

*This Final Official Statement is dated May 6, 2015*

In the opinion of Barnes & Thornburg LLP, South Bend, Indiana, ("Bond Counsel") under existing laws, interest on the Refunding 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 Refunding Bonds, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. In the opinion of Barnes & Thornburg LLP, South Bend, Indiana, under existing laws, interest on the Refunding Bonds is exempt from income taxation in the State of Indiana, except for the financial institutions tax. See "TAX MATTERS" and Appendix D herein. The Refunding Bonds are not bank qualified.

**\$16,745,000**  
**SCHOOL CITY OF MISHAWAKA MULTI-SCHOOL BLDG. CORP.**  
**St. Joseph County, Indiana**  
**FIRST MORTGAGE REFUNDING BONDS, SERIES 2015**

Original Date: Date of Delivery (May 28, 2015)

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

The School City of Mishawaka Multi-School Bldg. Corp. (the "Building Corporation") is issuing \$16,745,000 of First Mortgage Refunding Bonds, Series 2015 (the "Refunding Bonds") for the current refunding of all of the Building Corporation's outstanding First Mortgage Refunding Bonds, Series 2005 outstanding in the aggregate principal amount of \$17,370,000 dated April 21, 2005 (the "Refunded Bonds"), and to pay issuance costs. The Refunded Bonds were originally issued by the Building Corporation to advance refund all of the outstanding Building Corporation's First Mortgage Bonds, Series 1998 and reimburse the School City of Mishawaka, St. Joseph County, Indiana (the "School Corporation"), for costs of certain improvements made by the School Corporation since 1999 to the Liberty Elementary School, the John Young Middle School and the real estate upon which each such school is located.

The Refunding Bonds, together with all additional bonds hereafter issued on a parity with the Refunding Bonds, are secured exclusively by, and payable solely from, mortgaged property pledged under a Trust Indenture, dated as of February 1, 1998, as supplemented and amended by a First Supplemental Trust Indenture, dated as of March 1, 2005, and a Second Supplemental Trust Indenture, dated as of April 15, 2015 (collectively, the "Indenture"), each of which is by and between the Building Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), which mortgaged property includes primarily the fixed, semiannual lease rental payments (the "Lease Rentals" or "Rent") to be received from a Lease Agreement, dated as of December 11, 1996, as amended by an Amendment to Lease, dated as of February 1, 1998, a Second Amendment to Lease, dated as of March 1, 2005, and a Third Amendment to Lease, dated as of April 15, 2015 (collectively, the "Lease"), each of which is by and between the Building Corporation, as lessor, and the School Corporation, as lessee. The Lease Rentals paid under the Lease will be paid by the School Corporation directly to the Trustee and applied in accordance with the Indenture. Such Lease Rentals are payable from ad valorem taxes to be 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. The Refunding 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 Refunding Bonds will be issued only as fully registered bonds, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Purchases of beneficial interests in the Refunding Bonds will be made in book-entry-only form in the denomination of \$5,000 or any integral multiples thereof. Purchasers of beneficial interests in the Refunding Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the Refunding Bonds. Interest on the Refunding Bonds will be payable semiannually on January 15 and July 15 of each year, beginning July 15, 2015. Principal and interest will be disbursed on behalf of the Building Corporation by Trustee, as the registrar and the paying agent (the "Registrar" and "Paying Agent"). Interest on the Refunding Bonds will be paid by check, mailed one business day prior to the interest payment date or by wire transfer to depositories. The principal of and premium, if any, on the Refunding 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 Refunding Bonds will be paid directly to DTC by the Paying Agent so long as DTC or its nominee is the registered owner of the Refunding Bonds. The final disbursement of such payments to the Beneficial Owners of the Refunding Bonds will be the responsibility of the DTC Participants and the Indirect Participants. See "BOOK-ENTRY-ONLY SYSTEM". The Refunding Bonds are not subject to optional redemption prior to maturity. The Refunding Bonds issued as "Term Bonds" are subject to mandatory sinking fund redemption as more fully described herein.



MATURITY SCHEDULE

(Base CUSIP\* 604829)

<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, 2015	\$1,110,000	2.00%	0.30%	CM1	January 15, 2018	\$1,145,000	5.00%	1.34%	CS8
January 15, 2016	935,000	2.00%	0.51%	CN9	July 15, 2018	1,175,000	5.00%	1.45%	CT6
July 15, 2016	1,080,000	2.00%	0.63%	CP4	January 15, 2019	1,205,000	3.00%	1.65%	CU3
January 15, 2017	1,090,000	5.00%	0.95%	CQ2	July 15, 2019	1,220,000	2.00%	1.73%	CV1
July 15, 2017	1,120,000	5.00%	1.06%	CR0					

Term Bonds

\$1,865,000 of Term Bonds at 2.00% due July 15, 2020, Yield 1.92%, CUSIP CW9

\$1,290,000 of Term Bonds at 5.00% due July 15, 2021, Yield 2.16%, CUSIP CX7

\$1,355,000 of Term Bonds at 5.00% due July 15, 2022, Yield 2.34%, CUSIP CY5

\$1,655,000\*\* of Term Bonds at 5.00% due January 15, 2024, Yield 2.69%, CUSIP CZ2

\$500,000\*\* of Term Bonds at 2.50% due January 15, 2024, Yield 2.69%, CUSIP DA6

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\*\*Bifurcated maturity.

The Refunding Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Barnes & Thornburg LLP, South Bend, Indiana, Bond Counsel. Certain legal matters will be passed on by Thorne Grodnik, LLP, Mishawaka, Indiana, as Counsel for the School Corporation and Building Corporation. The Refunding Bonds are expected to be available for delivery to DTC in New York, New York, on May 28, 2015.

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

No dealer, broker, salesman or other person has been authorized by the Building Corporation to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Building Corporation. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. The information set forth herein has been obtained from the School Corporation and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the securities described herein shall, under any circumstances, create any implication that there has been no change in the affairs of the School Corporation since the date of delivery of the securities described herein to the initial purchaser thereof. However, upon delivery of the securities, the School Corporation will provide a certificate stating that there have been no material changes in the information contained in the Final Official Statement since its delivery.

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

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TABLE OF CONTENTS

	<u>Page(s)</u>
Introduction to the Official Statement .....	1
The Refunding	
The Refunding Program .....	4
Verification.....	4
Estimated Sources and Uses of Funds .....	4
Schedule of Amortization of \$16,745,000 Principal Amount of First Mortgage Refunding Bonds, Series 2015 .....	5
Securities Being Offered	
Authorization.....	5
The Building Corporation.....	5
Leased Premises .....	5
Security and Sources of Payment .....	6
Lease Rental Payments by the State of Indiana.....	6
Relationship of Annual Lease Rental Payments to Annual Debt Service Requirements .....	7
Additional Bonds.....	7
The Refunding Bonds	
Interest Calculation.....	7
Redemption Provisions.....	7
Book-Entry-Only System .....	8
Discontinuation of Book-Entry System.....	10
Procedures for Property Assessment, Tax Levy and Collection.....	10
Circuit Breaker Tax Credit .....	12
Continuing Disclosure .....	14
Bond Rating.....	15
Underwriting.....	15
Financial Advisor .....	16
Tax Matters.....	16
Original Issue Discount .....	17
Amortizable Bond Premium.....	18
Litigation .....	18
Certain Legal Matters .....	18

Appendices:

- A General Information
- B Summary of Certain Provisions of the Lease
- C Summary of Certain Provisions of the Indenture
- D Legal Opinion
- E Continuing Disclosure Contract

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PROJECT PERSONNEL

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

Building Corporation Directors

Richard C. Currey, President  
Edwina Kintner, Secretary/Treasurer  
Timothy C. Boenne, Member

Board of School Trustees

Jeffery E. Emmons, President  
Dennis R. Wood, Vice President  
Holly Parks, Secretary  
Larry E. Stillson  
William D. Pemberton

Superintendent

Dr. Terry E. Barker

Business Manager

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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.*

## **FINAL OFFICIAL STATEMENT**

**\$16,745,000**

**SCHOOL CITY OF MISHAWAKA MULTI-SCHOOL BLDG. CORP.  
St. Joseph County, Indiana  
FIRST MORTGAGE REFUNDING BONDS, SERIES 2015**

### INTRODUCTION TO THE OFFICIAL STATEMENT

The School City of Mishawaka Multi-School Bldg. Corp. (the “Building Corporation”) is issuing \$16,745,000 of First Mortgage Refunding Bonds, Series 2015 (the “Refunding 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 improvements to school buildings and lease them to the School City of Mishawaka, St. Joseph County, Indiana (the “School Corporation”).

### SECURITY AND SOURCES OF PAYMENT

The Refunding Bonds, together with all additional bonds hereafter issued on a parity with the Refunding Bonds (the “Additional Bonds”)(the Refunding Bonds and all Additional Bonds, collectively, the “Bonds”), are secured exclusively by, and payable solely from, mortgaged property pledged under a Trust Indenture, dated as of February 1, 1998, as supplemented and amended by a First Supplemental Trust Indenture, dated as of March 1, 2005, and a Second Supplemental Trust Indenture, dated as of April 15, 2015 (collectively, the “Indenture”), each of which is by and between the Building Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), which mortgaged property includes primarily the fixed, semiannual lease rental payments (the “Lease Rentals” or “Rent”) to be received from a Lease Agreement, dated as of December 11, 1996, as amended by an Amendment to Lease, dated as of February 1, 1998, a Second Amendment to Lease, dated as of March 1, 2005, and a Third Amendment to Lease, dated as of April 15, 2015 (collectively, the “Lease”), each of which is by and between the Building Corporation, as lessor, and the School Corporation, as lessee. The Lease Rentals paid under the Lease will be paid by the School Corporation directly to the Trustee and applied in accordance with the Indenture. The mortgaged property also contains a first mortgage lien on the Leased Premises (as hereinafter defined), all of the rights and interest of the Building Corporation under the Lease and all of the money and investments held in the funds and accounts established under the Indenture except the Rebate Fund. See page 6 for a description of the payment of Lease Rentals by the State of Indiana (the “State”) in certain circumstances.

### 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 “Intercept Program” and “Circuit Breaker Tax Credit” herein).

### PURPOSE

The Refunding Bonds are being issued for the current refunding of the Building Corporation’s First Mortgage Refunding Bonds, Series 2005, dated April 21, 2005, originally issued in the aggregate principal amount of \$29,205,000, now outstanding in the aggregate principal amount of \$17,370,000 and maturing or subject to mandatory sinking fund redemption on July 15, 2015, through and including January 15, 2024 (collectively, the “Refunded Bonds”). The proceeds from the sale of the Refunding Bonds, together with funds on hand, will be applied to the current refunding of the Refunded Bonds and to pay costs incurred with the refunding. The refunding will enable the School Corporation to realize savings which will reduce the total amount of annual Lease Rentals.

The current refunding of the Refunded Bonds will be accomplished by creating an irrevocable escrow account (the "Escrow Account") in accordance with an Escrow Agreement, dated as of April 15, 2015 (the "Escrow Agreement"), by and among the Building Corporation, the Trustee and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent"), and depositing into the Escrow Account cash which will remain uninvested and will be sufficient to pay all of the principal of, and interest on, the Refunded Bonds due on July 15, 2015, and to redeem on July 15, 2015, all of the Refunded Bonds maturing or subject to mandatory sinking fund redemption after July 15, 2015, at a price equal to the principal amount of such Refunded Bonds and without any redemption premium.

#### REDEMPTION PROVISIONS

The Refunding Bonds are not subject to optional redemption prior to maturity. The Refunding Bonds issued as Term Bonds are subject to mandatory sinking fund redemption as more fully described herein.

#### DENOMINATIONS

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

#### REGISTRATION AND EXCHANGE FEATURES

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

#### BOOK-ENTRY-ONLY SYSTEM

When issued, the Refunding 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"). Purchases of beneficial interests in the Refunding Bonds will be made in book-entry-only form. Purchasers of beneficial interests in the Refunding Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the Refunding Bonds. For so long as the Refunding Bonds are held in book-entry-only form, payments of principal of and interest on the Refunding Bonds will be paid by the Paying Agent only to DTC or its nominee. Neither the Issuer 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 Refunding Bonds. See "Book-Entry-Only System" under this caption of this Official Statement.

#### PROVISIONS FOR PAYMENT

The principal on the Refunding Bonds shall be payable at the designated corporate trust office of the Registrar and Paying Agent or by wire transfer to DTC or any successor depository. All payments of interest on the Refunding 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 of such calendar interest payment date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Registrar or by wire transfer to DTC or any successor depository. If payment of principal or interest is made to DTC or any successor depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). Payments on the Refunding 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 Refunding Bonds are held in book-entry-only form, the Trustee will send notices of redemption of the Refunding Bonds only to DTC or its nominee, as the registered owner of the Refunding Bonds, in accordance with the preceding paragraphs. Neither the Issuer 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 office location at which principal is payable changes, the Trustee will give notice of such change by first-class mail to registered owners at least 15 days prior to the first principal payment date following the date of such change in location.

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

Notice of redemption shall be mailed to the registered owners of all Refunding 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, South Bend, Indiana (“Bond Counsel”), under existing laws, interest on the Refunding 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 Refunding Bonds (the “Code”). The opinion of Bond Counsel is based on certain certifications, covenants and representations of the Building Corporation and School Corporation and is conditioned on continuing compliance therewith. In the opinion of Bond Counsel, under existing laws, interest on the Refunding Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax. See Appendix D for the form of opinion of Bond Counsel.

The Refunding Bonds are not bank qualified.

## MISCELLANEOUS

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

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Refunding Bonds, the security for the payment of the Refunding Bonds and the rights and obligations of the owners thereof. A complete text of the Trust Indenture and Escrow and Defeasance Agreement will be provided upon request. Additional information may be requested from Randy J. Squadroni, Business Manager, School City of Mishawaka, 1402 South Main Street, Mishawaka, Indiana 46544, phone (574) 254-4501.

Any statements made in this Official Statement involving matters of opinion or of 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 Refunding Bonds.

In addition, the information presented in this Official Statement is based on the laws and regulations of the United States of America and the State of Indiana 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 Barnes & Thornburg LLP and Thorne Grodnik, LLP in connection with the issuance of the Refunding 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 Refunding Bonds.

## THE REFUNDING

### THE REFUNDING PROGRAM

Pursuant to the terms of an Escrow Agreement dated as of April 15, 2015 (the “Escrow Agreement”), entered into between the Building Corporation, The Bank of New York Mellon Trust Company, N.A., in Indianapolis, Indiana, as escrow agent (the “Escrow Agent”) and the Trustee, the refunding of the Refunded Bonds will be accomplished by (a) creating the Escrow Account to be held by the Escrow Agent for the holders of the Refunded Bonds and (b) depositing therein a cash deposit which will remain uninvested. The funds needed to make the cash deposit into the Escrow Account will be provided from the proceeds of the sale of the Refunding Bonds and other moneys held under the Indenture.

Cash on deposit with the Escrow Agent will be available to make full and timely payment of all principal and interest due with respect to the Refunded Bonds from and after the date of delivery of the Refunding Bonds to and including July 15, 2015 at which time the Refunded Bonds will be called for redemption with all interest due and a 0% redemption premium.

The Escrow Agent shall utilize the cash deposit received to pay principal and interest on the Refunded Bonds as they become due.

Mathematical calculations of the adequacy of the Escrow Account to fully provide for all payments enumerated above will be verified by H.J. Umbaugh & Associates, Certified Public Accountants, LLP, at the time of delivery of the Refunding Bonds. See “Verification” herein.

All monies on deposit with the Escrow Agent are pledged solely and irrevocably for the benefit of the holders of the Refunded Bonds.

### VERIFICATION

The mathematical calculations of the adequacy of the cash deposited with the Escrow Agent to pay when due all principal of and interest on the Refunded Bonds to and including July 15, 2015, and to redeem on that date all then outstanding Refunded Bonds, together with a 0% premium, and the mathematical calculation supporting the conclusion of Barnes & Thornburg LLP, South Bend, Indiana, Bond Counsel, that the Refunding Bonds are not “arbitrage bonds” under Section 148 of the Internal Revenue Code of 1986, will be verified by H.J. Umbaugh & Associates, Certified Public Accountants, LLP. Such computations will be based upon information, assumptions and calculations supplied by the Underwriter.

### ESTIMATED SOURCES AND USES OF FUNDS

#### Estimated Sources of Funds

Principal Amount of Refunding Bonds	\$16,745,000.00
Net Original Issue Premium	1,234,305.95
Funds on Hand	<u>40,000.00</u>
Total Estimated Sources of Funds	<u><u>\$18,019,305.95</u></u>

#### Estimated Uses of Funds

Escrow Deposit	\$17,804,250.00
Cost of Issuance	140,602.93
Underwriter’s Discount	<u>74,453.02</u>
Total Estimated Uses of Funds	<u><u>\$18,019,305.95</u></u>

SCHEDULE OF AMORTIZATION OF \$16,745,000 PRINCIPAL AMOUNT OF  
FIRST MORTGAGE REFUNDING BONDS, SERIES 2015

Payment Date*	Principal		Interest Rates (%)	Interest	Total	Budget Year Total
	Outstanding (-----In Thousands-----)	Principal				
07/15/2015	\$16,745	\$1,110	2.00	\$80,206.81	\$1,190,206.81	
01/15/2016	15,635	935	2.00	296,075.00	1,231,075.00	\$2,421,281.81
07/15/2016	14,700	1,080	2.00	286,725.00	1,366,725.00	
01/15/2017	13,620	1,090	5.00	275,925.00	1,365,925.00	2,732,650.00
07/15/2017	12,530	1,120	5.00	248,675.00	1,368,675.00	
01/15/2018	11,410	1,145	5.00	220,675.00	1,365,675.00	2,734,350.00
07/15/2018	10,265	1,175	5.00	192,050.00	1,367,050.00	
01/15/2019	9,090	1,205	3.00	162,675.00	1,367,675.00	2,734,725.00
07/15/2019	7,885	1,220	2.00	144,600.00	1,364,600.00	
01/15/2020	6,665	1,235 (1)	2.00	132,400.00	1,367,400.00	2,732,000.00
07/15/2020	5,430	630 (1)	2.00	120,050.00	750,050.00	
01/15/2021	4,800	640 (2)	5.00	113,750.00	753,750.00	1,503,800.00
07/15/2021	4,160	650 (2)	5.00	97,750.00	747,750.00	
01/15/2022	3,510	670 (3)	5.00	81,500.00	751,500.00	1,499,250.00
07/15/2022	2,840	685 (3)	5.00	64,750.00	749,750.00	
01/15/2023	2,155	705 (4)	*	47,625.00	752,625.00	1,502,375.00
07/15/2023	1,450	720 (4)	*	32,000.00	752,000.00	
01/15/2024	730	730 (4)	*	16,125.00	746,125.00	1,498,125.00
Totals		<u>\$16,745</u>		<u>\$2,613,556.81</u>	<u>\$19,358,556.81</u>	<u>\$19,358,556.81</u>

- (1) \$1,865,000 of Term Bonds due July 15, 2020.
- (2) \$1,290,000 of Term Bonds due July 15, 2021.
- (3) \$1,355,000 of Term Bonds due July 15, 2022.
- (4) Represents \$1,655,000 of Term Bonds at an interest rate of 5.00% and \$500,000 of Term Bonds at an interest rate of 2.50% due January 15, 2024.

\*Bifurcated maturity.

SECURITIES BEING OFFERED

AUTHORIZATION

The Refunding Bonds are to be issued under the authority of Indiana law, including, without limitation, Indiana Code Title 20, Article 47, Chapter 3, Title 20, Article 47, Chapter 4 and Title 5, Article 1, Chapter 5, each as in effect on the date of delivery of the Refunding Bonds and pursuant to the Indenture.

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 PREMISES

The Leased Premises consists of the (1) Liberty Elementary School and the real estate upon which it is located and (2) John Young Middle School as renovated and expanded and the real estate upon which it is located (the "Leased

Premises” or the “Premises”). Construction of the improvements has been completed and payments of the Lease Rentals have been made in the amounts and on the dates required under the Lease.

SECURITY AND SOURCES OF PAYMENT

The Refunding Bonds, together with all additional bonds hereafter issued on a parity with the Refunding Bonds (the “Additional Bonds”) (the Refunding Bonds and all Additional Bonds, collectively, the “Bonds”), are obligations of the Building Corporation payable solely from and secured exclusively by a first mortgage lien on and security interest in the Mortgaged Property, as hereinafter defined, which includes the lease rental payments to be paid by the School Corporation (the “Lease Rentals,” the “Rent” or the “Annual Rent”) directly to the Trustee as instructed by the Building Corporation under the Lease. The “Mortgaged Property” consists of (i) the Leased Premises, (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 Indenture, (iv) all proceeds of the Bonds and certain other cash and securities now or hereafter held in certain funds and accounts created and established by the Indenture (except the Rebate Account, as hereafter defined).

The Lease Rentals are payable from ad valorem property taxes to be levied against all taxable property within the School Corporation and are in such amounts sufficient to pay the principal of and interest on the Bonds as such becomes due. The levy of taxes by the School Corporation to pay the Lease Rentals is mandatory.

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 (See “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Covenants of the Building Corporation – Use of Proceeds from Insurance” in this Official Statement); and (ii) the Lease Rentals will be abated, for the period during which the Leased Premises or any part thereof is unfit for use by the School Corporation, in proportion to the percentage of the area of the Leased Premises which is unfit for use by the School Corporation.

LEASE RENTAL PAYMENTS BY THE STATE OF INDIANA

Indiana Code Title 20, Article 48, Chapter 1, Section 11 (the “Act”) provides that the Department of Local Government Finance shall review levies and appropriations of school corporations for lease rental purposes. In the event a school corporation fails to levy and appropriate sufficient funds for such purpose, the Department of Local Government Finance shall establish levies and appropriations which are sufficient to pay such obligations.

The Act further provides that upon failure of any school corporation to make lease rental payments when due and upon notice and claim, the Treasurer of the State of Indiana shall make such payments from the funds of the State (the “State Intercept Program”). Such payments are limited to the amounts appropriated by the General Assembly for distribution to the School Corporation from State funds in the calendar year. Such lease rental payments made by the State Treasurer would then be deducted from State distributions being made to the School Corporation. The estimated State distributions for fiscal year 2015 and resulting debt service coverage levels for the School Corporation are as follows:

Fiscal Year 2015 Basic Grant Distribution (all funds) (1)	<u>\$32,555,910</u>
Estimated Combined Maximum Annual Debt Service (2)	<u>\$6,359,326</u>
State Distributions Required to Provide Two-Times Coverage	<u>\$12,718,652</u>
State Distributions Above Two-Times Coverage Amount	<u>\$19,837,258</u>

- (1) Per the Indiana Department of Education, net of adjustments.
- (2) Based on combined outstanding debt for the year 2016 including debt service on the Refunding 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 Premises 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 Refunding 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 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 Refunding Bonds, subject to the terms and limitations of the Indenture. Except as permitted by the Indenture, the Building Corporation covenants that it will not incur any indebtedness unless such additional indebtedness is payable solely from income of the Building Corporation other than the Lease Rentals.

THE REFUNDING 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 Refunding Bonds are not subject to optional redemption prior to maturity.

Mandatory Sinking Fund Redemption:

The Refunding Bonds maturing on July 15 in the years 2020, 2021 and 2022 and on January 15, 2024 (collectively, the "Term Bonds") are subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to the principal amount thereof plus accrued interest on the dates and in the amounts in accordance with the following schedules:

<u>Term Bond due July 15, 2020</u>		<u>Term Bond due July 15, 2021</u>	
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
01/15/20	\$1,235,000	01/15/21	\$640,000
07/15/20 Final maturity	<u>630,000</u>	07/15/21 Final maturity	<u>650,000</u>
Total	<u>\$1,865,000</u>	Total	<u>\$1,290,000</u>

<u>Term Bond due July 15, 2022</u>		<u>Term Bond due January 15, 2024 at 5%</u>	
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
01/15/22	\$670,000	01/15/23	\$545,000
07/15/22 Final maturity	<u>685,000</u>	07/15/23	550,000
Total	<u>\$1,355,000</u>	01/15/24 Final maturity	<u>560,000</u>
		Total	<u>\$1,655,000</u>

<u>Term Bond due January 15, 2024 at 2.5%</u>	
<u>Date</u>	<u>Amount</u>
01/15/23	\$160,000
07/15/23	170,000
01/15/24 Final maturity	<u>170,000</u>
Total	<u>\$500,000</u>

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 Refunding Bonds are called for redemption at one time, the Refunding Bonds shall be redeemed in order of maturity determined by the Building Corporation and by lot within maturity. Each \$5,000 principal amount shall be considered a separate bond for purposes mandatory redemption.

Notice of Redemption:

Notice of redemption shall be mailed to the registered owners of all Refunding Bonds to be redeemed at least 30 days but not more than 60 days prior to the date fixed for such redemption. If any of the Refunding 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 Refunding Bonds shall cease to bear interest from and after the date fixed for redemption in the call.

BOOK-ENTRY-ONLY SYSTEM

DTC will act as securities depository for the Refunding Bonds. The Refunding Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Refunding Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one Bond certificate will be issued with respect to each \$500 million of principal amount of such maturity and an additional Bond certificate will be issued with respect to any remaining principal amount of such maturity.

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 Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Refunding Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Refunding Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Refunding 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 Refunding Bonds, except in the event that use of the book-entry system for the Refunding Bonds is discontinued.

To facilitate subsequent transfers, all Refunding 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 Refunding 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 Refunding Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Refunding 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 Refunding Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Refunding Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Trust Indenture. For example, Beneficial Owners of the Refunding Bonds may wish to ascertain that the nominee holding the Refunding 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 Refunding 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 Refunding 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 Refunding Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, premium and interest payments on the Refunding 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 Refunding Bonds at any time by giving reasonable notice to the Building Corporation, the School Corporation or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 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, 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 believes 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 Refunding Bonds is discontinued, the Trustee would provide for the registration of the Refunding Bonds in the name of the Beneficial Owners thereof. The Building Corporation and the Trustee would treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other purposes, and neither the Building Corporation nor the Trustee would be bound by any notice or knowledge to the contrary.

Each 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 Refunding Bonds for transfer or exchange, the Trustee would authenticate and deliver in exchange therefor, within a reasonable time after such presentation, a new 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 Bond so presented. The Building Corporation or the Trustee would require the owner of any Refunding 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 Refunding 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. The Indiana General Assembly enacted legislation (Indiana Code Title 6, Article 1.1, Chapter 20.6), which 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 March 1 in a year ending before January 1, 2016, and as of January 1 each year thereafter. On or before August 1 of each year, the County Auditor must submit to each underlying taxing unit a statement containing (i) information concerning the assessed valuation in the taxing unit for the next calendar year; (ii) the estimated assessed value of the taxing unit as of March 1<sup>st</sup> of that year, and (iii) an estimate of the taxes to be distributed to the taxing unit during the last six months of the current calendar year; (iv) the current assessed valuation as shown on the abstract of charges; (v) the average growth in assessed valuation in the taxing unit over the preceding three budget years, adjusted according to procedures established by the Department of Local Government Finance ("DLGF") to account for reassessment under certain provisions of the Indiana Code; and (vi) any other information at the disposal of the County Auditor that might affect the assessed value used in the budget adoption process. The estimated value is based on property tax lists delivered to the Auditor by the County Assessor on or before July 1.

The estimated 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. By statute, the budget, tax rate and levy must be established no later than November 1. The budget, tax levy and tax rate are subject to review and revision by the DLGF which, under certain circumstances, may revise, reduce or increase the budget, tax rate, or levy of a taxing unit. The DLGF may increase the tax rate and levy if the tax rate and levy proposed by the School Corporation is not sufficient to make its lease rental payments. The DLGF must complete its actions on or before February 15. Taxing units have until December 31<sup>st</sup> of the calendar year immediately preceding the ensuing calendar year to file a shortfall appeal.

On or before March 15, the County Auditor prepares and delivers the tax duplicate, which is a roll of property taxes payable in that year, to the County Treasurer. Upon receipt of the tax duplicate, the County Treasurer publishes 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. 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 2.3, the 2011 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.3 and the 2011 Real Property Assessment Guidelines, Version A ("Guidelines"), as adopted by the DLGF. The Manual defines "true tax value" for all real property, other than agricultural land, as "the market value-in-use of property for its current use, as reflected by the utility received by the owner or a similar user, from the property." In the case of agricultural land, true tax value shall be the value determined in accordance with the Guidelines and IC 6-1.1-4-13. 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 July 1 of every fourth year thereafter, the county assessor will prepare and submit to the DLGF a reassessment plan for each county. The DLGF must complete its review and approval of the reassessment plan before March 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 July 1 of a year, and must be completed on or before March 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 shall begin on July 1, 2014, and shall be completed on or before March 1, 2015. Effective with the tax year payable 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.

Effective with the tax year payable 2009, the standard deduction for homesteads was increased from the lesser of \$45,000 or 50% of assessed value to the lesser of \$45,000 or 60% of assessed value. Additionally, a supplemental homestead deduction equal to 35% of the next \$600,000 of assessed value remaining after the standard deduction and 25% of the remaining assessed value over \$600,000 was implemented beginning in 2009.

### 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 2.0% of the gross assessed value, property taxes attributable to other non-residential real property and personal property are limited to 3.0% 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 (the "Pre-Amendment Bonds" and "Pre-Amendment 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 State General Assembly enacted amendments to the Statute for such purpose, and they apply through and including December 31, 2019. In particular, the Statute, as so amended, provides that property taxes to pay:

- (1) any bonds issued to refund Pre-Amendment Bonds, which have a maturity date that is not later than the maturity date of such refunded Pre-Amendment Bonds ("Refunding Pre-Amendment Bonds"); or
- (2) to make lease payments (a) on a Pre-Amendment Lease that is amended to secure Refunding Pre-Amendment Bonds, which has a term that is not longer than the term of such Pre-Amendment Lease, or (b) on a Pre-

Amendment Lease that secures Refunding Pre-Amendment Bonds, which has a term that ends not later than the maturity date of the Pre-Amendment Bonds refunded by such Refunding Pre-Amendment Bonds;

in each case, will also not be considered for purposes of calculating the limits to property tax liability under the provisions of the Constitutional Provision.

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 so schools are encouraged by the DLGF to fund any shortfall directly from the school corporation's general fund and 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 distributions of county adjusted gross, option, or economic development income taxes 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 or 2016 and has such annual losses timely certified by the DLGF, it will be an eligible school corporation for such year under IC 6-1.1-20.6-9.9 (an “Eligible School Corporation”). For the applicable year or years, an Eligible School Corporation may allocate its Circuit Breaker Tax Credit losses for that year proportionately across all of its property tax supported funds, including its debt service fund, thereby being exempted from the protected taxes requirement as described above. The School Corporation qualified for this exemption for 2014 and 2015 and expects to qualify for this exemption in 2016.

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 political subdivision may transfer money from any other available source in order to meet its Debt Service Obligations. The amount of this transfer is limited to the amount by which the protected taxes are insufficient to meet Debt Service Obligations.

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

*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 2012, 2013 and 2014 were \$281,835, \$473,238 and \$429,214, respectively. The Circuit Breaker Tax Credit for budget year 2015 is \$587,576. These amounts do not include the estimated debt service on the Refunding Bonds and lease rentals on the Lease securing the Refunding 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 to be dated the date of the closing of the Refunding Bonds (the "Contract"). Pursuant to the terms of the Contract, the School Corporation will agree to provide the following information while any of the Refunding Bonds are outstanding:

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

##### SCHOOL CITY OF MISHAWAKA

- Enrollment

##### GENERAL ECONOMIC AND FINANCIAL INFORMATION

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

- Audited Financial Statements. To the MSRB, if not submitted as part of the Annual Information, then when and if available, the audited financial statements of the School Corporation for each fiscal year as prepared and examined by the State Board of Accounts for each twelve (12) month period ending June 30, together with the opinion of such accountants and all notes thereto;

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

1. non-payment related defaults;
2. modifications to rights of Bondholders;
3. bond calls;
4. release, substitution or sale of property securing repayment of the Refunding Bonds;
5. the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the obligated person, or entry into or termination of a definitive agreement relating to the foregoing; and
6. appointment of a successor or additional trustee or the change of name of a trustee.

Within ten business days, to the MSRB, notice of the following events, regardless of materiality:

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. defeasances;
6. rating changes;

7. adverse tax opinions or other material events affecting the tax-exempt status of the Refunding Bonds; 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 securities;
8. tender offers; and
9. bankruptcy, insolvency, receivership or similar event of the obligated person.

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

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

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

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

During the past five years, there have been no instances in which the School Corporation has failed to comply, in all material respects, with its previous undertakings.

#### BOND RATING

Standard & Poor's Rating Services ("Standard & Poor's") has assigned a bond rating of "AA+" to the Refunding Bonds based upon the Indiana State Intercept Program (see page 6 for a description of Lease Rental Payments by the State of Indiana). Standard & Poor's has also assigned an underlying rating of "A" to the Refunding Bonds. Such rating reflects only the view of Standard & Poor's and any explanation of the significance of such rating may only be obtained from Standard & Poor's.

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

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

#### UNDERWRITING

The Refunding Bonds are being purchased by KeyBanc Capital Markets Inc. (the "Underwriter") at a purchase price of \$17,904,852.93, which is the par amount of the Refunding Bonds of \$16,745,000.00 less the underwriter's discount of \$74,453.02 plus the net original issue premium of \$1,234,305.95.

The Underwriter intends to offer the Refunding 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 Refunding 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.

### FINANCIAL ADVISOR

H.J. Umbaugh & Associates, Certified Public Accountants, LLP (the “Financial Advisor”) (“Umbaugh”) has been retained by the School Corporation and Building 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 Financial Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements.

The Financial Advisor’s duties, responsibilities and fees arise solely as Financial Advisor to the School Corporation and Building Corporation and they have no secondary obligations or other responsibility. However, Umbaugh is preparing the Escrow Verification and Lease Sufficiency Reports for the Refunding Bonds. The Financial Advisor’s fees are expected to be paid from proceeds of the Refunding 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.

The offer and sale of the Refunding Bonds shall be made by the School Corporation and Building Corporation, in the sole discretion of the School Corporation and Building Corporation, and under their control and supervision. The School Corporation and Building Corporation agree that Umbaugh does not undertake to sell or attempt to sell the Refunding 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, South Bend, Indiana (“Bond Counsel”), under existing laws, interest on the Refunding 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 Refunding Bonds (the “Code”). The opinion of Bond Counsel is based on certain certifications, covenants and representations of the Building Corporation and School Corporation and is conditioned on continuing compliance therewith. In the opinion of Bond Counsel, under existing laws, interest on the Refunding Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax. See Appendix D for the form of opinion of Bond Counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the Refunding Bonds as a condition to the excludability of the interest on the Refunding Bonds from gross income for federal income tax purposes. Noncompliance with such requirements may cause interest on the Refunding 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 Refunding Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the Refunding Bonds would be materially and adversely affected. It is not an event of default if interest on the Refunding 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 Refunding Bonds.

The interest on the Refunding Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. However, interest on the Refunding Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

The Refunding Bonds are not “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 Refunding 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 Refunding 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 Refunding Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Refunding Bonds.

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

#### ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the Refunding Bonds maturing on January 15, 2024, and bearing interest at a per annum rate of 2.500% (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 Refunding Bonds maturing on July 15, 2015, through and including July 15, 2022 and the Refunding Bonds maturing on January 15, 2024, and bearing interest at a per annum rate of 5.000% (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 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 Refunding Bonds, or any proceedings or transactions relating to the issuance, sale or delivery thereof.

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



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## APPENDIX A



TABLE OF CONTENTS

	<u>Page(s)</u>
School City of Mishawaka	
System Overview .....	A-1
Facilities .....	A-1
Services .....	A-1
Enrollment.....	A-2
Board of School Trustees .....	A-2
Administration and Staff.....	A-3
Pension Obligations .....	A-3 - A-4
General Physical and Demographic Information	
Location .....	A-4
General Characteristics .....	A-4
Planning and Zoning .....	A-5
Higher Education .....	A-5
General Economic and Financial Information	
Commerce and Industry .....	A-5
Large Employers .....	A-6
Employment .....	A-7
Building Permits.....	A-7
Population .....	A-8
Age Statistics.....	A-8
Educational Attainment.....	A-8
Miscellaneous Economic Information.....	A-9
Schedule of Indebtedness .....	A-10
Debt Ratios.....	A-11
Schedule of Historical Net Assessed Valuation .....	A-12
Detail of Net Assessed Valuation.....	A-13
Comparative Schedule of Tax Rates .....	A-14
Property Taxes Levied and Collected.....	A-15
Large Taxpayers.....	A-16
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and	
Cash and Investment Balances - Regulatory Basis .....	A-17 - A-18
Summary of Receipts and Expenditures by Fund .....	A-19 - A-25

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## SCHOOL CITY OF MISHAWAKA

### SYSTEM OVERVIEW

The School City of Mishawaka, St. Joseph County, Indiana (the “School Corporation”) was formally organized in 1873 and is comprised of portions of the City of Mishawaka and Penn Township. The School Corporation encompasses approximately eight square miles and is located in eastern St. Joseph County.

### FACILITIES

The School Corporation presently operates the following schools.

<u>School</u>	<u>Grades</u>	<u>Year Opened</u>	<u>Additions/ Renovations</u>	<u>2014/2015 Enrollment</u>
Battell Elementary School	K – 6	1981	1995/96	244
Beiger Elementary School	K – 6	2002/03		491
Emmons Elementary School	K – 6	1958	1975, 1994, 1997, 2003	388
Fred J. Hums Elementary School	K – 6	1970	2001	299
LaSalle Elementary School	K – 6	1926	1958, 1991, 1996	442
Liberty Elementary School	K – 6	1999		426
Twin Branch Elementary School	K – 6	1952	1962, 1986, 1997	345
John J. Young Middle School	7 – 8	1973	1999	759
Mishawaka High School	9 – 12	1925	1958, 1962, 1976-78, 1983, 1988, 1999, 2005	1,446
Young Adult/Joint Services Campus Program				95

### SERVICES

The School Corporation provides a complete academic curriculum in grades kindergarten through twelve. English/language arts, mathematics, science, social studies, computer technology, music, art, health and physical education are provided for all grade levels. Foreign language instruction, family and consumer science, and industrial technology are available to junior and senior high school students, while business education is provided for high school students. Juniors and seniors with good attendance records and appropriate grade point averages in their field of vocational interest may attend the Elkhart Career Center. The curriculum provides a wide variety of vocational training including auto mechanics, construction trades, computer programming, health occupations, law enforcement, and welding.

Special education programs to assist the mentally handicapped and the learning disabled are available at each school site. Individual educational plans form the basis of instruction for these students. A work-study program is offered at the high school, with speech and language assistance also available. The School Corporation is a member of the Joint Services for Special Education Cooperative, which is comprised of two school corporations and operates programs and services for low incidence handicapped students. Gifted education is also provided for students.

**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>Grade</u>	<u>School Year</u>									
	<u>2005/ 2006</u>	<u>2006/ 2007</u>	<u>2007/ 2008</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>
K	433	410	407	379	408	390	378	354	405	386
1	399	435	424	422	376	429	403	403	392	369
2	405	407	419	397	401	363	401	401	386	383
3	390	382	398	401	393	422	367	367	413	391
4	432	410	393	395	411	394	412	412	381	386
5	380	384	400	382	391	418	405	405	368	375
6	404	430	401	401	375	407	393	393	401	353
7	409	400	425	382	405	365	388	388	383	389
8	435	436	408	433	382	408	364	364	363	397
9	587	587	473	414	438	402	408	408	400	358
10	372	457	444	432	407	434	395	395	390	405
11	402	386	455	394	417	386	432	432	381	377
12	<u>346</u>	<u>323</u>	<u>429</u>	<u>461</u>	<u>430</u>	<u>457</u>	<u>421</u>	<u>421</u>	<u>377</u>	<u>366</u>
Totals	<u>5,394</u>	<u>5,447</u>	<u>5,476</u>	<u>5,293</u>	<u>5,234</u>	<u>5,275</u>	<u>5,167</u>	<u>5,143</u>	<u>5,040</u>	<u>4,935</u>

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

<u>Year</u>	<u>Projected Enrollment</u>
2015/2016	4,960
2016/2017	4,975
2017/2018	4,949
2018/2019	4,934
2019/2020	4,908

**BOARD OF SCHOOL TRUSTEES**

<u>Name</u>	<u>Current Term Began</u>	<u>Current Term Ends</u>
Jeffery Emmons, President	01/01/2013	12/31/2016
Dennis Wood, Vice President	01/01/2014	12/31/2017
Holly Parks, Secretary	01/01/2015	12/31/2018
Larry Stillson	01/01/2013	12/31/2016
William Pemberton	01/01/2015	12/31/2018

**ADMINISTRATION AND STAFF**

The School Corporation is under the direction of a five-member elected Board of School Trustees who serve four-year terms. The Superintendent, appointed by the Board of School Trustees, directs a certified staff of 381 and a non-certified staff of 541 with union representation as follows:

<u>Union Name</u>	<u>Union Representation</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
Mishawaka Education Association	Teachers	238	06/30/2015

**PENSION OBLIGATIONS**

**Public Employees' Retirement Fund**

**Plan Description**

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
One North Capitol Ave, 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 by the School Corporation for the year 2014 totaled \$1,362,803.

## Teachers' Retirement Fund

### Plan Description

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

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
One North Capitol Ave, 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 by the School Corporation for the year 2014 totaled \$1,655,079.

### Other Post Employment Benefits

The School Corporation offers health care to retirees until they reach medicare eligibility. The School Corporation contributes \$2,300 annually to each eligible retiree to offset the retiree's health care costs.

## **GENERAL PHYSICAL AND DEMOGRAPHIC INFORMATION**

### **LOCATION**

The School Corporation is located in St. Joseph County in north central Indiana. The School Corporation is approximately 100 miles southeast of Chicago, 140 miles north Indianapolis, and 80 miles northwest of Fort Wayne.

### **GENERAL CHARACTERISTICS**

The School Corporation is situated in a growing community with a diversified economic base. Eastern St. Joseph County has a mix of agriculture, manufacturing, commercial, and tourism industries, which provides the area with numerous and varied employment opportunities.

The City of Mishawaka has 26 parks several of which have boat launches on the St. Joseph River. The Battell Community Center is also located in the City and offers a variety of classes and programs including music, art, and health and fitness classes. Additional recreation and entertainment activities can be found in the nearby City of South Bend which is home to the Morris Performing Arts Center and the Studebaker National Museum. The University of Notre Dame is also located nearby and offers many entertainment activities for residents and visitors to enjoy.

Residents of the School Corporation are served by the Mishawaka-Penn-Harris Public Library. The Library operates a main library in downtown Mishawaka as well as two branch libraries. The Library offers a wide variety of material and year-round programs for all ages.

### **PLANNING AND ZONING**

The City of Mishawaka has a nine-member Plan Commission to provide orderly growth for residential, commercial and industrial areas within the City and a two-mile jurisdiction surrounding its limits. The City also has a five-member Board of Zoning Appeals. Unincorporated areas of the School Corporation are under the jurisdiction of the St. Joseph County/ South Bend Building Department.

### **HIGHER EDUCATION**

Quality higher education is readily available to the residents of the School Corporation in liberal arts or technical programs. Bethel College and Davenport College are located in the City of Mishawaka. The University of Notre Dame, Saint Mary's College, Ivy Tech Community College, Indiana University at South Bend, and Holy Cross College are all located in or just outside the boundaries of the City of South Bend.

## **GENERAL ECONOMIC AND FINANCIAL INFORMATION**

### **COMMERCE AND INDUSTRY**

A listing of the largest industrial employers in the Mishawaka area includes AM General Corporation and Bayer Healthcare Corporation. These companies have served as an integral part of the South Bend/Mishawaka economy for many decades. Other large employers in Mishawaka include area hospitals, the local school systems and City and County governments. Employment opportunities are also available in neighboring South Bend and Elkhart. Some of the major employers in South Bend include the University of Notre Dame, AM General, Honeywell Corporation and Indiana University at South Bend.

St. Joseph Regional Medical Center opened a new \$355 million facility in December 2009. The 658,000 square foot hospital includes 254 private inpatient rooms and 69 outpatient beds on a 90-acre campus, and has replaced two aging health care facilities in the City of Mishawaka. St. Joseph Regional Medical Center currently employs approximately 2,280 people.

AM General Corporation, LLC, maker of the military Humvee and other military vehicles, has facilities in Mishawaka and South Bend. In January 2015 it was announced that the Mercedes-Benz R-Class vehicle will be manufactured at AM General's Commercial Assembly Plant in Mishawaka. The company also does contract assembly work for General Motors and through its wholly owned subsidiary, Mobility Ventures LLC, designs, produces and supports the new MV-1, a specifically designed handicapped accessible vehicle. AM General has 730 employees at their South Bend and Mishawaka facilities, according to company personnel.

Bayer Healthcare Corporation has been in the Mishawaka area since 1884, and currently produces diabetes-monitoring systems and other consumer health care products out of two facilities. In 2011 Bayer sold part of its Mishawaka operations that produced products for Siemens Healthcare Diagnostics to Siemens. Siemens owns the building and has employees at one of Bayer Healthcare's facilities. Approximately 384 employees are employed by Bayer Healthcare at two locations in Mishawaka.

**LARGE EMPLOYERS**

Below is a list of the City of Mishawaka'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>
St. Joseph Regional Medical Center	1910	Primary health care system	2,280
Schurz Communications	1872	News and information company	1,000 (1)
School City of Mishawaka		Public education	922 (2)
Meijer, Inc. (two locations)	1994	Retail stores	750 (3)
AM General Corporation	1964	Mfg. military vehicles and components	730 (4)
Liberty Mutual Insurance Company	1971	Insurance company	650 (1)
Wal Mart Superstore/Sam's Club	1999	Retail discount store/consumer club	544 (5)
Oaklawn (formerly Family & Children's Center)	1882	Counseling services	506
City of Mishawaka	1838	City government	501 (6)
Bayer Healthcare Corporation	1884	Mfg. diabetes-monitoring systems and consumer care products	384

(1) Per the St. Joseph County Chamber of Commerce.

(2) Includes 381 certified and 541 non-certified staff.

(3) Per Hoosiers by the Numbers.

(4) Includes locations in Mishawaka and South Bend.

(5) Includes 144 full-time and part-time employees for Sam's Club. Wal Mart Superstore has 400 employees according to Hoosiers by the Numbers.

(6) Includes full-time employees only.

**EMPLOYMENT**

<u>Year</u>	<u>Unemployment Rate</u>		<u>St. Joseph County Labor Force</u>
	<u>St. Joseph County</u>	<u>Indiana</u>	
2009	11.5%	10.3%	129,497
2010	11.3%	10.4%	127,205
2011	9.9%	9.1%	127,309
2012	9.4%	8.3%	124,916
2013	8.8%	7.7%	124,349
2014, December	6.4%	5.7%	125,693
2015, January	7.3%	6.7%	129,472

Source: Indiana Business Research Center

**BUILDING PERMITS**

Provided below is a summary of the number of building permits and estimated construction costs for the City of Mishawaka.

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>		<u>Other</u>	
	<u>Total Permits</u>	<u>Estimated Costs</u>	<u>Total Permits</u>	<u>Estimated Costs</u>	<u>Total Permits</u>	<u>Estimated Costs</u>
2010	593	\$8,996,619	123	\$33,870,797	10	\$500
2011	593	11,708,685	137	33,170,856	8	0
2012	476	16,890,126	138	34,693,109	28	55,399
2013	496	14,897,756	145	38,415,995	10	67,000
2014	560	11,558,556	138	56,015,700	18	214,895

Source: City of Mishawaka Building Department

## POPULATION

<u>Year</u>	<u>Penn Township*</u>		<u>St. Joseph County</u>	
	<u>Population</u>	<u>Percent of Change</u>	<u>Population</u>	<u>Percent of Change</u>
1970	53,276	12.56%	244,827	2.60%
1980	56,471	6.00%	241,617	-1.31%
1990	59,879	6.03%	247,052	2.25%
2000	64,322	7.42%	265,559	7.49%
2010	66,198	2.92%	266,931	0.52%

\*The population above represents Penn Township; however, the School Corporation is only a portion of the Township. The 2010 population of the School Corporation is 30,427.

Source: U.S. Census Bureau

## AGE STATISTICS

	<u>School City of Mishawaka</u>	<u>St. Joseph County</u>
Under 25 Years	10,881	96,015
25 to 44 Years	8,067	66,261
45 to 64 Years	7,525	69,090
65 Years and Over	3,954	35,565

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

## EDUCATIONAL ATTAINMENT

<u>Years of School Completed</u>	<u>Persons 25 and Over</u>	
	<u>School City of Mishawaka</u>	<u>St. Joseph County</u>
Less than 9th grade	2.4%	3.4%
9th to 12th grade, no diploma	11.7%	8.7%
High school graduate	37.8%	32.2%
Some college, no degree	22.9%	21.4%
Associate's degree	7.5%	7.6%
Bachelor's degree	12.1%	16.1%
Graduate or professional degree	5.6%	10.5%

Source: U.S. Census Bureau's 2009-2013 American Community Survey 5-Year Estimates

**MISCELLANEOUS ECONOMIC INFORMATION**

	<u>City of Mishawaka</u>	<u>St. Joseph County</u>	<u>Indiana</u>
Per capita income, past 12 months*	\$20,912	\$23,509	\$24,635
Median household income, past 12 months*	\$36,590	\$44,582	\$48,248
Average weekly earnings in manufacturing (2nd qtr. of 2014)	N/A	\$1,003	\$1,057
Area in square miles - 2010	17.34	461.39	36,419.55
Population per square mile - 2010	2,782.7	578.5	181.0
Retail sales in 2007:			
Total retail sales	\$1,766,840,000	\$3,683,417,000	\$78,745,589,000
Sales per capita**	\$36,617	\$13,799	\$12,145
Sales per establishment	\$4,589,195	\$3,873,204	\$3,323,721

\*In 2013 inflation-adjusted dollars – 5-year estimates

\*\*Based on 2010 Population.

Source: Bureau of Census Reports and the Indiana Business Research Center

<u>Employment and Earnings - St. Joseph County 2012</u>	<u>Earnings</u> (In 1,000s)	<u>Percent of Earnings</u>	<u>Distribution of Labor Force</u>
Services	\$3,292,328	44.52%	48.79%
Manufacturing	1,245,809	16.85%	10.35%
Wholesale and retail trade	893,215	12.08%	15.23%
Government	763,723	10.33%	10.09%
Finance, insurance and real estate	436,786	5.91%	6.96%
Construction	318,177	4.30%	3.75%
Other*	278,502	3.77%	2.80%
Information	111,337	1.50%	1.34%
Farming	52,052	0.70%	0.56%
Forestry, fishing, related activities	2,173	0.03%	0.09%
Mining	704	0.01%	0.04%
Totals	<u>\$7,394,806</u>	<u>100.00%</u>	<u>100.00%</u>

\*In order to avoid disclosure of confidential information, specific earnings and employment figures are not available for the utilities and transportation and warehousing sectors. The data is incorporated here.

Source: Bureau of Economic Analysis and the Indiana Business Research Center

<u>Adjusted Gross Income</u>	<u>Year</u>	<u>St. Joseph County Total</u>
	2008	\$5,582,941,800
	2009	5,150,910,550
	2010	5,232,626,267
	2011	5,363,836,810
	2012	5,671,856,428

Source: Indiana Department of Revenue

**SCHEDULE OF INDEBTEDNESS**

The following schedule shows the outstanding indebtedness of the School City of Mishawaka and the taxing units within and overlapping its jurisdiction as of April 7, 2015, including issuance of the Refunding 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>
<u>Tax Supported Debt</u>			
Multi-School Building Corporation			
First Mortgage Refunding Bonds, Series 2015 (1)	\$16,745,000	01/15/24	\$16,745,000
2001 School Building Corporation			
First Mortgage Refunding Bonds, Series 2006	16,450,000	01/15/24	10,130,000
First Mortgage Refunding Bonds, Series 2006B	13,410,000	01/15/26	10,120,000
General Obligation Bonds, Series 2008	1,990,000	01/01/17	560,000
Common School Fund Loans			<u>3,125,412</u>
 Total Direct Debt			 <u><u>\$40,680,412</u></u>

Note: In addition, the School Corporation has \$2,545,000 in Tax Anticipation Warrants outstanding due December 31, 2015. The School Corporation also has \$2,800,000 in 2011 Guaranteed Savings Installment Payment Contract outstanding due January 1, 2026; \$2,537,803 in 2014 Guaranteed Savings Installment Payment Contract outstanding due July 15, 2024 and \$940,000 Guaranteed Savings Qualified Zone Academy Bond Installment Payment Contract, Series 2011 ("2011 QZAB IPC") outstanding due January 1, 2026 that are being paid from annual appropriations from the School Corporation's General Fund and Capital Projects Fund.

Further, the School Corporation issued the 2011 QZAB IPC as taxable bonds in reliance on the provisions of the Internal Revenue Code that provided for a Direct Payment to the School Corporation from the United States of all or a portion of the interest due on the 2011 QZAB IPC. As a result of the continuing federal budget discussions, monies owed by the United States to the School Corporation with respect to the 2011 QZAB IPC are expected to be reduced by approximately 7.3%, or a total of \$2,419, for the interest payment due on the 2011 QZAB IPC on July 1, 2015. At this time, the School Corporation is unable to project if and when the Direct Payments on the 2011 QZAB IPC from the United States will be restored in whole or in part or what further action the United States may take with respect to future Direct Payments if there is no resolution of the budget discussions beyond the current federal fiscal year ending September 30<sup>th</sup>.

<u>Overlapping Debt</u>	<u>Total Debt</u>	<u>Percent Allocable to School Corporation (2)</u>	<u>Amount Allocable to School Corporation</u>
<u>Tax Supported Debt</u>			
St. Joseph County	\$30,784,292	9.06%	\$2,789,057
St. Joseph County Redevelopment District	9,405,000	0.23%	21,632
City of Mishawaka	3,199,996	52.65%	1,684,798
Penn Township	1,201,269	1.44%	17,298
Mishawaka-Penn-Harris Public Library	2,425,000	24.11%	584,668
St. Joseph County Airport Authority	12,115,000	9.06%	<u>1,097,619</u>
 Tax Supported Debt			 <u>6,195,072</u>
 Self-Supporting Revenue Debt			
City of Mishawaka	86,310,637	52.65%	<u>45,442,550</u>
 Self-Supporting Revenue Debt			 <u>45,442,550</u>
 Total Overlapping Debt			 <u><u>\$51,637,622</u></u>

(1) Excludes \$17,370,000 of the Building Corporation's First Mortgage Refunding Bonds, Series 2005 to be refunded through the proceeds of the Refunding Bonds.

(2) Based upon the 2014 payable 2015 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. We make 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 City of Mishawaka as of April 7, 2015, including issuance of the Refunding Bonds.

	Direct Tax Supported Debt <u>\$40,680,412</u>	Allocable Portion of All Other Overlapping Tax Supported Debt <u>\$6,195,072</u>	Total Direct and Overlapping Tax Supported Debt <u>\$46,875,484</u>
Per capita (1)	\$1,336.98	\$203.60	\$1,540.59
Percent of net assessed valuation (2)	5.69%	0.87%	6.55%
Percent of gross assessed valuation (3)	3.12%	0.48%	3.60%
Per pupil (4)	\$8,243.24	\$1,255.33	\$9,498.58

- (1) According to the U.S. Census Bureau, the 2010 population of the School City of Mishawaka is 30,427.
- (2) The net assessed valuation of the School City of Mishawaka for taxes payable in 2015 is \$715,303,245 according to the St. Joseph County Auditor's office.
- (3) The gross assessed valuation of the School City of Mishawaka for taxes payable in 2015 is \$1,303,068,240 according to the St. Joseph County Auditor's office.
- (4) Enrollment of the School City of Mishawaka is 4,935 as reported by school personnel.

**SCHEDULE OF HISTORICAL NET ASSESSED VALUATION**

(As Provided by the St. Joseph County Auditor's Office)

<u>Year Payable</u>	<u>Real Estate</u>	<u>Utilities</u>	<u>Personal Property</u>	<u>Total Taxable Value</u>
2011	\$652,742,733	\$15,358,250	\$79,511,550	\$747,612,533
2012	613,093,736	14,401,130	82,801,726	710,296,592
2013 (1)	611,230,913	16,219,610	85,628,550	713,079,073
2014	596,211,854	15,972,700	90,445,030	702,629,584
2015	607,430,495	16,344,490	91,528,260	715,303,245

- (1) Represents results of general reassessment. 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 of every fourth year, county assessors will prepare and submit to the DLGF a reassessment plan for each county. The DLGF must complete its review and approval of the reassessment plan before March 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.

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 Department of Local Government Finance ("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."

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**

As of 2014 for Taxes Payable in 2015  
(As Provided by the St. Joseph County Auditor's Office)

	<u>Mishawaka - Penn Twp.</u>	<u>Penn Twp. - Mishawaka School</u>	<u>Total</u>
Gross Value of Land	\$200,229,300	\$3,928,600	\$204,157,900
Gross Value of Improvements	<u>972,874,900</u>	<u>12,018,700</u>	<u>984,893,600</u>
Total Gross Value of Real Estate	1,173,104,200	15,947,300	1,189,051,500
Less: Mortgage Exemptions, Veterans, Blind Age 65 & Other Exemptions	(513,540,591)	(7,697,138)	(521,237,729)
Tax Exempt Property	(53,464,960)	(244,400)	(53,709,360)
TIF	<u>(6,673,916)</u>	<u>                    </u>	<u>(6,673,916)</u>
Net Assessed Value of Real Estate	<u>599,424,733</u>	<u>8,005,762</u>	<u>607,430,495</u>
Business Personal Property	97,579,210	93,040	97,672,250
Less: Deductions	<u>(6,142,070)</u>	<u>(1,920)</u>	<u>(6,143,990)</u>
Net Assessed Value of Personal Property	<u>91,437,140</u>	<u>91,120</u>	<u>91,528,260</u>
Net Assessed Value of Utility Property	<u>14,827,700</u>	<u>1,516,790</u>	<u>16,344,490</u>
Total Net Assessed Value	<u><u>\$705,689,573</u></u>	<u><u>\$9,613,672</u></u>	<u><u>\$715,303,245</u></u>

**COMPARATIVE SCHEDULE OF CERTIFIED TAX RATES**

Per \$100 of Net Assessed Valuation

	<u>Year Taxes Payable</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Detail of Certified Tax Rate:					
Debt Service	\$0.1197	\$0.1321	\$0.1588	\$0.1634	\$0.1403
Exempt Debt Service	0.8430	0.8065	0.6982	0.7238	0.6810
Capital Projects	0.3013	0.2770	0.3403	0.2514	0.3370
Transportation	0.0584	0.0707	0.0718	0.0749	0.0725
Bus Replacement	0.0107	0.0117	0.0119	0.0113	0.0114
Historical Society	<u>0.0050</u>	<u>0.0050</u>	<u>0.0050</u>	<u>0.0050</u>	<u>0.0050</u>
Totals	<u>\$1.3381</u>	<u>\$1.3030</u>	<u>\$1.2860</u>	<u>\$1.2298</u>	<u>\$1.2472</u>
Total District Certified Tax Rate (1)					
Mishawaka - Penn Twp.	\$3.9147	\$4.0598	\$4.1989	\$4.2905	\$4.1496
Penn Twp. - Mishawaka School	\$2.2785	\$2.3104	\$2.5186	\$2.6164	\$2.5023

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

Source: DLGF Certified Budget Orders for the School Corporation.

**PROPERTY TAXES LEVIED AND COLLECTED**

Collection Year	Certified Taxes Levied	Circuit Breaker Tax Credit (1)	Certified Taxes Levied Net of Circuit Breaker Tax Credit	Taxes Collected	Collected as Percent of Gross Levy	Collected as Percent of Net Levy
2010	\$10,130,499	(\$280,786)	\$9,849,713	\$9,903,495	97.76%	100.55%
2011	9,999,568	(234,380)	9,765,188	9,571,460	95.72%	98.02%
2012	9,081,393	(281,835)	8,799,558	8,802,476	96.93%	100.03%
2013	9,080,967	(473,238)	8,607,729	8,367,411	92.14%	97.21%
2014	8,541,818	(429,214)	8,112,604	8,020,852	93.90%	98.87%

Source: The St. Joseph 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 and St. Joseph County Abstracts.

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"). For property assessed as a homestead (as defined in IC 6-1.1-20.9-1), the Circuit Breaker Tax Credit was the amount by which the property taxes attributable to the homestead exceeded 2% of the gross assessed value of the homestead, beginning with property taxes first due and payable in 2008. The following year, the Indiana General Assembly expanded these tax credits. For taxes payable in 2009, property taxes for homesteads were limited to 1.5% of the gross assessed value of the homestead; property taxes for agricultural, other residential property and long term care facilities were limited to 2.5% of their gross assessed value; and property taxes for all other real and personal property were limited to 3.5% of gross assessed value.

Effective with property taxes payable in 2010, 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.

The Statute also provides that if a school corporation has sufficient Circuit Breaker Tax Credit losses in either 2014, 2015 or 2016 and has such annual losses timely certified by the DLGF, it will be an eligible school corporation for such year under IC 6-1.1-20.6-9.9 (an "Eligible School Corporation"). For the applicable year or years, an Eligible School Corporation may allocate its Circuit Breaker Tax Credit losses for that year proportionately across all of its property tax supported funds, including its debt service fund, thereby being exempted from the protected taxes requirement as described above. The School Corporation qualified for this exemption for 2014 and 2015 and expects to qualify for this exemption in 2016.

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 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 City of Mishawaka.

<u>Name</u>	<u>Type of Business</u>	<u>2014/2015 Net Assessed Valuation</u>	<u>Percent of Total Net Assessed Valuation (1)</u>
Bayer Healthcare LLC	Mfg. diagnostic instruments & consumer care products	\$19,441,480	2.72%
Wellpet LLC	Mfg. premium dog and cat food	11,868,130	1.66%
Siemens Healthcare Diagnostics, Inc.	Mfg. medical diagnostic systems & pharmaceutical preparations	11,253,840	1.57%
McKinley Town & Country Shopping Center	Commercial real estate	8,517,600	1.19%
Nyloncraft, Inc.	Mfg. thermoplastic injection molded parts	8,368,570	1.17%
Liberty Mutual Insurance Company (2)	Insurance company	7,739,750	1.08%
Jordan Motors, Inc.	Automobile dealerships	6,701,580	0.94%
Jefferson Estates/ Cedar Crest South (2) Apartments/ The Fields at Highland LLC/ Highland Village LLC/ IWM II LLC	Residential and commercial developer	6,006,080	0.84%
Northern Indiana Public Service Company	Gas and electric utility	5,986,310	0.84%
Comcast Corporation	Telecommunications company	<u>5,797,000</u>	<u>0.81%</u>
Totals		<u><u>\$91,680,340</u></u>	<u><u>12.82%</u></u>

(1) The total net assessed valuation of the School City of Mishawaka is \$715,303,245 for taxes payable in 2015, according to the St. Joseph County Auditor's office.

(2) Located in a tax increment allocation area; therefore, all or a portion of the taxes are captured as TIF and not distributed to individual taxing units.

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-17 - A-18 are excerpts from the School City of Mishawaka July 1, 2012 to June 30, 2014 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/>.

**SCHOOL CITY OF MISHAWAKA**

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

For the Years Ended June 30, 2013 and 2014.

	Cash and Investments 07-01-2012	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2013	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2014
General	\$280,777	\$35,395,888	\$35,176,895	\$66,917	\$566,687	\$35,558,972	\$34,739,657		\$1,386,002
Debt Service	501,652	982,804	891,606	(174,851)	417,999	1,121,053	915,025	(199,093)	424,934
Exempt Debt	3,129,097	5,555,356	5,636,005	45,960	3,094,408	5,624,806	5,503,552	145,847	3,361,509
Capital Projects	1,004,531	3,638,086	3,054,445		1,588,172	3,077,768	3,751,800		914,140
School Transportation	148,977	801,783	664,831	(44,971)	240,958	919,114	835,811	(12,676)	311,585
School Bus Replacement	26,726	79,272	78,729		27,269	78,427	36,500	(40,000)	29,196
Rainy Day	198,440		74,275	85,927	210,092		4,525		205,567
Post-Retirement/Severance									
Future Benefits	127,083		32,300	(62,917)	31,866		26,667		5,199
Construction	33,058		59,107		(26,049)		(27,783)		1,734
A0524 2004 Multischool	15				15				15
Steele Stadium Improvement	0	12,321			12,321	3,255			15,576
Gifts and Donations	(683)	18,624	15,896		2,045	247,149	337,070		(87,876)
MHS Pool Projects	(29,190)	54,801	72,091		(46,480)	275,000	228,518		2
School Lunch	131,441	2,390,606	2,418,658		103,389	2,391,920	2,361,883		133,426
Textbook Rental	(1,002,983)	450,846	449,073	87,935	(913,275)	418,725	375,645		(870,195)
Repair & Replacement	8,737				8,737				8,737
Self-Insurance	(882,087)	7,767,787	7,594,483		(708,783)	7,032,409	7,347,698		(1,024,072)
Joint Services & Supply-Special									
Education Cooperative	4,615	450			5,065	500			5,565
Joint Service Preschool	(163,083)	953,105	1,089,810		(299,788)	1,252,986	1,099,344		(146,146)
Joint Services Inservice Clearing	10,222				10,222				10,222
Joint Services & Supply- Area									
Vocational School	99,276	9,528,819	9,988,826		(360,731)	11,094,983	9,710,126		1,024,126
Joint Services Campus Program	226,107	631,467	630,999		226,575	660,889	727,731		159,733
Historical Society	6	36,169	32,055	(4,000)	120	35,114	43,180		(7,946)
Alternative Education	(32,521)	18,490			(14,031)	26,185			12,154
Early Intervention Grant	2,271		2,271		0				0
Reading Recovery	15,740				15,740				15,740
<b>Sub-totals</b>	<b>\$3,838,224</b>	<b>\$68,316,674</b>	<b>\$67,962,355</b>	<b>\$0</b>	<b>\$4,192,543</b>	<b>\$69,819,255</b>	<b>\$68,016,949</b>	<b>(\$105,922)</b>	<b>\$5,888,927</b>

(Continued on next page)

**SCHOOL CITY OF MISHAWAKA**

(Cont'd)

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

For the Years Ended June 30, 2013 and 2014.

	Cash and Investments <u>07-01-2012</u>	<u>Receipts</u>	<u>Disbursements</u>	Other Financing Sources (Uses)	Cash and Investments <u>06-30-2013</u>	<u>Receipts</u>	<u>Disbursements</u>	Other Financing Sources (Uses)	Cash and Investments <u>06-30-2014</u>
Sub-totals carried forward	\$3,838,224	\$68,316,674	\$67,962,355	\$0	\$4,192,543	\$69,819,255	\$68,016,949	(\$105,922)	\$5,888,927
Instruction Support	390				390				390
Education Foundations	71,520	49,834	74,205		47,149	40,208	49,358		37,999
Robert Perkins Memorial	321				321				321
Friends of Project	863				863				863
Support Staff Recognition	(2,426)	45,458	54,672		(11,640)	63,550	54,309		(2,399)
Elementary Library Books	2,035				2,035				2,035
Adult & Continuing Education	12,038				12,038				12,038
General Donation	2,112				2,112				2,112
Mishawaka Education Center - MEC	0	1,000	1,000		0				0
ISAIP North Side	41				41				41
Gifted and Talented	29,126	49,088	49,430		28,784	46,895	75,681		(2)
Education Technology	4,027	70,450	70,000		4,477				4,477
Adult & Continuing Education	5,391				5,391				5,391
Medicaid Reimbursement	54,769	51,018	57,580		48,207	77,060	64,573		60,694
Non-English Speaking Prog P.L 273-1999	5,093	6,882	11,293		682	2,845	2,845		682
School Technology	1,320				1,320				1,320
Technology Plan Buddy	177				177				177
Performance Based Awards	0				0		15,057		(15,057)
Project Lead the Way	0	32,313	37,206	(1,483)	(6,376)		23,921		(30,297)
Title I	(264,889)	1,294,583	1,202,374		(172,680)	1,275,220	1,332,410		(229,870)
(IDEA Part B) LEA Capacity Bldg Grants	(373,728)	3,370,863	3,326,708		(329,573)	2,923,856	2,913,383		(319,100)
Preschool Handicap	0	112,383	112,382		1	121,484	123,456		(1,971)
Vocational & Technical Board Grants	(1,483)			1,483	0				0
Carl Perkins Grant	0	6,500	6,500		0	6,500	6,500		0
Medicaid Reimbursement-Federal	97,019	90,376	101,999		85,396	136,507	114,387		107,516
School to Work Opportunity Implementation	11				11				11
Improving Teaching Quality, No Child Left, Title II, Part A	(3,037)	351,084	360,350		(12,303)	217,790	211,821		(6,334)
Title III, Language Instruction	0	9,604	9,605		(1)	8,150	8,308		(159)
Work Study Program	4,198	4,540	1,095		7,643				7,643
Special Education - Part B	(139,333)		(139,334)		1				1
Education Jobs	0	21,473	21,473		0				0
Payroll Clearing	0	33,155,336	33,155,336		0	31,861,134	31,861,134		0
<b>Totals</b>	<b>\$3,343,779</b>	<b>\$107,039,459</b>	<b>\$106,476,229</b>	<b>\$0</b>	<b>\$3,907,009</b>	<b>\$106,600,454</b>	<b>\$104,874,092</b>	<b>(\$105,922)</b>	<b>\$5,527,449</b>

The following schedules on pages A-19 - A-25 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 City of Mishawaka. 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>.

**SCHOOL CITY OF MISHAWAKA**

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

	Calendar Year		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b><u>GENERAL FUND</u></b>			
Receipts:			
Tuition	\$64,949	\$123,709	\$12,590
Earnings on Investments	4,193	4,235	5,342
Food Services			777
School Corporation Activities			84,780
Other Revenue from Local Sources	30,913	163,508	42,583
Revenue from Intermediate Sources	2		
Revenue from State Sources	34,403,023	33,637,533	34,193,172
Loans	640,898	541,003	765,000
Sale of Property, Adjustments and Refunds	199,441		
Interfund Transfers	219,955		
Other	331,448	283,620	399,197
	<u>\$35,894,821</u>	<u>\$34,753,607</u>	<u>\$35,503,441</u>
Expenditures:			
Instruction	\$23,779,764	\$23,416,018	\$23,591,440
Support Services	10,376,941	10,073,926	10,175,684
Community Services	472,627	467,296	403,166
Facilities Acquisition and Construction (1)		444,060	631,526
Debt Services		1,235,899	811,897
Interfund Transfers	54,938		
	<u>\$34,684,271</u>	<u>\$35,637,199</u>	<u>\$35,613,713</u>
Net Increase (Decrease) in Cash & Investments	\$1,210,550	(\$883,593)	(\$110,272)
Beginning Balance - January 1st	1,653,111	2,863,661	1,980,068
Ending Balance - December 31st	<u>\$2,863,661</u>	<u>\$1,980,068</u>	<u>\$1,869,796</u>

(1) Includes Installment Payment Contract of \$444,060 in 2013 and \$631,525 in 2014.

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

(Continued on next page)

**SCHOOL CITY OF MISHAWAKA**

(Cont'd)

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

	Calendar Year		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b><u>DEBT SERVICE FUND</u></b>			
Receipts:			
Local Property Tax	\$859,389	\$983,324	\$1,115,345
License Excise Tax	51,179	65,232	68,642
Commercial Vehicle Excise Tax			4,486
Financial Institutions Tax	1,154	1,811	2,275
Temporary Loans		(93,171)	
Interfund Transfers			(151,482)
Total Receipts	\$911,722	\$957,196	\$1,039,266
Expenditures:			
Temporary Loans	\$174,851		
Principal on Debt	724,552	\$759,552	
Interest on Debt	134,951	163,795	\$26,357
Lease Rental			295,113
Advancements and Obligations			601,636
Interfund Transfers		105,922	
Total Expenditures	\$1,034,353	\$1,029,268	\$923,105
Net Increase (Decrease) in Cash & Investments	(\$122,631)	(\$72,072)	\$116,161
Beginning Balance - January 1st	434,782	312,151	240,078
Ending Balance - December 31st	\$312,151	\$240,078	\$356,240

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)

**SCHOOL CITY OF MISHAWAKA**

(Cont'd)

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

	Calendar Year		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b><u>EXEMPT DEBT SERVICE FUND</u></b>			
Receipts:			
Local Property Tax	\$5,579,215	\$4,737,251	\$4,911,470
License Excise Tax	330,731	286,808	304,060
Commercial Vehicle Excise Tax			19,874
Financial Institutions Tax	7,043	7,960	10,073
Interfund Transfers	45,960	145,847	
Temporary Loans	160,000	144,400	488,000
	<u>\$6,122,949</u>	<u>\$5,322,266</u>	<u>\$5,733,477</u>
Expenditures:			
Principal on Debt	\$3,242,551	\$3,617,341	\$3,886,331
Interest on Debt	2,246,173	2,100,736	1,951,204
	<u>\$5,488,724</u>	<u>\$5,718,077</u>	<u>\$5,837,535</u>
Net Increase (Decrease) in Cash & Investments	\$634,225	(\$395,810)	(\$104,058)
Beginning Balance - January 1st	2,474,195	3,108,420	2,712,610
Ending Balance - December 31st	<u>\$3,108,420</u>	<u>\$2,712,610</u>	<u>\$2,608,552</u>

The Exempt 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)

**SCHOOL CITY OF MISHAWAKA**

(Cont'd)

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

	Calendar Year		
	2012	2013	2014
<b><u>CAPITAL PROJECTS FUND</u></b>			
Receipts:			
Local Property Tax	\$1,802,051	\$2,107,210	\$1,470,433
License Excise Tax	107,317	139,789	105,610
Commercial Vehicle Excise Tax			6,902
Financial Institutions Tax	2,418	3,879	3,499
Other Revenue from Local Sources	387	425	440
Temporary Loans	1,230,000	1,448,500	1,136,000
Other	83,512	133,339	80,437
	<u>\$3,225,685</u>	<u>\$3,833,142</u>	<u>\$2,803,321</u>
Expenditures:			
Support Services	\$1,412,914	\$1,666,946	\$1,992,581
Facilities Acquisition and Construction	550,389 (1)	263,714	187,938
Temporary Loans		2,678,500	1,136,000
	<u>\$1,963,302</u>	<u>\$4,609,160</u>	<u>\$3,316,519</u>
Net Increase (Decrease) in Cash & Investments	\$1,262,383	(\$776,018)	(\$513,198)
Beginning Balance - January 1st	47,816	1,310,199	534,181
Ending Balance - December 31st	<u>\$1,310,199</u>	<u>\$534,181</u>	<u>\$20,982</u>

(1) Includes Installment Payment Contract of \$291,643 in 2012.

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

(Continued on next page)

**SCHOOL CITY OF MISHAWAKA**

(Cont'd)

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

	Calendar Year		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b><u>TRANSPORTATION FUND</u></b>			
Receipts:			
Local Property Tax	\$459,946	\$444,601	\$437,809
License Excise Tax	25,439	27,481	31,465
Commercial Vehicle Excise Tax	1,952	2,012	2,056
Financial Institutions Tax	618	819	1,042
Other Revenue from Local Sources	154	4,192	
Interfund Transfers		(12,676)	
Temporary Loans	60,000	233,700	254,000
Other	148,416	133,572	159,915
	<u>\$696,524</u>	<u>\$833,700</u>	<u>\$886,287</u>
Expenditures:			
Instruction	\$462		
Support Services	593,407	\$587,775	\$637,038
Debt Services		293,700	254,000
Interfund Transfers	44,971		
	<u>\$638,839</u>	<u>\$881,475</u>	<u>\$891,038</u>
Net Increase (Decrease) in Cash & Investments	\$57,685	(\$47,775)	(\$4,751)
Beginning Balance - January 1st	52,315	110,000	62,225
Ending Balance - December 31st	<u>\$110,000</u>	<u>\$62,225</u>	<u>\$57,474</u>

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

(Continued on next page)

**SCHOOL CITY OF MISHAWAKA**

(Cont'd)

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

	Calendar Year		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b><u>TRANSPORTATION SCHOOL BUS REPLACEMENT FUND</u></b>			
Receipts:			
Local Property Tax	\$76,116	\$73,687	\$65,890
License Excise Tax	4,210	4,555	4,747
Commercial Vehicle Excise Tax	324	334	310
Financial Institutions Tax	102	136	157
Other Revenue from Local Sources		1,400	
Interfund Transfers		(40,000)	
Other		2,650	
	<u>\$80,752</u>	<u>\$42,762</u>	<u>\$71,104</u>
Expenditures:			
Support Services	<u>\$78,729</u>	<u>\$42,795</u>	<u>\$79,139</u>
	<u>\$78,729</u>	<u>\$42,795</u>	<u>\$79,139</u>
Net Increase (Decrease) in Cash & Investments	\$2,022	(\$33)	(\$8,035)
Beginning Balance - January 1st	<u>7,046</u>	<u>9,069</u>	<u>9,035</u>
Ending Balance - December 31st	<u>\$9,069</u>	<u>\$9,035</u>	<u>\$1,000</u>

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

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**SCHOOL CITY OF MISHAWAKA**

(Cont'd)

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

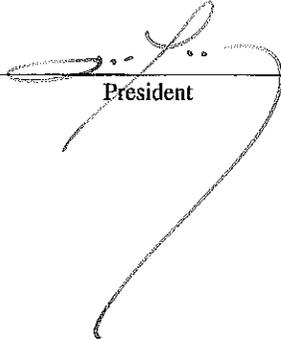
	Calendar Year		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b><u>OTHER FUNDS</u></b>			
Receipts:			
Revenues from Local Sources	\$16,019,497	\$20,135,668	\$20,698,604
Revenues from State Sources	396,850	487,310	490,900
Revenues from Federal Sources	6,704,030	6,723,963	6,383,044
Bonds and Advances	350,000		
Sale of Property, Adjustments and Refunds	3,534,783		
Interfund Transfers	223,029	(3,004)	63,606
Other	454,082	945,658	847,091
	<u>\$27,682,272</u>	<u>\$28,289,596</u>	<u>\$28,483,246</u>
Expenditures:			
Support Services	\$4,438,503	\$4,829,800	\$4,527,283
Community Services	2,644,604	2,657,050	2,648,380
Facilities Acquisition and Construction	128,203	286,294	857,952
Instruction	20,162,366	20,614,972	19,202,091
Nonprogrammed Charges		4,000	
Interfund Transfers	269,122	(3,004)	(87,876)
	<u>\$27,642,798</u>	<u>\$28,389,112</u>	<u>\$27,147,830</u>
Net Increase (Decrease) in Cash & Investments	\$39,474	(\$99,517)	\$1,335,416
Beginning Balance - January 1st	<u>(2,141,269)</u>	<u>(2,101,795)</u>	<u>(2,201,312)</u>
Ending Balance - December 31st	<u>(\$2,101,795) (1)</u>	<u>(\$2,201,312) (1)</u>	<u>(\$865,896) (1)</u>
 <b><u>GRAND TOTALS</u></b>			
Total Receipts	<u>\$74,614,725</u>	<u>\$74,032,268</u>	<u>\$74,520,142</u>
Total Expenditures	<u>\$71,531,016</u>	<u>\$76,307,086</u>	<u>\$73,808,880</u>
Net Increase (Decrease) in Cash & Investments	\$3,083,708	(\$2,274,818)	\$711,262
Beginning Balance - January 1st	<u>2,527,996</u>	<u>5,611,704</u>	<u>3,336,886</u>
Ending Balance - December 31st	<u>\$5,611,704</u>	<u>\$3,336,886</u>	<u>\$4,048,148</u>

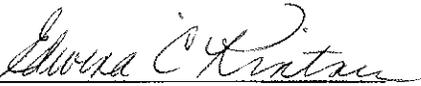
(1) Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts (as per the 2008-2010 Audit Report of the State Board of Accounts). The funds reporting deficits for 2012 include Construction, Textbook Rental, Self Insurance, Joint Service/Supply Area Vocational, Alternative Education, Instructional Support, Miscellaneous Programs, ECIA Title I, IDEA Part B, Preschool Handicap and Improving Teacher Quality NCLB, Title II, Part A. The funds reporting deficits for 2013 include Textbook Rental, Self Insurance, Joint Service/Supply Area Vocational, Alternative Education, Instructional Support, Miscellaneous Programs, ECIA Title I, IDEA Part B, Preschool Handicap and Improving Teacher Quality NCLB, Title II, Part A. The Funds reporting deficits for 2014 include Construction, Textbook Rental, Self Insurance, Instructional Support, Secured School Safety Grant, Project Lead the Way, PL 107-110 Title I, IDEA Part B, Preschool Handicap and Improving Teacher Quality NCLB, Title II, Part A.

The School Corporation certifies to the best of its 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.

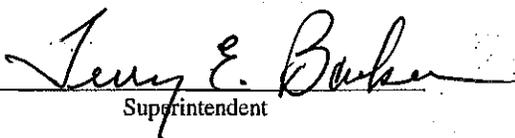
This Official Statement and its execution are duly authorized.

SCHOOL CITY OF MISHAWAKA MULTI-  
SCHOOL BUILDING CORPORATION

By:   
President

Attest:   
Secretary

SCHOOL CITY OF MISHAWAKA

By:   
Superintendent

## APPENDIX B



## **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 the Leased Premises. The term of the Lease began on February 10, 1998, and will end on December 31, 2023. Under the Lease, the School Corporation agrees to pay the Building Corporation the Lease Rentals in amounts sufficient to pay the principal of, and interest on the Bonds issued and outstanding under the Indenture. Each installment of the Lease Rentals is payable in advance in semi-annual installments on June 30 and December 31 of each year. All Lease Rentals payable under the terms of the Lease are paid by the School Corporation to the Trustee.

### **Maintenance and Modification**

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

The School Corporation may, at its own expense, replace worn out or obsolete property and may install on the property on which the Leased Premises are situated personal property which is not an addition or improvement to, modification of or substitution for the Leased Premises, which will be the sole property of the School Corporation and in which the Building Corporation will have no interest. The School Corporation may discard worn out or obsolete property and need not replace it. The proceeds from the sale of any personal property from the Leased Premises will be paid to the Trustee. Upon payment of the Trustee of an amount equal to the trade in value of such property, the School Corporation may trade in any worn out or obsolete personal property, and the School Corporation may trade in any worn out or obsolete personal property on the purchase of any replacement property that will not become a part of the Leased Premises.

### **Property and Liability Insurance**

The School Corporation is required to carry at its own expense, property insurance on the Leased Premises against physical loss or damage to the Leased Premises, however caused, with such exceptions only as are ordinarily required by insurers of buildings or facilities of a similar type, in an amount equal to 100% of the full replacement cost of the Leased Premises. Any property insurance policy will be so written or endorsed as to make any losses payable to the Building Corporation or to such other person or persons as the Building Corporation under the Lease may designate.

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

### **Damage or Destruction**

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

### **Rent Abatement**

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

### **Taxes and Utility Charges**

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

### **Events of Default**

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

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

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

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

### **Option to Purchase**

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

### **Option to Renew**

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

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## APPENDIX C



## 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.**

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

There are created under the Indenture the following funds: (1) the School City of Mishawaka Multi-School Bldg. Corp. Construction Fund (the "Construction Fund"), (2) the School City of Mishawaka Multi-School Bldg. Corp. Refunding Fund (the "Refunding Fund"), (3) the School City of Mishawaka Multi-School Bldg. Corp. Sinking Fund (the "Sinking Fund"), (4) the School City of Mishawaka Multi-School Bldg. Corp. Operation and Reserve Fund (the "Operation and Reserve Fund"), and (5) the School City of Mishawaka Multi-School Bldg. Corp. Rebate Fund (the "Rebate Fund"). At the time of issuance of the Refunding Bonds, there will not be any money on deposit in the Construction Fund.

At the time of issuance of the Refunding Bonds, there will be established in the Refunding Fund a 2015 Refunding Account and a 2015 Bond Issuance Expense Account. A portion of the proceeds of the Refunding Bonds will be deposited into the 2015 Refunding Account. The Trustee will, concurrently with its receipt of such proceeds, deposit such proceeds with the Escrow Agent for deposit, together with funds of the Building Corporation, into the escrow account established under the Escrow Agreement, which aggregate amount will be sufficient to accomplish the Refunding Program. All remaining proceeds of the Refunding Bonds will be deposited into the 2015 Bond Issuance Expense Account and used by the Trustee as directed by the Superintendent or the Business Manager of the School Corporation to pay all of the costs of issuing the Refunding Bonds.

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

The Operation and Reserve Fund will be used only (a) to pay necessary incidental expenses of the Building Corporation, including Trustee's fees (b) if the amount in the Sinking Fund at any time is less than the required amount, to transfer funds to the Sinking Fund in an amount sufficient to raise the amount in the Sinking Fund to the required amount, (c) if any of the Bonds are called for redemption, to pay the principal, interest, and redemption premium, if any, on such Bonds, (d) to purchase any of the Bonds in the open market and (e) if the amount in the Rebate Fund is less than the rebate amount, to transfer funds to the Rebate Fund. The incidental expenses may be paid by the Trustee upon the presentation of an affidavit executed by

two executive officers of the Building Corporation or the Lessor Representative together with the creditor's statement as to the amount owing.

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 and Reserve 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 and Reserve 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 and Reserve 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 and Reserve 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 and Reserve 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.

The Rebate Fund will be used to make any rebate to the United States of America required to prevent the Bonds from becoming "arbitrage bonds" under the Code. If, in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes, the Building Corporation is required to rebate portion of investment earnings to the United States of America, the Building Corporation will be required to calculate annually or cause to be calculated the amount of such rebate (the "Rebate Amount"). In the alternative, the Building Corporation may elect to pay the penalty required by Section 148(f)(4)(C)(vii) of the Code, as amended. In that event, the Building Corporation will compute or cause to be computed each six months, the amount of such penalty and provide the Trustee a copy of such calculation. In either event, the Trustee is to deposit the amount so calculated to the credit of the Rebate Fund from any available funds (other than moneys in the Sinking Fund). The Trustee is further required to pay the Rebate Amount or penalties in lieu of rebate together with all investment earnings thereon to the United States of America, in the amount and at such times as will be advised by the Building Corporation or nationally recognized bond counsel as required by the Code or applicable regulations.

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

## **Investment of Funds**

The Trustee will invest the moneys in funds created in the Indenture in (i) obligations of, or guaranteed by, the United States of America or agencies thereof, or (ii) repurchase agreements for obligations of or guaranteed by the United States of America or agencies thereof, or (iii) money market funds the assets of which are obligations of, or guaranteed by, the United States of America and which funds are rated “AAA” or “AAA” or higher by Standard & Poor's Credit Market Services, or (iv) certificates of deposit issued by a bank or trust company, organized under the laws of the United States of America or any state thereof which are fully insured by the Federal Deposit Insurance Corporation, (v) guaranteed investment contracts collateralized by obligations described in (i). Any income or interest realized upon any such investment will be credited to the Fund or Account from which the moneys were invested.

Securities purchased with moneys from the Sinking Fund or the Rebate Fund must mature prior to the time the moneys invested will be needed to pay the amounts which must be paid from such funds. Moneys in the Construction Fund, Sinking Fund and Rebate Fund will be invested without restriction as to yield during an applicable temporary period pending their use. Moneys in the Operation and Reserve Fund after 30 days of the date of deposit will be invested at a yield not exceeding the yield on the Bonds.

## **Covenants**

The Building Corporation covenants, among other things that:

- (a) it has entered into a valid and binding lease of the mortgaged property to the School Corporation, and that a full, true and correct copy of the Lease is on file with the Trustee; that construction will begin promptly upon receipt by the Trustee of bond proceeds and that it will complete such construction with all expedition practicable in accordance with the plans and specifications referred to in the Lease;
- (b) it will faithfully perform all provisions contained in each Bond and the Indenture and will punctually pay the principal of, premium, if any, and interest on the Bonds;
- (c) it is duly authorized under the laws of the State of Indiana to create and issue the Bonds, to execute and deliver the Indenture, and to mortgage and pledge the real estate and rentals and other income of the mortgaged property as provided in the Indenture;
- (d) it will promptly make, execute, and deliver all indentures supplemental to the Indenture and to take all action deemed advisable and necessary by the Trustee for the better securing of the Bonds;
- (e) it now has and will preserve good title to the property;
- (f) it will maintain the priority of the lien created under the Indenture, that it will not permit any waste of said property, and that it will at all times maintain the property in good working condition;

- (g) it will maintain proper books and records and: (i) furnish statements showing earnings, expenses and financial condition of the Building Corporation and such information as the Trustee may reasonably request, (ii) within 90 days of each calendar year, file with the Trustee, a certificate signed by officers of the Building Corporation stating that all insurance premiums required under the Indenture have been paid by the Building Corporation and that all taxes then due have been paid, subject to permissible contests, (iii) upon the request of any bondholder, will request from the Lessee the current financial statements of the Lessee for review by the bondholder;
- (h) it will not incur any indebtedness payable from the Lease other than the Bonds as long as the Bonds are outstanding;
- (i) it will, upon any default in payment of lease rentals, file a claim with the Treasurer of the State of Indiana, bring suits to mandate the appropriate officers of the School Corporation to levy the necessary tax to pay rents under the Lease or to take such other appropriate action necessary to enforce and collect the rentals due;
- (j) the proceeds of the Bonds, any moneys received from lease rentals payable according to the Lease, amounts received from the investment of the proceeds of the Bonds or other amounts received will not be invested in such manner which would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code; and
- (k) in order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds, no proceeds thereof will be loaned to any entity or person, nor will they be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of such proceeds. Furthermore, the Building Corporation will, to the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, rebate all required arbitrage profits on such proceeds or other moneys treated as such proceeds to the United States Government and will set aside such moneys in the Rebate Fund to be held by the Trustee in trust for such purposes. Additionally, the Building Corporation covenants that it will not take any action nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code.

## **Insurance**

The Building Corporation covenants to carry or cause the School Corporation to carry the following kinds of insurance: (a) physical loss or damage insurance on the mortgaged property in the amount of 100% of the full replacement cost of the property, and (b) rental value insurance against physical loss or damage for a period of two years.

The proceeds of any insurance must be applied by the Building Corporation to the repair, replacement or reconstruction of any damaged or destroyed property, if the cost of such repair,

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

### **Events of Default and Remedies**

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

Upon the happening and continuance of any event of default, the Trustee may, and upon written request of the holders of twenty-five percent (25%) in principal amount of the Bonds then outstanding and upon being indemnified to its reasonable satisfaction is required to, declare the principal amount of and interest accrued on all outstanding Bonds immediately due and payable; subject, however, to the rights of the holders of the majority in principal amount of all the outstanding Bonds to annul such declaration if all such events have been cured, all arrears of interest have been paid and all other indebtedness secured by the Indenture except the principal and interest not then due has also been paid.

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

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

Any sale made either under the Indenture, to the extent permitted by law, or by judgment or decree in any judicial proceeding for foreclosure must be conducted as required by the Indenture. The proceeds of any such sale must be applied to pay the costs and expenses of the sale or judicial proceedings pursuant to the sale, the expenses of the Trustee and the holders of the Bonds, with interest at the highest rate of interest on any of the Bonds when sold, and the payment of the installments of interest which are due and unpaid in the order of their maturity,

next, if the principal of the Bonds is due, to the payment of the principal thereof and the accrued interest thereon pro rata. No holder of all of the Bonds will have the right to institute any proceeding in law or in equity for the foreclosure of the Indenture, the appointment of a receiver, or for any other remedy under the Indenture without complying with the provisions of the Indenture.

### **Supplemental Indentures**

The Building Corporation and the Trustee may, without obtaining the approval of the holders of the Bonds, enter into supplemental indentures to cure any ambiguity or formal defect or omission in the Indenture; or to grant to the Trustee for the benefit of such holders any additional rights, remedies, powers, authority or security that may be lawfully granted; or to provide for the issuance of additional parity bonds to finance (i) the payment of claims of contractors, subcontractors, materialmen or laborers or fees; (ii) the completion of construction; (iii) the payment of costs of improvements to the mortgaged property; and (iv) a partial refunding of the Bonds.

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

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

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

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

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

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

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

- (a) by paying the whole amount of the principal and interest and the premium if any, due and payable upon all of the Bonds then outstanding; or
- (b) by depositing with the Trustee (i) sufficient money, (ii) direct obligations of the United States of America (the "Government Securities") or (iii) time certificates of deposit of a bank or banks secured as to both principal and interest by Government Securities in amounts sufficient to pay or redeem all Bonds outstanding.

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

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## APPENDIX D



May 28, 2015

School City of Mishawaka Multi-School Bldg. Corp.  
Mishawaka, Indiana

Re: School City of Mishawaka Multi-School Bldg. Corp. First Mortgage Refunding  
Bonds, Series 2015

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Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the School City of Mishawaka Multi-School Bldg. Corp. (the "Issuer") of \$16,745,000 aggregate principal amount of its First Mortgage Refunding Bonds, Series 2015, dated as of the date hereof (the "Bonds"), pursuant to Indiana Code 21-47-3, Indiana Code 21-47-4, and Indiana Code 5-1-5, each as amended, and a Trust Indenture, dated as of February 1, 1998 (the "Original Indenture"), as supplemented and amended by a First Supplemental Trust Indenture, dated as of March 1, 2005 (the "First Supplemental Indenture"), and a Second Supplemental Trust Indenture, dated as of April 15, 2015, 2015 (the "Second Supplemental Indenture") (the Original Indenture, as supplemented and amended by the First Supplemental Indenture and the Second Supplemental Indenture, the "Indenture"), each by and between the Issuer and The Bank of New York Mellon Trust Company, N.A. (successor to Fifth Third Bank of Central Indiana), as trustee (the "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 School City of Mishawaka, St. Joseph County, Indiana (the "School Corporation"), contained in the Indenture, the Lease Agreement, dated as of December 11, 1996, as amended by a First Amendment to Lease, dated as of February 1, 1998, and as further amended by a Second Amendment to Lease dated as of March 1, 2005 and a Third Amendment to Lease, dated as of April 15, 2015 (collectively, the "Lease"), each 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 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 Thorne-Grodnik, LLP, Mishawaka, Indiana, counsel to the Issuer and the School Corporation, dated the date hereof, as to the matters stated therein. In addition, we have relied upon the report of H.J. Umbaugh & Associates Certified

School City of Mishawaka Multi-School Bldg. Corp.  
May 28, 2015

Public Accountants, LLC, Mishawaka, Indiana, dated the date hereof, as to the matters stated therein.

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

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 Bonds.

2. The 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 Bonds are payable solely from the mortgaged property set forth in the Indenture.

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"), the interest on the Bonds is excludable from gross income for federal income tax purposes. The opinion set forth in the preceding sentence 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 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 the interest on the Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

6. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings.

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

School City of Mishawaka Multi-School Bldg. Corp.  
May 28, 2015

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement dated May 6, 2015, or any other offering material relating to the Bonds, and we express no opinion relating thereto.

We express no opinion regarding any tax consequences arising with respect to the 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 E



## CONTINUING DISCLOSURE CONTRACT

This Continuing Disclosure Contract (this “Contract”) is made this 28<sup>th</sup> day of May, 2015, from the School City of Mishawaka Multi-School Bldg. Corp., St. Joseph County, Indiana, (the “Promisor”), to each registered owner or holder of any Bond (as hereinafter defined) (each, a “Promisee”);

WITNESSETH THAT:

WHEREAS, the School City of Mishawaka Multi-School Bldg. Corp., an Indiana nonprofit corporation (the “Issuer”), is issuing its First Mortgage Refunding Bonds, Series 2015, on the date hereof (the “Bonds”), pursuant to a Trust Indenture, dated as of February 1, 1998 (the “Original Indenture”) as supplemented and amended by a First Supplemental Trust Indenture, dated as of March 1, 2005 (the “First Supplemental Indenture”), and a Second Supplemental Trust Indenture, dated as of April 15, 2015 (the “Second Supplemental Indenture”) (the Original Indenture, as supplemented and amended by the First Supplemental Indenture and the Second Supplemental Indenture, the “Indenture”), each by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”); and

WHEREAS, KeyBanc Capital Markets Inc. (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 (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 subsection (b)(5) of 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 May 6, 2015, 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) There have been no instances in the previous five years in which the Obligated Person 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 a registrar or 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 year in which the Bonds are issued, (x) unaudited financial statements of the Obligated Person for such prior Fiscal Year, and (y) financial information and operating data of the Obligated Person for such prior Fiscal Year of the type provided under the following headings in Appendix A of the Final Official Statement, as applicable:

(A) "SCHOOL CITY OF MISHAWAKA--Enrollment;"

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

(C) "GENERAL ECONOMIC AND FINANCIAL INFORMATION—Detail of Net Assessed Valuation;"

(D) "GENERAL ECONOMIC AND FINANCIAL INFORMATION—Comparative Schedule of Tax Rates;"

(E) "GENERAL ECONOMIC AND FINANCIAL INFORMATION—Property Taxes Levied and Collected;"

(F) "GENERAL ECONOMIC AND FINANCIAL INFORMATION—Large Taxpayers;" and

(G) "GENERAL ECONOMIC AND FINANCIAL INFORMATION—Summary of Revenues and Expenditures by Fund;"

(the unaudited financial statements and 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, 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; and
  - (J) Bankruptcy, insolvency, receivership or similar events of the Obligated Person.
- (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 available to the public on the MRSB'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, each Promisee and each Bondholder, 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, each Promisee and each Bondholder.

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 St. Joseph 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, 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:

School City of Mishawaka Multi-School Bldg. Corp., St. Joseph County,  
Indiana  
1402 South Main Street  
Mishawaka, Indiana 46544  
Attention: Business Manager

(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 an agreement or 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 an agreement or 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 an agreement or 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 of 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.

SCHOOL CITY OF MISHAWAKA MULTI-  
SCHOOL BLDG. CORP., ST. JOSEPH  
COUNTY, INDIANA

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Jeffrey E. Emmons, President of the Board of  
School Trustees

*(Signature Page of Continuing Disclosure Contract)*

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