certificate or other communication required or permitted to be provided, delivered or otherwise given hereunder by any person to any other person shall be in writing and, if such other person is the Promisor, shall be provided, delivered or otherwise given to the Promisor at the following address:

South Vermillion Community School Corporation, Vermillion County, Indiana  
800 West Wildcat Drive  
Clinton, Indiana 47842  
Attention: Superintendent

(or at such other address as the Promisor may, by notice to the MSRB, provide), or, if such other person is not the Promisor, shall be provided, delivered or otherwise given to such other person at any address that the person providing, delivering or otherwise giving such information, datum, statement, notice, certificate or other communication believes, in good faith but without any investigation, to be an address for receipt by such other person of such information, datum, statement, notice, certificate or other communication. For purposes of this Contract, any such information, datum, statement, notice, certificate or other communication shall be deemed to be provided, delivered or otherwise given on the date that such information, datum, notice,

certificate or other communication is (a) delivered by hand to such other person, (b) deposited with the United States Postal Service for mailing by registered or certified mail, (c) deposited with Express Mail, Federal Express or any other courier service for delivery on the following business day, or (d) sent by facsimile transmission, telecopy or telegram.

Section 16. Knowledge. For purposes of this Contract, each Promisee and each Bondholder shall be deemed to have knowledge of the provision and content of any information, datum, statement or notice provided by the Promisor to the MSRB on the date such information, datum, statement or notice is so provided, regardless of whether such Promisee or such Bondholder was a registered or beneficial owner or holder of any Bond at the time such information, datum, statement or notice was so provided.

Section 17. Performance Due on other than Business Days. If the last day for taking any action under this Contract is a day other than a business day, such action may be taken on the next succeeding business day and, if so taken, shall have the same effect as if taken on the day required by this Contract.

Section 18. Waiver of Assent. Notice of acceptance of or other assent to this Contract is hereby waived.

Section 19. Governing Law. This Contract and the rights and obligations hereunder shall be governed by and construed and enforced in accordance with the internal laws of the State, without reference to any choice of law principles.

Section 20. Severability. If any portion of this Contract is held or deemed to be, or is, invalid, illegal, inoperable or unenforceable, the validity, legality, operability and enforceability of the remaining portions of this Contract shall not be affected, and this Contract shall be construed as if it did not contain such invalid, illegal, inoperable or unenforceable portion.

Section 21. Rule. This Contract is intended to be a contract in which the Promisor has undertaken to provide that which is required by paragraph (b)(5) of the Rule. If and to the extent this Contract is not such a contract, this Contract shall be deemed to include such terms not otherwise included herein, and to exclude such terms not otherwise excluded herefrom, as are necessary to cause this Contract to be such a contract.

Section 22. Interpretation. The use herein of the singular shall be construed to include the plural, and vice versa, and the use herein of the neuter shall be construed to include the masculine and feminine. Unless otherwise indicated, the words "hereof," "herein," "hereby" and "hereunder," or words of similar import, refer to this Contract as a whole and not to any particular section, subsection, clause or other portion of this Contract.

Section 23. Captions. The captions appearing in this Contract are included herein for convenience of reference only, and shall not be deemed to define, limit or extend the scope or intent of any rights or obligations under this Contract.

IN WITNESS WHEREOF, the Promisor has caused this Contract to be executed on the date first above written.

SOUTH VERMILLION COMMUNITY  
SCHOOL CORPORATION, VERMILLION  
COUNTY, INDIANA

By: \_\_\_\_\_  
John Paul Roehm, President of the  
Board of School Trustees

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## APPENDIX G



## APPENDIX G

**This Appendix G assumes that (a) the winning bidder (the “Purchaser”) is purchasing the 2018 Bonds as an Underwriter (as hereinafter defined) and is not purchasing the 2018 Bonds with the intent to hold the 2018 Bonds for its own account, and (b) South Vermillion Middle School Building Corporation (the “Issuer”) the Purchaser shall agree to the process by which issue price will be established on the date of sale of the 2018 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 2018 Bonds and shall execute and deliver to the Issuer at the Closing (as hereinafter defined) for the 2018 Bonds written evidence identifying the “Issue Price” as defined in the provisions of Treasury Regulation Section 1.148-1 (“Issue Price Rules”) for the 2018 Bonds or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the 2018 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 2018 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 2018 Bonds and will apply to the initial sale of the 2018 Bonds if the Issuer receive bids for the 2018 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 Notice of Intent to Sell Bonds (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 2018 Bonds to the bidder who submits a firm offer to purchase the 2018 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 2018 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 2018 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 2018 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 2018 Bonds, the Purchaser agrees to promptly report to the Issuer the prices at which the unsold 2018 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 2018 Bonds of that maturity or until all 2018 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 2018 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 2018 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 retail distribution



agreement (to which the bidder is a party) relating to the initial sale of the 2018 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 retail distribution agreement, as applicable, to report the prices at which it sells to the Public the unsold 2018 Bonds of each maturity allotted to it until it is notified by the Purchaser that either the 10% test has been satisfied as to the 2018 Bonds of that maturity or all 2018 Bonds of that maturity have been sold, if and for so long as directed by the Purchaser and as set forth in the related pricing wires, and (ii) any agreement among Underwriters relating to the initial sale of the 2018 Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the 2018 Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the Public the unsold 2018 Bonds of each maturity allotted to it until it is notified by the Purchaser or such Underwriter that either the 10% test has been satisfied as to the 2018 Bonds of that maturity or all 2018 Bonds of that maturity have been sold, if and for so long as directed by the Purchaser or such Underwriter and as set forth in the related pricing wires.

(f) Sales of any 2018 Bonds to any person that is a related party to an Underwriter shall not constitute sales to the Public for purposes of this Appendix G. Further, for purposes of this Appendix:

- (i) “Public” means any person other than an Underwriter or a related party,
- (ii) “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 2018 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 2018 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2018 Bonds to the Public),
- (iii) a purchaser of any of the 2018 Bonds is a “related party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 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),
- (iv) “Sale Date” means the date that the 2018 Bonds are awarded by the Issuer to the winning bidder,

- (v) “Closing” and “Closing Date” mean the day the 2018 Bonds are delivered to the Purchaser and payment is made thereon to the Issuer, and
- (vi) “Initial Offering Prices” means the respective initial offering prices of the 2018 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 2018 Bonds provided to the Issuer by the Purchaser.

**Schedule I**  
**\$4,575,000**  
**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 “2018 Bonds”).

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

(a) As of the Sale Date, the reasonably expected initial offering prices of the 2018 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 2018 Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the 2018 Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the 2018 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 2018 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 2018 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 2018 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2018 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 2018 Bonds. The Sale Date of the 2018 Bonds is October 17, 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 2018 Bonds, and by Barnes & Thornburg LLP in connection with rendering its opinion that the interest on the 2018 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 2018 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 South Vermillion Middle School Building Corporation (the “Issuer”) offered its First Mortgage Bonds, Series 2018 (the 2018 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 2018 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 2018 Bonds is available, the Issuer may select the rule it will use to determine the Issue Price of the 2018 Bonds.

On the date hereof, the Purchaser represents that the first price at which at least 10% of each maturity of the 2018 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 2018 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**

**South Vermillion Middle School  
Building Corporation**

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

## SCHEDULE A

This Schedule A sets forth as of the date hereof, the agreement between South Vermillion Middle 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 2018 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 2018 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 2018 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 2018 Bonds, the Purchaser agrees to promptly report to the Issuer the prices at which the unsold 2018 Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the 2018 Bonds of that maturity or until all 2018 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 2018 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 2018 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.

## **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 2018 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 2018 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2018 Bonds to the Public).

A purchaser of any of the 2018 Bonds is a “related party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 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 2018 Bonds. The Sale Date of the 2018 Bonds is October 17, 2018.

“Closing” and “Closing Date” mean the day the 2018 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**

**\$4,575,000**

**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 “2018 Bonds”).

Select appropriate provisions below:

1. [Alternative 1<sup>1</sup> – All Maturities Use General Rule: *Sale of the 2018 Bonds*. As of the date of this certificate, for each Maturity of the 2018 Bonds, the first price at which at least 10% of such Maturity of the 2018 Bonds was sold to the Public is the respective price listed in Schedule A.][Alternative 2<sup>2</sup> – 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 2018 Bonds was sold to the Public is the respective price listed in Schedule A.] [Alternative 3<sup>3</sup>-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 2018 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 2018 Bonds has been sold to the Public.]

2. ***Initial Offering Price of the [2018 Bonds][Hold-the-Offering-Price Maturities].***

(a) [Alternative 1<sup>4</sup> – All Maturities Use Hold-the-Offering-Price Rule: [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the 2018 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 2018 Bonds is attached to this

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

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

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

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



certificate as Schedule B.] [Alternative 2<sup>5</sup> – Select Maturities Use Hold-the-Offering-Price Rule: [SHORT NAME OF 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 2018 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 [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 2018 Bonds, [it][they] would neither offer nor sell any of the 2018 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 retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail 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 2018 Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the 2018 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 2018 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 retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail 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 2018 Bonds during the Holding Period.

(c) [To be used when the 2018 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 2018 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 2018 Bonds listed in Schedule A hereto as the “General Rule Maturities.”]

[(b) *Hold-the-Offering-Price Maturities* means those Maturities of the 2018 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 (October 17, 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.]

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

(d) *Issuer* means South Vermillion Middle School Building Corporation.  
(e) *Maturity* means 2018 Bonds with the same credit and payment terms. 2018 Bonds with different maturity dates, or 2018 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 2018 Bonds. The Sale Date of the 2018 Bonds is October 17, 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 2018 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 2018 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2018 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING 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 2018 Bonds, and by Barnes & Thornburg LLP in connection with rendering its opinion that the interest on the 2018 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 2018 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 First Mortgage Bonds, Series 2018 (the "2018 Bonds") that the Issuer has determined to apply the hold the price rule (as described in the Bid Form dated \_\_\_\_\_, 20\_\_) to the 2018 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.]**.

**South Vermillion Middle 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 2018 Bonds and agrees to comply with the hold the price rule with respect to the Hold the Price Maturities.

**[PURCHASER]**

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

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