

REFUNDING ISSUE
Book-Entry-Only

Programmatic Rating: S&P Global Ratings “—”
Underlying Rating: S&P Global Ratings “—”

*This Preliminary Official Statement is deemed “nearly final”
and is dated April 20, 2017*

In the opinion of Ice Miller LLP, Indianapolis, Indiana under federal statutes, decisions, regulations and rulings, interest on the Refunding Bonds (hereinafter defined) is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended, for federal income tax purposes. Such exclusion is conditioned on continuing compliance with the Tax Covenants (hereinafter defined). In the opinion of Ice Miller LLP, Indianapolis, Indiana, under existing laws, regulations, judicial decisions and rulings, interest on the Refunding Bonds is exempt from income taxation in the State of Indiana. See “TAX MATTERS” herein.

\$24,130,000*
PORTAGE TOWNSHIP MULTI-SCHOOL BUILDING CORPORATION
Portage, Indiana
AD VALOREM PROPERTY TAX FIRST MORTGAGE REFUNDING BONDS, SERIES 2017

Original Date: Date of Delivery (Anticipated to be May 17, 2017)

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

The Portage Township Multi-School Building Corporation (the “Building Corporation”) is issuing \$24,130,000* of Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2017 (the “Refunding Bonds”) for the current refunding of \$23,885,000 of currently outstanding First Mortgage Refunding Bonds, Series 2007, dated March 7, 2007 (the “Refunded Bonds” or the “2007 Bonds”) and to pay issuance costs. The Refunded Bonds were originally issued by the Building Corporation to advance refund certain maturities of the First Mortgage Bonds, Series 2005, dated June 15, 2005 (the “2005 Bonds”). The 2005 Bonds were originally issued by the Building Corporation to construct the eastern portion of a 120,000 square foot addition to Portage High School containing classrooms, a media center, a physical education facility, and to pay for additions and renovations.

The Refunding Bonds are secured by and payable from fixed, semiannual lease rental payments (the “Lease Rentals”) to be paid by Portage Township Schools (the “School Corporation”) directly to U.S. Bank National Association, as ultimate successor to Harris N.A., in Indianapolis, Indiana (the “Trustee”) under a Trust Indenture between the Building Corporation and the Trustee dated as of May 15, 2005 (the “Original Indenture”), supplemented by a First Supplemental Trust Indenture dated as of March 1, 2007 (the “Supplemental Indenture”) and a Second Supplemental Trust Indenture dated as of April 1, 2017 (the “Second Supplemental Indenture”) (collectively, the “Trust Indenture”) and a Lease (herein defined) between the School Corporation and the Building Corporation. 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. (However, see “PROCEDURES FOR PROPERTY TAX ASSESSMENT, TAX LEVY AND COLLECTION” and “CIRCUIT BREAKER TAX CREDIT” herein). The levy of taxes by the School Corporation to pay the Lease Rentals is mandatory under Indiana law. The Refunding Bonds are additionally secured by a first mortgage lien on the Leased Property (hereinafter defined). 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, 2017. Principal and interest will be disbursed on behalf of the Building Corporation by U.S. Bank National Association, in Indianapolis, Indiana (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 on the interest payment date 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 or by wire transfer to depositories who present the Refunding Bonds to the Trustee at least two business days prior to the payment date. 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 may be issued as “Term Bonds” at the Underwriter’s (hereinafter defined) discretion and subject to mandatory sinking fund redemption as more fully described herein.

*Preliminary, subject to change.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE
(Base CUSIP* _____)

<u>Maturity</u>	<u>Principal**</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Maturity</u>	<u>Principal**</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
July 15, 2018	\$965,000				January 15, 2024	\$1,090,000			
January 15, 2019	980,000				July 15, 2024	1,105,000			
July 15, 2019	985,000				January 15, 2025	1,120,000			
January 15, 2020	995,000				July 15, 2025	1,140,000			
July 15, 2020	1,005,000				January 15, 2026	1,160,000			
January 15, 2021	1,020,000				July 15, 2026	1,175,000			
July 15, 2021	1,030,000				January 15, 2027	1,190,000			
January 15, 2022	1,035,000				July 15, 2027	1,215,000			
July 15, 2022	1,045,000				January 15, 2028	1,230,000			
January 15, 2023	1,060,000				July 15, 2028	1,245,000			
July 15, 2023	1,075,000				January 15, 2029	1,265,000			

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**Preliminary, subject to change.

INFORMATION FOR BIDDING

Date and Time of Sale: Upon 24 hours' notice. Anticipated to take place on April 27, 2017, at 11:00 a.m. (EDT)

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

Maximum Interest Rate: 5.0%

Maximum Discount: 0.5% (\$120,650*)

Multiples: 1/8 or 1/100 of 1%, non-descending

Anticipated Closing Date: May 17, 2017

Good Faith Deposit: \$241,300* certified or cashier's check or wire transfer submitted by the winning bidder no later than 3:30 p.m. (EDT) on the business day following the award

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

Basis of Award: True Interest Cost (TIC)

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

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

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 Ice Miller LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on Rhame & Elwood Attorneys at Law, Portage, Indiana as Attorney 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 or about May 17, 2017.

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

REFERENCES TO WEB SITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEB SITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT FOR THE PURPOSES OF, AND AS THAT TERM IS DEFINED IN, SEC RULE 15C2-12.

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*Preliminary, subject to change.

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PROJECT PERSONNEL

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

Building Corporation Directors

Daniel Wilson, President/
Assistant Secretary
Michael Sarver, Vice President /
Secretary
Daniel Henson, Treasurer

Board of School Trustees

Andy Maletta, President
Cheryl Oprisko, Vice President
Jessica Bailey, Secretary
Rhonda Nelson
Wilma Vasquez

Superintendent

Amanda Alaniz

Director of Finance

Wendy Kulczyk

Building Corporation and
School Corporation Attorney

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Portage, Indiana 46368

Bond Counsel

Jane Herndon, Esq.
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Indianapolis, Indiana 46282

Financial Advisor

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

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

PRELIMINARY OFFICIAL STATEMENT

\$24,130,000*

PORTAGE TOWNSHIP MULTI-SCHOOL BUILDING CORPORATION Portage, Indiana AD VALOREM PROPERTY TAX FIRST MORTGAGE REFUNDING BONDS, SERIES 2017

INTRODUCTION TO THE OFFICIAL STATEMENT

The Portage Township Multi-School Building Corporation (the “Building Corporation”) is issuing \$24,130,000* of Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2017 (the “Refunding Bonds”). The Building Corporation was organized to issue bonds pursuant to Indiana Code Title 20, Article 47, Chapter 3 to finance the construction of and improvements to school buildings and lease them to Portage Township Schools (the “School Corporation”).

SECURITY AND SOURCES OF PAYMENT

Pursuant to a Lease executed on October 18, 2004, as amended by an Amendment to Lease dated as of March 1, 2007, as amended by a Second Amendment to Lease dated as of April 1, 2017 between the Building Corporation and the School Corporation (collectively, the “Lease”), the Refunding Bonds are payable from semiannual lease rental payments (the “Lease Rentals”) to be paid by the School Corporation directly to U.S. Bank National Association, as ultimate successor to Harris N.A., Indianapolis, Indiana (the “Trustee”). Such Lease Rentals are payable from ad valorem property taxes to be levied against all taxable property within the School Corporation.

The Refunding Bonds are additionally secured by a first mortgage lien on the Leased Property (hereinafter defined). See page 6 for a description of Lease Rental Payments by the State of Indiana.

The current refunding of the Refunded Bonds (hereinafter defined) will be accomplished by creating an irrevocable escrow account (the “Escrow Account”) and depositing therein certain open market securities (“Open Market Securities”) or cash. The Refunded Bonds will be payable from the Escrow Account from and after the date of delivery of the Refunding Bonds to and including the redemption date of July 15, 2017 which is the first date on which the Refunded Bonds may be redeemed. The Refunded Bonds will be redeemed without any redemption premium.

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 of Indiana (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 \$23,885,000 of currently outstanding First Mortgage Refunding Bonds, Series 2007 dated March 7, 2007 originally issued in the amount of \$28,505,000 and maturing semiannually over a period ending January 15, 2029 (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 a reduction of the Lease Rentals.

*Preliminary, subject to change.

REDEMPTION PROVISIONS

The Refunding Bonds are not subject to optional redemption prior to maturity. The Refunding Bonds may be issued as Term Bonds at the discretion of the Underwriter (as hereinafter defined) and in that case, would be subject to mandatory sinking fund redemption as more fully described herein.

DENOMINATIONS

The 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/her attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his/her duly authorized attorney.

BOOK-ENTRY-ONLY SYSTEM

The Refunding Bonds shall initially be issued and held in book-entry form on the books of the central depository system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Refunding Bonds. The Refunding Bonds will be issued as fully-registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Refunding Bond certificate will be issued for the Refunding Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. The Building Corporation and the Registrar and Paying Agent may deem and treat the Clearing Agency (Cede & Co.) as the absolute owner and holder of such Refunding Bond for all purposes including, without limitation, the receiving of payment of the principal of, premium, if any, and interest on such Refunding Bonds, the receiving of notice and the giving of consent. Interest payable July 15, 2017, and semiannually thereafter, will be paid by check mailed one business day prior to the interest payment date to the registered owner or by wire transfer on the interest payment date to the depository shown as the registered owner (Refer to "Book-Entry-Only System" herein).

PROVISIONS FOR PAYMENT

The principal on the 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 fifteenth day immediately preceding the interest payment date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Registrar or by wire transfer to DTC or any successor depository. If payment of principal or interest is made to DTC or any successor depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). Payments on the 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.

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

NOTICES

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

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

Notice of redemption shall be mailed to the registered owners of all Refunding Bonds, not less than 30 nor more than 60 days prior to the date fixed for redemption.

TAX MATTERS

In the opinion of Ice Miller LLP, Indianapolis, Indiana under federal statutes, decisions, regulations and rulings, interest on the Refunding Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended, for federal income tax purposes. Such exclusion is conditioned on continuing compliance with the Tax Covenants (hereinafter defined). In the opinion of Ice Miller LLP, Indianapolis, Indiana, under existing laws, regulations, judicial decisions and rulings, interest on the Refunding Bonds is exempt from income taxation in the State of Indiana. See "TAX MATTERS" herein.

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 the School Corporation, 6240 U.S. Highway 6, Portage, Indiana 46368, phone (219) 762-6511.

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

THE REFUNDING

THE REFUNDING PROGRAM

Pursuant to the terms of an escrow and defeasance agreement to be dated as of the date of delivery, entered into between the Building Corporation and U.S. Bank National Association, as ultimate successor to Harris N.A., in Indianapolis, Indiana as the Escrow Trustee and Trustee, the current refunding of the Refunded Bonds will be accomplished by (a) creating the Escrow Account to be held by the Escrow Trustee for the holders of the Refunded Bonds and (b) depositing therein a sum of initial cash and certain Open Market Securities or cash. The funds needed to make the initial cash deposit to the Escrow Account and to purchase the Open Market Securities will be provided from the proceeds of the sale of the Refunding Bonds and certain funds on hand.

The Open Market Securities to be purchased and deposited with the Escrow Trustee will bear interest at such rates and will be scheduled to mature at such times and in such amounts so that, when paid according to their respective terms, sufficient monies, together with any amounts of cash on deposit with the Escrow Trustee, 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, 2017 at which time the Refunded Bonds will be called for redemption with all interest due and no redemption premium.

The Escrow Trustee shall not sell any of the original Open Market Securities unless: (a) instructed to do so by the Building Corporation, (b) the proceeds are reinvested in Open Market Securities which are sufficient to pay principal and interest on the Refunded Bonds as they become due, (c) an opinion of an independent certified public accountant that the principal and interest on such Open Market Securities are sufficient to pay the principal and interest on the Refunded Bonds as it comes due is furnished, and (d) an opinion of bond counsel is furnished to the

Escrow Trustee that such reinvestment will not cause the interest on either the Refunding Bonds or the Refunded Bonds to become subject to federal tax.

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 and Open Market Securities on deposit with the Escrow Trustee, including any earnings thereon, are pledged solely and irrevocably for the benefit of the holders of the Refunded Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

Estimated Sources of Funds*

Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2017	\$24,130,000.00
Estimated Reoffering Premium	494,551.10
Prior Issue Funds on Hand	<u>10,000.00</u>
Total Estimated Sources of Funds	<u>\$24,634,551.10</u>

Estimated Uses of Funds*

Deposit to Escrow Account	\$24,383,993.33
Allowance for Underwriter's Discount (0.5%)	120,650.00
Cost of Issuance and Contingencies (1)	<u>129,907.77</u>
Total Estimated Uses of Funds	<u>\$24,634,551.10</u>

(1) Includes fees for local counsel, bond counsel, financial advisor, trustee, registrar and paying agent, bond ratings, printing, and other miscellaneous fees.

*Preliminary, subject to change.

SCHEDULE OF AMORTIZATION OF \$24,130,000* PRINCIPAL AMOUNT OF AD
VALOREM PROPERTY TAX FIRST MORTGAGE REFUNDING BONDS, SERIES 2017

<u>Payment Date</u>	<u>Principal Outstanding*</u> (-----In Thousands-----)	<u>Principal*</u>	<u>Interest Rates</u> (%)	<u>Interest</u>	<u>Total</u>	<u>Budget Year Total</u>
07/15/2017	\$24,130					
01/15/2018	24,130					
07/15/2018	24,130	\$965				
01/15/2019	23,165	980				
07/15/2019	22,185	985				
01/15/2020	21,200	995				
07/15/2020	20,205	1,005				
01/15/2021	19,200	1,020				
07/15/2021	18,180	1,030				
01/15/2022	17,150	1,035				
07/15/2022	16,115	1,045				
01/15/2023	15,070	1,060				
07/15/2023	14,010	1,075				
01/15/2024	12,935	1,090				
07/15/2024	11,845	1,105				
01/15/2025	10,740	1,120				
07/15/2025	9,620	1,140				
01/15/2026	8,480	1,160				
07/15/2026	7,320	1,175				
01/15/2027	6,145	1,190				
07/15/2027	4,955	1,215				
01/15/2028	3,740	1,230				
07/15/2028	2,510	1,245				
01/15/2029	1,265	<u>1,265</u>				
Totals		<u>\$24,130</u>				

*Preliminary, Subject to change.

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 and Title 5, Article 1, Chapter 5, as in effect on the date of delivery of the Refunding Bonds and pursuant to the Trust Indenture between the Building Corporation and the Trustee.

THE BUILDING CORPORATION

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

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

LEASED PROPERTY

The Leased Property consists of a portion of the additions, renovation and improvements to the Portage High School building and campus provided for with proceeds of the 2005 Bonds (the "Leased Property"). Construction of the

improvements has been completed and Lease Rental payments have begun. Semiannual lease rental payments have been made on a timely basis for the Refunded Bonds.

SECURITY AND SOURCES OF PAYMENT

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

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

The Lease Rentals to be paid by the School Corporation during the term of the Lease are required to be in amounts sufficient to pay the principal of and interest on the Refunding Bonds. The Lease Rental is secured by a pledge of ad valorem property taxes levied on all taxable property in 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 ("DLGF") 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 DLGF 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 State Treasurer 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 2017 and resulting debt service coverage levels are as follows:

Fiscal Year 2017 Basic Grant Distribution (all funds) (1)	<u>\$50,418,459</u>
Estimated Combined Maximum Annual Debt Service (2)	<u>\$7,673,190</u>
State Distributions Required to Provide Two-Times Coverage	<u>\$15,346,380</u>
State Distributions Above Two-Times Coverage Amount	<u>\$35,072,079</u>

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

(2) Based on combined outstanding debt for the year 2017 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 Property will be equal to an amount which, when added to funds in the Sinking Fund, will be sufficient to pay unpaid principal of and interest on the 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 Trust Indenture or to such other bank or trust company as may from time to time succeed the Trustee as provided thereunder. All payments so made by or on behalf of the School Corporation shall be considered as payment to the Building Corporation of the Lease Rentals payable under the Lease.

ADDITIONAL BONDS

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

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:

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

If fewer than all the 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 of 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

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

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

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

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 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 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 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 Refunding Bond documents. For example, Beneficial Owners of 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 registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 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).

Payments of principal, interest and redemption amounts, if any, 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 Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Paying Agent, or the Building Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Building Corporation or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

Revision of Book-Entry-Only System:

In the event that either (1) the Building Corporation receives notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a clearing agency for the Refunding Bonds or (2) the Building Corporation elects to discontinue its use of DTC as a clearing agency for the Refunding Bonds, then the Building Corporation and the Paying Agent will do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Refunding Bonds, as are necessary or appropriate to discontinue use of DTC as a clearing agency for the Refunding Bonds and to transfer the ownership of each of the Refunding Bonds to such person or persons, including any other clearing agency, as the holder of such Refunding Bonds may direct in

accordance with the Trust Indenture. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the Refunding Bonds will be paid by the Building Corporation.

PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

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

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

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

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

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

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

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

On or before March 15, the County Auditor prepares the tax duplicate, which is a roll of property taxes payable in that year. The County Auditor publishes a notice of the tax rate in accordance with Indiana statutes. The County Treasurer mails tax statements at least 15 days prior to the date that the first installment is due (due dates may be

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

Pursuant to State law, personal property is assessed at its actual historical cost less depreciation, in accordance with 50 IAC 4.2, the DLGF's Rules for the Assessment of Tangible Personal Property. Effective January 1, 2016, state law annually exempts from property taxation new tangible business personal property with an acquisition cost of less than \$20,000. Pursuant to State law, real property is valued for assessment purposes at its "true tax value" as defined in the Real Property Assessment Rule, 50 IAC 2.4, the 2011 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.4 and the 2011 Real Property Assessment Guidelines, Version A ("Guidelines"), as adopted by the DLGF. P.L. 204-2016, SEC. 3, enacted in 2016, retroactive to January 1, 2016, amends State law to provide that "true tax value" for real property does not mean the value of the property to the user and that true tax value shall be determined under the rules of the DLGF. As a result of P.L. 204-2016, the DLGF has begun the process of amending the Manual. In the case of agricultural land, true tax value shall be the value determined in accordance with the Guidelines and IC 6-1.1-4, as amended by P.L. 180-2016. Except for agricultural land, as discussed below, the Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal method, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they produce "accurate and uniform values throughout the jurisdiction and across all classes of property". The Manual specifies the standards for accuracy and validation that the DLGF uses to determine the acceptability of any alternative appraisal method. "Net Assessed Value" or "Taxable Value" represents the "Gross Assessed Value" less certain deductions for mortgages, veterans, the aged, the blind, economic revitalization areas, resource recovery systems, rehabilitated residential property, solar energy systems, wind power devices, hydroelectric systems, geothermal devices and tax-exempt property. The "Net Assessed Value" or "Taxable Value" is the assessed value used to determine tax rates.

Changes in assessed values of real property occur periodically as a result of general reassessments scheduled by the State legislature, as well as when changes occur in the property value due to new construction or demolition of improvements. Before July 1, 2013, and before May 1 of every fourth year thereafter, the county assessor will prepare and submit to the DLGF a reassessment plan for each county. Beginning in 2016, the DLGF must complete its review and approval of the reassessment plan before January 1 of the year following the year in which the reassessment plan is submitted by the county. The reassessment plan must divide all parcels of real property in the county into four (4) different groups of parcels. Each group of parcels must contain approximately twenty-five percent (25%) of the parcels within each class of real property in the county. All real property in each group of parcels shall be reassessed under the county's reassessment plan once during each four (4) year cycle. The reassessment of a group of parcels in a particular class of real property shall begin on May 1 of a year, and must be completed on or before January 1 of the year after the year in which the reassessment of the group of parcels begins. For real property included in a group of parcels that is reassessed, the reassessment is the basis for taxes payable in the year following the year in which the reassessment is to be completed. The county may submit a reassessment plan that provides for reassessing more than twenty-five percent (25%) of all parcels of real property in the county in a particular year. A plan may provide that all parcels are to be reassessed in one (1) year. However, a plan must cover a four (4) year period. All real property in each group of parcels shall be reassessed under the county's reassessment plan once during each reassessment cycle. The reassessment of the first group of parcels under a county's reassessment plan began on July 1, 2014, and was to be completed on or before January 1, 2016. Since 2007, all real property assessments are revalued annually to reflect market value based on comparable sales data ("Trending"). When a change in assessed value occurs, a written notification is sent to the affected property owner. If the owner wishes to appeal this action, the owner may file a petition requesting a review of the action. This petition must be filed with the county assessor in which the property is located within 45 days after the written

notification is given to the taxpayer or May 10 of that year, whichever is later. While the appeal is pending, the taxpayer may pay taxes based on the current year's tax rate and the previous or current year's assessed value.

CIRCUIT BREAKER TAX CREDIT

Description of Circuit Breaker:

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

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

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

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

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

from the protected taxes requirement described below. The School Corporation did qualify for this exemption for 2017, and plans to apply for the exemption in 2017.

For 2017 and 2018, if a school corporation: (i) issues new bonds or enters into a new lease rental agreement for which the school corporation is imposing or will impose a debt service levy other than: (A) to refinance or renew prior bond or lease rental obligations existing before January 1, 2017; or (B) for indebtedness that is approved in a local public question or referendum under IC 6-1.1-20 or any other law; and (ii) the school corporation's total debt service levy in 2017 or 2018 is greater than the school corporation's debt service levy in 2016, the school corporation will not be eligible to allocate its Circuit Breaker Tax Credit loss proportionately

Except for an Eligible School Corporation, the Statute categorizes property taxes levied to pay Debt Service Obligations as "protected taxes," regardless of whether the property taxes were approved at a referendum, and all other property taxes as "unprotected taxes." The total amount of revenue to be distributed to the fund for which the protected taxes were imposed shall be determined without applying the Circuit Breaker Tax Credit. The application of the Circuit Breaker Tax Credit must reduce only the amount of unprotected taxes distributed to a fund. The School Corporation may allocate the reduction by using a combination of unprotected taxes of the School Corporation in those taxing districts in which the Circuit Breaker Tax Credit caused a reduction in protected taxes. The tax revenue and each fund of any other political subdivisions must not be affected by the reduction.

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

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

For example, in March, 2016, the Indiana General Assembly passed legislation which revises the factors used to calculate the assessed value of agricultural land. This legislation is retroactive to the January 1, 2016, assessment date and applies to each assessment date thereafter. The revised factors enacted in the legislation may reduce the total assessed value of agricultural land, which could shift property tax liability from agricultural property owners to other property owners. In addition, the reduction in the assessed value of agricultural land may result in a reduction of the total assessed value of a school corporation. A lower assessed value of a school corporation may result in higher tax rates in order for a school corporation to receive its approved property tax levy. See "PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION" herein.

Estimated Circuit Breaker Tax Credit for the School Corporation:

According to the DLGF and Porter County abstracts, the Circuit Breaker Tax Credit allocable to the School Corporation for budget years 2013, 2014, 2015, 2016, and 2017 are \$1,406,390, \$1,595,759, \$1,603,381, \$1,286,735, and \$1,166,747, respectively. These estimates 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.

SUPPLEMENT TO MASTER CONTINUING DISCLOSURE UNDERTAKING

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 Second Supplement to Master Continuing Disclosure Undertaking (the “Undertaking”), to be dated the date of the sale of the Refunding Bonds. Pursuant to the terms of the Undertaking, the School Corporation will agree to provide the following information while any of the Refunding Bonds are outstanding:

- Audited Financial Statements. To the MSRB, the audited financial statements of the School Corporation as prepared and examined by the Indiana State Board of Accounts on a biennial basis for each period of two fiscal years, together with the opinion of such auditors and all notes thereto (collectively, the “Audited Information”), by June 30 immediately following each biennial period. Such disclosure of Audited Information shall first begin by June 30, 2018, and shall be made by June 30 of every other year thereafter if the Audited Information is delivered to the School Corporation by June 30 of each biennial period. If, however, the School Corporation has not received the Audited Information by such June 30 biennial date, the School Corporation agrees to (i) post a voluntary notice to the MSRB by June 30 of such biennial period that the Audited Information has not been received, and (ii) post the Audited Information within 60 days of the School Corporation's receipt thereof; and
- Financial Information in this Official Statement. To the MSRB, no later than June 30 of each year, beginning June 30, 2018, 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):

APPENDIX A

PORTAGE TOWNSHIP SCHOOLS

- 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

- 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 events, notices or determinations with respect to the tax status of the securities;
8. tender offers; and
9. bankruptcy, insolvency, receivership or similar event of the obligated person.

- **Failure to Disclose.** In a timely manner, to the MSRB, notice of the School Corporation failing to provide the Annual Information and Audited Information as described above.

The School Corporation may, from time to time, amend or modify the Undertaking without the consent of or notice to the owners of the 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 Undertaking, as so amended or modified, would have complied with the requirements of the Rule on the date of execution of the Undertaking, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) such amendment or modification does not materially impair the interests of the holders of the Refunding Bonds, as determined either by (A) nationally recognized bond counsel or (B) an approving vote of the holders of the Refunding Bonds pursuant to the terms of the Trust Indenture, at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds the Undertaking) is permitted by the SEC Rule, then in effect.

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

The purpose of the Undertaking is to enable the Underwriter to purchase the Refunding Bonds by providing for an undertaking by the School Corporation in satisfaction of the Rule. The Undertaking is solely for the benefit of the owners of the 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 Undertaking shall be for specific performance of the School Corporation's disclosure obligations under the Undertaking and not for money damages of any kind or in any amount or any other remedy. The School Corporation's failure to honor its covenants under the Undertaking shall not constitute a breach or default of the Refunding Bonds, the Trust Indenture, the Lease or any other agreement.

In order to assist the Underwriter in complying with the Underwriter's obligations pursuant to SEC Rule 15c2-12, the School Corporation represents that in the previous five years it has not fully complied with its previous undertakings including, but not limited to, the following instances: the audit for the period ending June 30, 2011 was not filed on a timely basis and a failure to file notice was not posted until August 23, 2016; the operating data and unaudited financial statements for the periods ending December 31, 2011, December 31, 2014 and December 31, 2015 were not properly linked to certain bonds; and certain rating changes were not filed on a timely basis. The School Corporation makes no representation as to any potential materiality of such prior instances, as materiality is dependent upon individual facts and circumstances. The School Corporation has engaged H.J. Umbaugh & Associates, Certified Public Accountants, LLP to assist in compilation and assimilation of future continuing disclosure filings.

BOND RATINGS

S&P Global Ratings ("S&P Global") has assigned a programmatic bond rating of "___" 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)("Indiana School Program Rating"). S&P Global has also assigned an underlying rating of "___" to the Refunding Bonds. Such ratings reflect only the view of S&P Global and any explanation of the significance of such ratings may only be obtained from S&P Global.

On February 9, 2017, S&P Global issued a press release stating S&P Global has placed on CreditWatch with negative implications its “AA+” ratings on all Indiana school corporation debt issuances rated based on the Indiana State Intercept Program. While there is a possibility the State could revise its current administrative policies or procedures to address S&P Global’s concerns, in the event such revisions are not made, S&P Global would likely lower the rating of the Indiana School Program Rating by as much as several notches. Legislation has been approved by the Indiana Senate and is now before the Indiana House of Representatives that is intended to address S&P Global’s concerns with the Indiana State Intercept Program; however, neither the School Corporation nor the Building Corporation can provide any assurance that such legislation will address S&P Global’s concern with the Indiana State Intercept Program or that such legislation will be enacted into law.

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 S&P Global. 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 _____ (the “Underwriter”) at a purchase price of \$_____, which is the par amount of the Refunding Bonds of \$_____ less the Underwriter’s discount of \$_____ plus the original issue premium of \$_____. The Purchase Contract provides that all of the Refunding Bonds will be purchased by the Underwriter if any of such Refunding Bonds are purchased.

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 reallow 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 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 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, in the sole discretion of the School Corporation, and under its control and supervision. The School Corporation agrees that Umbaugh does not undertake to sell or attempt to sell the 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.

PROPOSED LEGISLATION

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

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

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

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

TAX MATTERS

In the opinion of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, under federal statutes, decisions, regulations and rulings, interest on the Refunding Bonds is excludable for federal income tax purposes from gross income under Section 103 of the Internal Revenue Code of 1986, as amended ("Code"). Interest on the Bonds is not treated as 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 federal alternative minimum tax imposed on certain corporations. This opinion is conditioned on continuing compliance by School Corporation with the Tax Covenants (hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Refunding Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue. In the opinion of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Refunding Bonds is exempt from income taxation in the State of Indiana ("State"). This opinion relates only to the exemption of interest on the Refunding Bonds for State income tax purposes. 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 exclusion from gross income of interest on the Refunding Bonds for federal income tax purposes. The School Corporation will covenant not to take any action, within its power and control, nor fail to take any action with respect to the Refunding Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Refunding Bonds pursuant to Section 103 of the Code (collectively, "Tax Covenants"). The Trust Indenture and certain certificates and agreements to be delivered on the date of delivery of the Refunding Bonds establish procedures under which compliance with the requirements of the Code can be met. It is not an event of default under the Trust Indenture if interest on the Refunding Bonds is not

excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not in effect on the issue date of the Refunding Bonds.

IC 6-5.5 imposes a franchise tax on certain taxpayers (as defined in IC 6-5.5) which, in general, include all corporations which are transacting the business of a financial institution in Indiana. The franchise tax will be measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code. Taxpayers should consult their own tax advisors regarding the impact of this legislation on their ownership of the Refunding Bonds.

Although Bond Counsel will render an opinion in the form attached as Appendix D hereto, the accrual or receipt of interest on the Refunding Bonds may otherwise affect a bondholder's federal income tax or state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, individuals, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Refunding Bonds. 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 other tax consequences of owning the Refunding Bonds.

ORIGINAL ISSUE DISCOUNT

The initial public offering price of the Refunding Bonds maturing on _____ through and including _____ (collectively, the "Discount Bonds") is less than the principal amount payable at maturity. As a result the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price of the Discount Bonds, as set forth on the inside cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the "Issue Price" for such maturity), and the amount payable at maturity of the Discount Bonds will be treated as "original issue discount." A taxpayer who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity and who holds such Discount Bond to maturity may treat the full amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes and will not, under present federal income tax law, realize taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period (or shorter period from the date of the original issue) ending on January 15 and July 15 (with straight line interpolation between compounding dates).

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner's tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). Owners of Discount Bonds who dispose of Discount Bonds prior to maturity should consult their tax advisors concerning the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

As described above in "Tax Matters," the original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. Owners of any Discount Bonds should be aware that the accrual of original issue discount in each year may result in a tax liability from these collateral tax consequences even though the owners of such Discount Bonds will not receive a corresponding cash payment until a later year.

Owners who purchase Discount Bonds in the initial public offering but at a price different from the Issue Price for such maturity should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial

offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discount Bonds. It is possible under the applicable provisions governing the determination of state or local income taxes accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

AMORTIZABLE BOND PREMIUM

The initial offering price of the Refunding Bonds maturing on _____ through and including _____ (collectively, the “Premium Bonds”), is greater than the principal amount payable at maturity or call date. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the “Bond Premium”). An owner who acquires a Premium Bond in the initial offering will be required to adjust the owner's basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds (including sale, redemption or payment at maturity or call). The amount of amortizable Bond Premium will be computed on the basis of the owner's yield to maturity, with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of Premium Bonds and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

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

LITIGATION

To the knowledge of the officers and counsel for the Building Corporation, there is no litigation pending, or threatened, against the Building Corporation or the School Corporation, which in any way questions or affects the validity of the 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, the Trust Indenture 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 Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, whose approving opinion will be available at the time of delivery of the Refunding Bonds. Ice Miller LLP, Indianapolis, Indiana 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.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The various legal opinions to be delivered concurrently with the delivery of the Refunding Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The remedies available to the bondholders upon a default under the Trust Indenture, or to the Building Corporation under the Lease, are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies provided in the Trust Indenture and the Lease may not be readily available or may be limited. Under federal and State environmental laws certain liens may be imposed on property of the Building Corporation from time to time, but the Building Corporation has no reason to believe, under existing law, that any such lien would have priority over the lien on the property taxes pledged to owners of the Refunding Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Refunding Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State of Indiana and the United States of America and bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

These exceptions would encompass any exercise of federal, State or local police powers (including the police powers of the School Corporation), in a manner consistent with the public health and welfare. Enforceability of the Trust Indenture and the Lease in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

VERIFICATION

The mathematical calculations of the adequacy of the maturing principal of and interest income on the Open Market Securities, together with the initial cash deposited with the Escrow Trustee to pay when due all principal of and interest on the Refunded Bonds to and including July 15, 2017, and to redeem on that date all then outstanding Refunded Bonds, together with no redemption premium, and the mathematical calculation supporting the conclusion of Ice Miller LLP, Indianapolis, 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.

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

This Official Statement and its execution are duly authorized.

PORTAGE TOWNSHIP MULTI-SCHOOL
BUILDING CORPORATION

By: Daniel Wilson
President

Attest: Michael E. Garner
Secretary

PORTAGE TOWNSHIP SCHOOLS

By: [Signature]
Superintendent

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APPENDIX i

NOTICE OF INTENT TO SELL BONDS

\$24,240,000

AD VALOREM PROPERTY TAX FIRST MORTGAGE REFUNDING BONDS, SERIES 2017 PORTAGE TOWNSHIP MULTI-SCHOOL BUILDING CORPORATION

Upon not less than twenty-four (24) hours' notice given by the undersigned Secretary prior to the ninetieth day after this notice is first published, Portage Township Multi-School Building Corporation (the "Corporation") will receive and consider bids for the purchase of the following described Bonds. Any person interested in submitting a bid for the Bonds must furnish in writing to the Corporation c/o H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240-0458 (317) 465-1500, (317) 465-1550 (facsimile) or by e-mail to pletcher@umbaugh.com, tanselle@umbaugh.com and habegger@umbaugh.com on or before 2:00 p.m. (Indianapolis Time) April 25, 2017, the person's name, address, and telephone number. Interested persons may also furnish an e-mail address. The undersigned Secretary will notify (or cause to be notified) each person so registered of the date and time bids will be received not less than twenty-four (24) hours before the date and time of sale. The notification shall be made by telephone at the number furnished by such person and also by electronic e-mail, if an e-mail address has been received.

Notice is hereby given that electronic proposals will be received via PARITY[®], in the manner described below, until the time and date specified in the Notice provided at least 24 hours prior to the sale, which is expected to be 11:00 a.m. (Indianapolis Time), on April 27, 2017. Bids may be submitted electronically via PARITY[®] pursuant to this Notice until the time specified in the Notice, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY[®] conflict with this

Notice, the terms of this Notice shall control. For further information about PARITY®, potential bidders may contact the Corporation's financial advisor, H.J. Umbaugh & Associates, Certified Public Accountants, LLP at (317) 465-1500 or PARITY® at (212) 849-5021.

At the time designated for the sale, the Corporation will receive at the offices of H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana, and consider bids for the purchase of the following described Bonds:

Portage Township Multi-School Building Corporation Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2017 (the "Bonds") in the principal amount of \$24,240,000; Fully registered form; Denomination \$5,000 and integral multiples thereof (or in such other denomination as requested by the winning bidder); Originally dated the date of delivery of the Bonds; Bearing interest at a rate or rates to be determined by bidding, payable on July 15, 2017, and semiannually thereafter; Interest payable by check mailed one business day prior to the interest payment date or by wire transfer to depositories on the interest payment date to the person or depository in whose name each Bond is registered with the trustee on the fifteenth day immediately preceding such interest payment date; Maturing or subject to mandatory redemption on January 15 and July 15 beginning on July 15, 2017 through and including January 15, 2029 on the dates and in the amounts as provided by the Corporation prior to the sale.

As an alternative to PARITY®, bidders may submit a sealed bid to the Corporation's financial advisor at the address described above until the time and on the date identified in the notice given by, or on behalf of the Corporation, twenty-four hours prior to the sale of the Bonds. Upon completion of the bidding procedures described herein, the results of the sealed, non-electronic bids received shall be compared to the electronic bids received by the Corporation.

The Corporation reserves the right to adjust the maturity schedule following the sale in order to accomplish the Corporation's financial objectives by reallocating debt service based upon the rates bid by the successful bidder (the "Purchaser").

The Bonds are not redeemable prior to maturity at the option of the Corporation.

A bid may designate that a given maturity or maturities shall constitute a term bond, and the semi-annual amounts set forth in the schedule provided prior to the sale shall constitute the

mandatory sinking fund redemption requirements for such term bond or bonds. For purposes of computing net interest cost, the mandatory redemption amounts shall be treated as maturing on the dates set forth in the schedule set forth provided prior to the sale.

In the case of any redemption, 30 days' notice will be given by mail to the registered owners of the Bonds to be redeemed, and accrued interest will be paid to the date fixed for redemption. Interest on the Bonds so called for redemption will cease on the redemption date fixed in said notice if funds are available at the place of redemption to redeem the Bonds so called on the date fixed in said notice, or thereafter when presented for payment.

Each bid must be for all of the Bonds and must state the rate of interest which each maturity of the Bonds is to bear, stated in multiples of $1/8^{\text{th}}$ or $1/100^{\text{th}}$ of 1%. The maximum interest rate on the Bonds shall not exceed 5.00% per annum. All Bonds maturing on the same date shall bear the same rate, and the rate of interest bid for each maturity must be equal to or greater than the rate bid on the immediately preceding maturity. Bids shall set out the total amount of interest payable over the term of the Bonds and the net interest cost on the Bonds covered by the bid. No bid for less than 99.50% of the face value of the Bonds will be considered. The Bonds will be awarded to the highest qualified bidder who has submitted a bid in accordance herewith. The highest bidder will be the one who offers the lowest true interest cost to the Corporation. The true interest cost rate is that rate which, when used to compute the total present value as of the date of delivery of the Bonds of all debt service payments on the Bonds on the basis of semiannual compounding, produces an amount equal to the sum of the par value of the Bonds minus any premium bid plus any discount. In the event of a bidder's error in interest cost rate calculations, the interest rates and premium, if any, set forth or incorporated by reference in the official bid form will be considered as the intended bid. No conditional bids will

be considered. The right is reserved to reject any and all bids. If an acceptable bid is not received for the Bonds on the date of the sale, the sale may be continued from day to day thereafter, during which time no bids for less than the highest bid received at the time of the advertised sale will be considered.

Each bid not submitted via PARITY® must be enclosed in a sealed envelope addressed to the Corporation and marked on the outside "Bid for Portage Township Multi-School Building Corporation Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2017". A good faith deposit ("Deposit") in the form of cash or certified or cashier's check in the amount of \$242,400 payable to the order of the Corporation is required to be submitted by the Purchaser not later than 3:30 p.m. (Indianapolis Time) on the next business day following the award. If such Deposit is not received by that time, the Corporation may reject the bid. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its accepted bid, the Deposit will be retained by the Corporation as liquidated damages.

The Purchaser shall make payment for such Bonds and accept delivery thereof within five days after being notified that the Bonds are ready for delivery, at such place in the City of Indianapolis, Indiana, as the Purchaser may designate, or at such other location mutually agreed to by the Portage Township Schools (the "School Corporation") and the Purchaser. The Bonds will be ready for delivery within 45 days after the date of sale. If the Corporation fails to have the Bonds ready for delivery prior to the close of banking hours on the forty-fifth day after the date of sale, the Purchaser may secure the release of the bid upon request in writing, filed with the Corporation. The Purchaser is expected to apply to a securities depository registered with the Security and Exchange Commission ("SEC") to make such Bonds depository-eligible. At the

time of delivery of the Bonds to the Purchaser, the Purchaser will be required to certify to the Corporation the initial reoffering price to the public of a substantial amount of each maturity of the Bonds.

Bidders must comply with the rules of PARITY® in addition to requirements of this Notice. To the extent there is a conflict between the rules of PARITY® and this Notice, this Notice shall control. Bidders may change and submit bids as many times as they wish during the sale, but they may not withdraw a submitted bid. The last bid submitted by a bidder prior to the deadline for the receipt of bids will be compared to all other final bids to determine the winning bid. During the sale, no bidder will see any other bidder's bid, nor will they see the status of their bid relative to other bids (e.g., whether their bid is a leading bid).

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

The approving opinion of Ice Miller LLP, bond counsel, together with a transcript of the proceedings relating to the issuance of the Bonds and closing papers in the usual form showing

no litigation questioning the validity of the Bonds, will be furnished to the Purchaser at the expense of the Corporation.

The Corporation was organized for the purpose of renovating a school building and leasing such building to the School Corporation. All action has been taken and the Bonds are issued in compliance with the provisions of I.C. 20-47-3 (the "Act"). The Bonds will be secured by a trust indenture, as supplemented (the "Trust Indenture") between the Corporation and U.S. Bank National Association, as trustee (the "Trustee") and will be subject to the terms and provisions of the Trust Indenture. The Corporation will certify as to facts to support the conclusion that the Bonds do not constitute private activity bonds as defined in Section 141 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code").

The property to be covered by the Trust Indenture has been leased for a period of 25 years to the School Corporation. The Lease Agreement, as amended (the "Lease") provides for maximum annual payments in the amount of \$3,761,995, plus the payment of all taxes and assessments, which annual rental is payable semiannually on June 30 and December 31 in each year, which payments have commenced.

After the sale of all Bonds issued by the Corporation to pay for the cost of said renovation, including the acquisition of the sites thereof and other expenses incidental thereto, the annual rental shall be reduced to an amount equal to the multiple of \$1,000 next highest to the highest sum of principal and interest due on such Bonds in each twelve month period ending on January 15 plus \$5,000, payable in equal semiannual installments. All bidders shall be deemed to be advised as to the provisions of the above-mentioned Trust Indenture and Lease and the provisions of the Act.

The Bonds constitute an indebtedness only of the Corporation, payable in accordance with the terms of the Trust Indenture. The Bonds constitute a valid and legally binding obligation of the Building Corporation and are payable from Lease rental payments to be received from the School Corporation, which Lease rental payments are payable from the payable out of ad valorem taxes to be collected on the taxable property within the School Corporation; however, the School Corporation's collection of the levy may be limited by operation of I.C. 6-1.1-20.6, which provides taxpayers with tax credits for property taxes attributable to different classes of property in an amount that exceeds certain percentages of the gross assessed value of that property. The School Corporation is required by law to fully fund the payment of debt service on the Bonds in an amount sufficient to pay the debt service, regardless of any reduction in property tax collections due to the application of such tax credits. Interest on the Bonds is exempt from all income taxation in Indiana. In the opinion of bond counsel, under the existing federal statutes, decisions, regulations and rulings, the interest on the Bonds is excludable from gross income for purposes of federal income taxation.

The Corporation has prepared preliminary official statement (the "Preliminary Official Statement") relating to the Bonds which it has deemed to be nearly final. A copy of the Preliminary Official Statement may be obtained from the Corporation's financial advisor, H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240-2687. Within seven (7) business days of the sale, the Corporation will provide the successful bidder with up to 400 copies of the final official statement (the "Final Official Statement") at the Corporation's expense. Additional copies, at the Purchaser's expense, must be requested within five (5) business days of the sale. Inquiries concerning matters contained in the nearly Preliminary Official Statement must be made and pricing and other

information necessary to complete the Final Official Statement must be submitted by the Purchaser within two (2) business days following the sale to be included in the Final Official Statement.

The School Corporation has agreed to enter into a second supplement to master continuing disclosure undertaking (the "Second Supplement to Master Agreement") in order to permit the Purchaser to comply with the SEC Rule 15(c)2-12, as amended to the date hereof. A copy of such Second Supplement to Master Agreement is available from the School Corporation or financial advisor at the addresses below.

Further information relative to the Bonds and a copy of the Preliminary Official Statement may be obtained upon application to H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240-0458, financial advisor to the School Corporation; Kenneth Elwood and Nat Henson, 3200 Willowcreek Road, Suite A, Portage, Indiana 46368, attorney for the School Corporation; or Dr. Richard Weigel, Superintendent, Portage Township Schools, Administration Center, 6240 U.S. Highway 6, Portage, Indiana 46368. If bids are submitted by mail, they should be addressed to the Corporation, attention of H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240-0458.

Dated this 11th day of April, 2017.

/s/

Secretary, Board of Directors
Portage Township Multi-School Building
Corporation

APPENDIX A

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PORTAGE TOWNSHIP SCHOOLS

SYSTEM OVERVIEW

Portage Township Schools (the “School Corporation”) is comprised of the City of Portage, the Town of Ogden Dunes and the unincorporated areas of Portage Township.

FACILITIES

The School Corporation presently operates the following schools.

<u>School</u>	<u>Grades</u>	<u>Year Opened</u>	<u>Additions/ Renovations</u>	<u>2016/2017 Enrollment</u>
Aylesworth Elementary School	K-5	1962	2003, 2004, 2005, 2006	477
Central Elementary School	K-5	1961	2002, 2003, 2004, 2005	514
Crisman Elementary School	K-5	1976	2000, 2004, 2005, 2006	448
Jones Elementary School	K-5	1960	2004, 2005, 2013, 2015	387
Kyle Elementary School	K-5	1967	2000, 2003, 2004, 2005	456
Myers Elementary School	K-5	1960	2001, 2003, 2004, 2005	385
Saylor Elementary School	K-5	1967	2001, 2002, 2005, 2010	343
South Haven Elementary School	K-5	1967	2002, 2004, 2005, 2011	363
Fegely Middle School	6-8	1967	2004, 2005, 2013, 2014	676
Willowcreek Middle School	6-8	1948	2011, 2014, 2015, 2016	1,090
Portage High School	9-12	1973	2011, 2014, 2015, 2016	2,517
Portage Special Ed. Coop/Transfers				65

SERVICES

The School Corporation provides a complete academic curriculum in grades kindergarten through twelve as well as various extracurricular activities. The School Corporation offers instructional programs including Special Education, English Language Learners, High Ability Learners and Title I. Vocational education is offered through the School Corporation’s Career and Technical Education program in various areas of study including auto services, construction, dental careers, diesel services, early childhood education, industrial mechanics, graphic imaging, electronics and computer technology and cosmetology. Other vocational opportunities are offered through the Porter County Career Center.

ENROLLMENT

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

<u>School</u>	<u>School Year</u>					
	<u>2011/ 2012</u>	<u>2012/ 2013</u>	<u>2013/ 2014</u>	<u>2014/ 2015</u>	<u>2015/ 2016 (1)</u>	<u>2016/ 2017</u>
Aylesworth Elementary School	463.5	459.0	431.0	419.0	460.0	477.0
Central Elementary School	518.0	520.0	506.5	482.5	503.0	514.0
Crisman Elementary School	444.5	432.5	444.0	444.5	458.0	448.0
Jones Elementary School	375.0	389.5	381.5	360.0	378.0	387.0
Kyle Elementary School	443.5	424.5	421.5	425.0	460.0	456.0
Myers Elementary School	339.0	343.0	342.5	362.5	394.0	385.0
Saylor Elementary School	306.0	285.0	281.5	311.5	318.0	343.0
South Haven Elementary School	347.0	362.0	348.0	332.0	351.0	363.0
Fegely Middle School	741.0	749.0	762.0	747.0	713.0	676.0
Willowcreek Middle School	1,187.0	1,171.0	1,118.0	1,145.0	1,129.0	1,090.0
Portage High School	2,595.0	2,623.0	2,573.0	2,482.0	2,545.0	2,517.0
Special Ed. Coop/Transfers	57.0	53.5	54.5	57.5	70.0	65.0
Totals	<u>7,816.5</u>	<u>7,812.0</u>	<u>7,664.0</u>	<u>7,568.5</u>	<u>7,779.0</u>	<u>7,721.0</u>

(1) Beginning with the 2015/2016 school year, kindergarten students count as full students.

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

<u>Year</u>	<u>Projected Enrollment</u>
2017/2018	7,612
2018/2019	7,612
2019/2020	7,700
2020/2021	7,700
2021/2022	7,700

BOARD OF SCHOOL TRUSTEES

<u>Name</u>	<u>Current Term Began</u>	<u>Current Term Ends</u>
Andy Maletta, Prsident	01/01/2016	12/31/2019
Cheryl Oprisko, Vice President	01/01/2016	12/31/2019
Jessica Bailey, Secretary	01/01/2017	12/31/2020
Rhonda Nelson, Member	01/01/2016	12/31/2019
Wilma Vazquez, Member	01/01/2017	12/31/2020

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 Board of School Trustees, directs a certified staff of 495 and a non-certified staff of 581 with union representation as follows:

<u>Union Name</u>	<u>Union Representation</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
Portage Association of Teachers (PAT)	Teachers	300	June 30, 2017
United Steel Workers (USW)	Custodians, Bus Drivers, Support, Staff, Food Service Workers	388	December 31, 2017

PENSION OBLIGATIONS

Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Employer contributions for the year 2016 were \$1,128,568.

Teacher's Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capitol Avenue, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

Employer contributions for the year 2016 were \$2,039,184.

Other Post-Employment Benefits

The School Corporation offers retiring full-time employees who have been employed a minimum of 20 years and who are members of the group health insurance program at the time of their retirement the option to remain on the plan until age 65 or until such time as they qualify for Medicare benefits, whichever comes first. Prior to 2002, the School Corporation would pay for the employee's share of the group health insurance program policy cost. In 2016 the School Corporation paid \$28 per month for one remaining eligible pre-2002 employee. Since 2002, the retiring employees who elect to remain on the group health insurance plan are responsible for paying the full monthly benefit. In 2016, 27 retirees remained on the group health insurance plan. The total amount paid by the School Corporation for the year 2016 was \$4,324. Starting in 2017, retirees pay the full premium amount and the School Corporation will not contribute to the premium costs. There are currently no retirees on the plan.

Upon separation from the School Corporation, certified staff is paid a lump sum into a 403(b) plan account for accumulated sick days. This lump sum for certified staff is calculated by multiplying the number of accumulated days by the base salary for a new certified staff employee, multiplied by 0.12%. For non-certified staff, employees receive their daily base pay rate multiplied by a percentage based on the number of years of service as follows: (1) 10 years of service – 50% of the daily rate; (2) 15 years of service – 75% of the daily rate; and (3) 20 years of service – 100% of the daily rate. Administrators only receive remaining vacation days. The total liability for terminated or retired administrators is a maximum of 20 vacation days at the administrators' current daily rate. An actuarial study was completed for the School Corporation in 2009 to estimate these amounts. The School Corporation uses its General Fund or remaining proceeds from its pension bonds to pay for these post-employment benefits.

GENERAL PHYSICAL AND DEMOGRAPHIC INFORMATION

LOCATION

The School Corporation is located in the City of Portage (the "City"), Porter County in northwest Indiana. The School Corporation is approximately 44 miles southeast of Chicago, Illinois, 58 miles west of South Bend, Indiana and 154 miles northwest of Indianapolis, Indiana.

GENERAL CHARACTERISTICS

The City is located in Portage Township along the shoreline of Lake Michigan. Portage is home to the International Port of Indiana, and is the only community in Porter County with a public marina. The Portage Lakefront and Riverwalk beach opened in 2008 and is located on the Indiana Dunes National Lakeshore. The 57 acre park site and beach features paved trails, fishing access, dune trails and a snackbar. There are four other parks located in the City that offer intramural sports including sand volleyball and softball as well as community programs such as summer camp and movies in the park. The Portage District Library, a branch of the Porter County Public Library, serves residents of the City as well as the School Corporation. The Portage District Library offers a variety of events and classes for adults, teens, and children. The Town of Ogden Dunes is primarily a residential community located on the shore line of Lake Michigan in Portage Township offering residents beach and water recreational opportunities.

PLANNING AND ZONING

The City 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. The Town of Ogden Dunes is served by a seven-member Plan Commission as well as a five-member Board of Zoning Appeals.

HIGHER EDUCATION

Valparaiso University, located 14 miles southeast of the City, is an independent Lutheran university. Valparaiso University offers more than 70 majors to an undergraduate student body of 3,183 students.

GENERAL ECONOMIC AND FINANCIAL INFORMATION

COMMERCE AND INDUSTRY

NLMK Indiana, founded in 1992, manufactures carbon and alloy specialty steels as hot rolled sheet and plate products. The facility is located in the Port of Indiana on Lake Michigan allowing for barge shipment as well as truck and rail transportation opportunities. According to the Greater Portage Chamber of Commerce, the company employs approximately 360.

MonoSol LLC, a producer of water-soluble films and technology, announced in April 2016 the opening of a new \$95 million, 300,000-square-foot facility in the City. In January 2017, the company announced plans to accelerate construction and begin on phases II and III this year. The company originally planned to open a second manufacturing line by 2020, but now plans for six manufacturing lines in the expansion project, which is expected to triple the plant's production volume. The company plans to hire 60 workers this year while accelerating the completion of the facility.

U.S. Steel Corp. manufactures a wide range of steel sheet and tubular products for the automotive, appliance, container, industrial machinery, construction, and oil and gas industries with a facility located in the City. The Portage plant is a finishing facility with principal products including tin mill products and cold-rolled and electrical lamination steels. In April 2016, the company laid off 25 percent of salaried workers in both the Portage and Gary facilities due to challenging market conditions, including fluctuating oil prices, reduced rig counts and depressed steel prices. The company employs 905 employees at the Portage plant, according to the Greater Portage Chamber of Commerce.

Polymer Logistics, a retail ready packaging company, opened a new service center in the City in November 2016. The 75,000 square foot logistics and distribution center is expected to create more than 40 new jobs.

Ranter Steel Supply Co. is a producer of carbon sheets of steel for manufacturing companies and has been located in the City since 2012. The Portage facility is investing \$8.83 million to expand an additional 100,000 square-feet in order to improve logistics efficiency for loading and unloading steel shipments. The expansion is expected to be completed by mid-April 2017 and will create up to 37 new jobs by 2019.

LARGE EMPLOYERS

Below is a list of the City of Portage'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>
Solid Platforms, Inc.	1990	Scaffold services	1,429 (1)
Portage Township Schools	-	Public education	1,076 (2)
U.S. Steel Corp	-	Steel distributor	905 (1)
Porter County	1836	County government	742 (3)
ILA Local 1969 & 2038	-	Labor union	544
Wal-Mart	-	Discount retail	429
NLMK Indiana, Inc.	1992	Carbon and alloy products supplier	360 (1)
Meijer	-	Retail store	300 (1)
City of Portage	1836	City government	261 (4)
Bass Pro Shops	-	Sporting goods retail	249 (1)

(1) Per the Greater Portage Chamber of Commerce.

(2) Includes 495 certified and 581 non-certified staff.

(3) Includes 617 full-time and 125 part-time employees.

(4) As of March 2017, includes 228 full-time and 33 part-time employees.

EMPLOYMENT

<u>Year</u>	<u>Unemployment Rate</u>		<u>Porter County Labor Force</u>
	<u>Porter County</u>	<u>Indiana</u>	
2011	8.2%	9.1%	82,280
2012	7.6%	8.3%	82,407
2013	7.2%	7.7%	83,277
2014	6.2%	5.9%	84,042
2015	5.4%	4.8%	84,161
2016, Dec.	4.8%	4.0%	85,111

Source: Indiana Business Research Center. Data collected as of February 27, 2017.

BUILDING PERMITS

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

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>		<u>Industrial</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>
2012	28	\$2,820,857	8	\$6,691,393	5	\$7,387,312
2013	20	2,475,800	1	1,400,000	4	4,282,500
2014	30	4,648,156	7	4,917,000	5	11,734,000
2015	22	4,265,220	10	19,138,064	1	800,000
2016	83	13,536,613 (1)	9	7,016,000 (2)		

(1) The increase in residential permits in 2016 is due to residential growth including three new subdivisions located in the City of Portage.

(2) Beginning in 2016, the City of Portage Building Department no longer separates commercial and industrial permits. The number of permits and estimated costs represents both commercial and industrial.

Source: City of Portage Building Department

POPULATION

<u>Year</u>	<u>City of Portage</u>		<u>Porter County</u>	
	<u>Population</u>	<u>Percent of Change</u>	<u>Population</u>	<u>Percent of Change</u>
1970	19,127	61.79%	87,114	44.52%
1980	27,409	43.30%	119,816	37.54%
1990	29,060	6.02%	128,932	7.61%
2000	33,496	15.26%	146,798	13.86%
2010	36,828	9.95%	164,343	11.95%
2015, Est.	36,738	-0.24%	167,688	2.04%

Source: U.S. Census Bureau

AGE STATISTICS

	<u>City of Portage</u>	<u>Porter County</u>
Under 25 Years	12,639	55,151
25 to 44 Years	10,102	42,020
45 to 64 Years	9,636	46,809
65 Years and Over	4,451	20,363
Totals	<u>36,828</u>	<u>164,343</u>

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

EDUCATIONAL ATTAINMENT

<u>Years of School Completed</u>	<u>Persons 25 and Over</u>	
	<u>City of Portage</u>	<u>Porter County</u>
Less than 9th grade	3.5%	2.1%
9th to 12th grade, no diploma	8.3%	6.0%
High school graduate	41.1%	35.2%
Some college, no degree	22.8%	21.0%
Associate's degree	9.4%	9.4%
Bachelor's degree	10.2%	16.6%
Graduate or professional degree	4.6%	9.8%

Source: U.S. Census Bureau's 2011-2015 American Community Survey 5-Year Estimates

MISCELLANEOUS ECONOMIC INFORMATION

	<u>City of Portage</u>	<u>Porter County</u>	<u>Indiana</u>
Per capita income, past 12 months*	\$24,471	\$29,922	\$25,346
Median household income, past 12 months*	\$53,730	\$63,926	\$49,255
Average weekly earnings in manufacturing (3rd qtr. of 2016)	N/A	\$1,310	\$1,122
Land area in square miles - 2010	25.63	418.15	35,826.11
Population per land square mile - 2010	1,436.9	393.0	181.0
Retail sales in 2012:			
Total retail sales	\$490,520,000	\$2,035,375,000	\$85,857,962,000
Sales per capita**	\$13,319	\$12,385	\$13,242
Sales per establishment	\$5,390,330	\$4,533,129	\$3,974,722

*In 2015 inflation-adjusted dollars – 5-year estimates

**Based on 2010 Population.

Source: Bureau of Census Reports and the Indiana Business Research Center. Data collected as of February 27, 2017.

<u>Employment and Earnings - Porter County 2015</u>	<u>Earnings (In 1,000s)</u>	<u>Percent of Earnings</u>	<u>Labor Force</u>	<u>Distribution of Labor Force</u>
Services	\$1,321,392	34.96%	34,708	43.56%
Manufacturing	851,262	22.52%	10,203	12.80%
Wholesale and retail trade	441,669	11.69%	11,977	15.03%
Government	370,608	9.81%	7,420	9.31%
Construction	332,414	8.79%	4,897	6.15%
Other (1)	249,940	6.61%	3,191	4.00%
Finance, insurance and real estate	176,467	4.67%	5,998	7.53%
Information	38,724	1.02%	808	1.01%
Farming (2)	(2,754)	-0.07%	485	0.61%
Totals	<u>\$3,779,722</u>	<u>100.00%</u>	<u>79,687</u>	<u>100.00%</u>

(1) In order to avoid disclosure of confidential information, specific earnings and employment figures are not available for the forestry, fishing, related activities, mining, utilities and transportation and warehousing sectors. The data is incorporated here.

(2) The farming production expenses in Porter County were greater than cash receipts and other income in 2015.

Source: Bureau of Economic Analysis and the Indiana Business Research Center. Data collected as of February 27, 2017.

<u>Adjusted Gross Income</u>	<u>Year</u>	<u>Porter County Total</u>
	2011	\$4,288,278,465
	2012	4,546,588,711
	2013	4,631,196,079
	2014	4,895,259,093
	2015	4,996,085,600

Source: Indiana Department of Revenue

SCHEDULE OF INDEBTEDNESS

The following schedule shows the outstanding indebtedness of the School Corporation and the taxing units within and overlapping its jurisdiction as of March 10, 2017, 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>
Tax Supported Debt			
Multi-School Building Corporation			
Ad Valorem Property Tax First			
Mortgage Refunding Bonds, Series 2017 (1)	\$24,130,000 *	01/15/29	\$24,130,000 *
Ad Valorem Property Tax First			
Mortgage Refunding Bonds, Series 2016C	6,630,000	07/15/22	6,025,000
Ad Valorem Property Tax First			
Mortgage Refunding Bonds, Series 2016B	6,070,000	01/15/28	5,760,000
Ad Valorem Property Tax First			
Mortgage Refunding Bonds, Series 2016A	925,000	01/15/19	735,000
First Mortgage Refunding Bonds, Series 2006 (CABs)		01/15/25	2,408,032 **
School Severance, Series 2015 A Refunding Bonds	5,855,000	01/05/27	5,300,000
Pension Bonds 2011A	3,660,000	01/05/18	670,000
GPS Transportation Lease	233,305	09/01/17	24,551
Apple Lease Purchase	914,872	06/01/17	229,274
Common School Loans			<u>3,684,480</u>
Total Direct Debt			<u><u>\$48,966,337</u></u>

Note: The School Corporation anticipates issuing \$2,000,000 of General Obligation Bonds in 2018.

*Preliminary, subject to change.

**Capital Appreciation Bonds. The amount represents the accreted value as of March 10, 2017.

<u>Overlapping Debt</u>	<u>Total Debt</u>	<u>Percent Allocable to School Corporation (2)</u>	<u>Amount Allocable to School Corporation</u>
Tax Supported Debt			
Porter County	\$16,960,000	19.24%	\$3,263,104
City of Portage	52,918,043	99.57%	52,690,495
Portage Township	1,450,000	100.00%	<u>1,450,000</u>
Tax Supported Debt			<u>57,403,599</u>
Self-Supporting Revenue Debt			
City of Portage	23,735,000	99.57%	23,632,940
Porter County Airport Authority	2,525,000	19.24%	485,810
Porter County Solid Waste District	55,826	19.24%	<u>10,741</u>
Self-Supporting Revenue Debt			<u>24,129,491</u>
Total Overlapping Debt			<u><u>\$81,533,090</u></u>

*Preliminary, subject to change.

(1) Excludes \$23,885,000 of First Mortgage Refunding Bonds, Series 2007 to be refunded through the proceeds of the Refunding Bonds.

(2) Based upon the 2016 payable 2017 net assessed valuation of the respective taxing units.

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

DEBT RATIOS

The following presents the ratios relative to the tax supported indebtedness of the taxing units within and overlapping the School Corporation as of March 10, 2017, including issuance of the Refunding Bonds.

	Direct Tax Supported Debt*	Allocable Portion of All Other Overlapping Tax Supported Debt	Total Direct and Overlapping Tax Supported Debt*
	<u>\$48,966,337</u>	<u>\$57,403,599</u>	<u>\$106,369,936</u>
Per capita (1)	\$1,332.85	\$1,562.51	\$2,895.37
Percent of net assessed valuation (2)	2.73%	3.20%	5.93%
Percent of gross assessed valuation (3)	1.53%	1.80%	3.33%
Per pupil (4)	\$6,341.97	\$7,434.74	\$13,776.70

*Preliminary, subject to change.

- (1) According to the U.S. Census Bureau, the estimated 2015 population of the School Corporation is 36,738.
- (2) The net assessed valuation of the School Corporation for taxes payable in 2017 is \$1,795,237,122 according to the Porter County Auditor's office.
- (3) The gross assessed valuation of the School Corporation for taxes payable in 2017 is \$3,197,026,780 according to the Porter County Auditor's office.
- (4) Enrollment of the School Corporation is 7,721 as reported by school personnel.

SCHEDULE OF HISTORICAL NET ASSESSED VALUATION

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

Year Payable		<u>Real Estate</u>	<u>Utilities</u>	<u>Personal Property</u>	<u>Total Taxable Value</u>
2013	(1)	\$1,388,537,232	\$72,134,580	\$207,088,980	\$1,667,760,792
2014		1,377,975,833	71,786,210	213,772,780	1,663,534,823
2015		1,415,130,498	72,069,680	226,620,180	1,713,820,358
2016		1,423,975,181	70,403,120	232,799,760	1,727,178,061
2017		1,481,901,172	71,907,040	241,428,910	1,795,237,122

- (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, 2013 and before May 1 of every fourth year thereafter, county assessors will prepare and submit to the Department of Local Government Finance ("DLGF") a reassessment plan for each county. The DLGF must complete its review and approval of the reassessment plan before March 1, 2015 and January 1 of each subsequent year that follows a 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 shall begin on May 1 of a year and shall be completed on or before January 1 of the year after the year in which the reassessment of the group of parcels begins. A county may submit a reassessment plan that provides for reassessing more than twenty-five (25%) of all parcels of real property in a particular year, and the plan may provide all parcels are to be reassessed in one (1) year provided that the plan covers a four (4) year period and all real property in each group of parcels is reassessed once during each reassessment 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 DLGF. In the case of agricultural land, true tax value is the value determined in accordance with the Guidelines adopted by the DLGF and IC 6-1.1-4-13. In the case of all other real property, true tax value is defined as "the market value-in-use of a property for its current use, as reflected by the utility received by the owner or by a similar user, from the property."

P.L. 180-2016 revises the factors used to calculate the assessed value of agricultural land. This legislation is retroactive to the January 1, 2016 assessment date and applies to each assessment date thereafter. The revised factors enacted in the legislation may reduce the total assessed value of agricultural land, which could shift property tax liability from agricultural property owners to other property owners. In addition, the reduction in the assessed value of agricultural land may result in a reduction of the total assessed value of a School Corporation. Lower assessed values of a School Corporation may result in higher tax rates in order for a School Corporation to receive its approved property tax levy.

Real property assessments are annually adjusted to market value based on sales data. The process of adjusting real property assessments to reflect market values has been termed "trending" by the DLGF.

The Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal method, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they produce accurate and uniform values throughout the jurisdiction and across all classes of property. The Manual specifies the standards for accuracy and validation that the DLGF uses to determine the acceptability of any alternative appraisal method.

DETAIL OF NET ASSESSED VALUATION
Assessed 2016 for Taxes Payable in 2017
(As Provided by the Porter County Auditor's Office)

	<u>Portage Township</u>	<u>Portage City- Portage Twp.</u>	<u>Ogden Dunes (Portage)</u>	<u>Total</u>
Gross Value of Land	\$128,063,000	\$570,501,200	\$101,488,600	\$800,052,800
Gross Value of Improvements	<u>296,772,200</u>	<u>1,636,626,600</u>	<u>119,202,950</u>	<u>2,052,601,750</u>
Total Gross Value of Real Estate	424,835,200	2,207,127,800	220,691,550	2,852,654,550
Less: Mortgage Exemptions, Veterans, Blind Age 65 & Other Exemptions	(190,173,058)	(772,474,562)	(75,546,382)	(1,038,194,002)
Tax Exempt Property TIF	<u>(15,637,200)</u>	<u>(60,208,917)</u>	<u>(2,224,100)</u>	<u>(78,070,217)</u>
	<u>(205,810,258)</u>	<u>(832,683,479)</u>	<u>(77,770,482)</u>	<u>(1,116,164,219)</u>
Net Assessed Value of Real Estate	<u>219,024,942</u>	<u>1,119,955,162</u>	<u>142,921,068</u>	<u>1,481,901,172</u>
Business Personal Property	8,515,280	263,682,960	266,950	272,465,190
Less: Deductions	<u>(2,858,920)</u>	<u>(28,105,970)</u>	<u>(71,390)</u>	<u>(31,036,280)</u>
Net Assessed Value of Personal Property	<u>5,656,360</u>	<u>235,576,990</u>	<u>195,560</u>	<u>241,428,910</u>
Net Assessed Value of Utility Property	<u>20,764,380</u>	<u>47,563,290</u>	<u>3,579,370</u>	<u>71,907,040</u>
Total Net Assessed Value	<u><u>\$245,445,682</u></u>	<u><u>\$1,403,095,442</u></u>	<u><u>\$146,695,998</u></u>	<u><u>\$1,795,237,122</u></u>

COMPARATIVE SCHEDULE OF CERTIFIED TAX RATES

Per \$100 of Net Assessed Valuation

	Year Taxes Payable				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Detail of Certified Tax Rate:					
Debt Service	\$0.3447	\$0.3505	\$0.3579	\$0.3430	\$0.3099
Pension Debt Service	0.0968	0.0804	0.0813	0.0621	0.0630
Capital Projects	0.2605	0.2535	0.2725	0.2111	0.2124
Transportation	0.2560	0.2607	0.2161	0.2471	0.2427
Bus Replacement	<u>0.0673</u>	<u>0.0703</u>	<u>0.0698</u>	<u>0.0600</u>	<u>0.0483</u>
Totals	<u>\$1.0253</u>	<u>\$1.0154</u>	<u>\$0.9976</u>	<u>\$0.9233</u>	<u>\$0.8763</u>
Total District Certified Tax Rate (1)					
Portage Township	\$1.9700	\$1.9335	\$1.9358	\$1.8386	\$1.7558
Portage City - Portage Twp.	\$2.8165	\$2.9394	\$2.8442	\$2.7419	\$2.7201
Ogden Dunes (Portage)	\$2.1363	\$2.2465	\$2.2397	\$2.1320	\$2.0375

(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
2012	\$15,938,317	(\$895,891)	\$15,042,426	\$15,399,017	96.62%	102.37%
2013	17,113,981	(1,406,390)	15,707,591	15,580,635	91.04%	99.19%
2014	16,647,232	(1,595,759)	15,051,473	15,303,928	91.93%	101.68%
2015	16,900,042	(1,603,381)	15,296,661	15,679,619	92.78%	102.50%
2016	15,962,478	(1,286,735)	14,675,743	14,691,387	92.04%	100.11%

Source: The Porter 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.

Indiana Code 6-1.1-20.6 (the "Statute") provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit ("Circuit Breaker Tax Credit").

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

Effective March 25, 2014, if a school corporation has sufficient Circuit Breaker losses (at least ten percent of its transportation fund levy for that year) in either 2014, 2015, 2016, 2017 and 2018 and such losses are timely certified by the DLGF, it becomes an eligible school corporation under IC 6-1.1-20.6-9.9 (an "Eligible School Corporation"). For the applicable year or years, an Eligible School Corporation may allocate its Circuit Breaker Tax Credit loss, for each year, proportionately across all school corporation property tax supported funds, including the debt service fund, thereby being exempted from the protected taxes requirement as described below. However, in 2017 or 2018, if a school corporation: (i) issues new bonds or enters into a new lease rental agreement for which the school corporation is imposing or will impose a debt service levy other than: (A) to refinance or renew prior bond or lease rental obligations existing before January 1, 2017; or (B) for indebtedness that is approved in a local public question or referendum under I.C. 6-1.1-20 or any other law; and (ii) the school corporation's debt service levy in 2017 or 2018 is greater than the school corporation's debt service levy in 2016, the school corporation will not be an Eligible School Corporation even if it would otherwise qualify. This School Corporation is expected to have sufficient losses to qualify as an Eligible School Corporation.

Except for an Eligible School Corporation, the Statute categorizes property taxes levied to pay Debt Service Obligations as "protected taxes," regardless of whether the property taxes were approved at a referendum, and all other property taxes as "unprotected taxes." The total amount of revenue to be distributed to the fund for which the protected taxes were imposed shall be determined without applying the Circuit Breaker Tax Credit. The application of the Circuit Breaker Tax Credit must reduce only the amount of unprotected taxes distributed to a fund. The School Corporation may allocate the reduction by using a combination of unprotected taxes of the political subdivision in those taxing districts in which the Circuit Breaker Tax Credit caused a reduction in protected taxes. The tax revenue and each fund of any other political subdivisions must not be affected by the reduction.

LARGE TAXPAYERS

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

<u>Name</u>	<u>Type of Business</u>	<u>2015/2016 Net Assessed Valuation</u>	<u>Percent of Total Net Assessed Valuation (1)</u>
NLMK Indiana, Inc. (2)	Carbon and alloy products supplier	\$66,068,440	3.83%
United States Steel Corp	Steel manufacturer	36,238,630	2.10%
Northern Indiana Public Service Co. (2)	Natural gas & electric utility	31,303,710	1.81%
Feralloy Corporation-Midwest Division (2)	Steel processor	24,123,910	1.40%
G&I VIII VK II Portage LLC/ G&I VIII Midpoint LLC (2)	Commercial real estate	19,715,290	1.14%
Indiana-American Water Company (2)	Water utility	19,164,160	1.11%
Willow Creek Apartments LLC	Apartment developer	16,816,770	0.97%
MonoSol LLC (2)	Mfr. water-soluble films	16,799,545	0.97%
Fronius USA LLC (2)	Real estate developer	16,342,130	0.95%
Central Coil Processing LLC (2)	Steel and wire processing facility	<u>16,304,600</u>	<u>0.94%</u>
Totals		<u><u>\$262,877,185</u></u>	<u><u>15.22%</u></u>

(1) The total net assessed valuation of the School Corporation is \$1,727,178,061 for taxes payable in 2016, according to the Porter 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 Corporation's July 1, 2013 to June 30, 2015 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/>.

PORTAGE TOWNSHIP SCHOOLS

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

REGULATORY BASIS

For the Years Ended June 30, 2013 and 2015

	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	\$11,028,206	\$53,260,660	\$48,006,225	(\$3,806,500)	\$12,476,141	\$53,000,426	\$49,345,730	\$3,746	\$16,134,583
Debt Service	3,181,432	6,202,363	5,868,875	(214,821)	3,300,099	6,472,236	6,152,030	(436,346)	3,183,959
Retirement/Severance Bond Debt Service	518,640	1,561,233	1,428,284		651,589	1,476,892	1,428,252	(70,278)	629,951
Capital Projects	4,115,311	4,214,896	5,656,891		2,673,316	4,091,067	5,163,247	184,845	1,785,981
School Transportation	4,470,025	4,261,633	3,783,671	391,570	5,339,557	3,700,234	3,463,706	276,999	5,853,084
School Bus Replacement	717,651	1,372,298	1,267,436		822,513	1,085,640	889,872	47,066	1,065,347
Rainy Day	13,341,138	250,000	250,000	3,828,231	17,169,369				17,169,369
Retirement/Severance Bond	2,267,181	832			2,268,013	587			2,268,600
Post-Retirement/Severance Future Benefits	2,312,429	853	6,667		2,306,615	584	132,083		2,175,116
Construction	9,432				9,432				9,432
School Lunch	890,198	4,579,993	3,835,853		1,634,338	3,867,267	3,541,183		1,960,422
Textbook Rental	258,815	950,359	414,718	214,821	1,009,277	844,075	777,226	128,531	1,204,657
Payroll Clearing Account	446,798	23,232,219	23,299,075		379,942	24,340,225	23,936,233		783,934
Self-Insurance	4,922,083	333,875	516,194		4,739,764	3,134,651	1,745,328		6,129,087
Levy Excess	0				0				0
Alternative Ed	1,958	3,915	5,873		0	2,921			2,921
SAFE School Haven 2012 Grant	(14,500)	14,500			0				0
SAFE School Haven 2013 Grant	0	10,150	5,075		5,075		5,075		0
SAFE School Haven 2014 Grant	0				0	5,075	10,150		(5,075)
Kostel Donation	1,423				1,423				1,423
Little Bear	400				400				400
Project Lead The Way	0				0	20,000	2,400		17,600
Wellness Program	1,056		1,056		0				0
Home Economics	1,031				1,031				1,031
Culinary Scholarship	593				593				593
Portage Township Education Foundation-2010	2,414		129		2,285				2,285
Portage Township Education Foundation-2013	7,937	1	5,933		2,005		1,362		643
Portage Township Education Foundation-2014	0				0	11,185	10,300		885
Portage Township Education Foundation-2015	0				0	15,266			15,266
Donations and Trust	66,664	69,099	74,675		61,088	132,204	132,594		60,698
Arclormittal Professional	28				28		28		0
Subtotals	\$48,548,343	\$100,318,879	\$94,426,630	\$413,301	\$54,853,893	\$102,200,535	\$96,736,799	\$134,563	\$60,452,192

(Continued on next page)

PORTAGE TOWNSHIP SCHOOLS

(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 2015

	Cash and Investments			Other Financing Sources	Cash and Investments			Other Financing Sources	Cash and Investments
	<u>07-01-13</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>(Uses)</u>	<u>06-30-14</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>(Uses)</u>	<u>06-30-15</u>
Subtotals carried forward	\$48,548,343	\$100,318,879	\$94,426,630	\$413,301	\$54,853,893	\$102,200,535	\$96,736,799	\$134,563	\$60,452,192
Arcelormittal 2011 Grant	8				8		8		0
Arcelormittal 2012 Grant	192				192		192		0
Arcelormittal 2012 PHS	4,744		4,744		0				0
Arcelormittal 2013 PHS	0	10,000	4,160		5,840		5,840		0
Arcelormittal 2013 WC	0	3,500	1,049		2,451		2,451		0
Arcelormittal 2014 STEM	0	16,150	15,963		187	16,625	16,126		686
Arcelormittal 2014 PHS	0				0	10,000	4,862		5,138
Arcelormittal 2014 WC	0				0	3,500	1,707		1,793
High Ability Grant 2013	4,009		4,009		0				0
High Ability Grant 2014	0	61,979	50,266		11,713		11,713		0
High Ability Grant 2015	0				0	63,798	57,181		6,617
Common School Loan	(29,479)	965,897	1,466,191		(529,773)	1,810,263	1,285,599		(5,109)
Secured Schools Safety Grant	0		49,658		(49,658)	49,658			0
Non-English Speaking 2013	5,568		5,568		0				0
Non-English Speaking 2014	0	16,514	12,023		4,491		4,491		0
NESP Grant 2014-15	0				0	17,314	11,504		5,810
School Technology	175,644	145,191	299,853		20,982	224,397	243,362		2,017
Performance Award 2015	0				0	9,847			9,847
Academy of Finance	11				11				11
Innovation Planning Grant	0				0		15,000		(15,000)
Recycle Learning	54				54				54
Title I 2012-13	(93,083)	245,685	152,602		0				0
Title I 2013-14	0	883,474	1,022,266		(138,792)	478,640	339,848		0
Title I 2014-15	0				0	798,389	887,831		(89,442)
Title II PT A IMPR 2013	(28,052)	34,024	5,972		0				0
Title II PT A IMPR 2014	0	176,227	240,666		(64,439)	112,244	47,805		0
Title II PT A IMPR 2015	0				0	177,714	189,663		(11,949)
Title II PT A IMPR 2016	0				0	11,608	19,920		(8,312)
Title III LEP 2012-13	(1,377)	3,733	2,356		0				0
Title III LEP 2013-14	0	15,554	18,357		(2,803)	10,080	7,277		0
Title III WIDA ELD 2014	0				0	688	688		0
Title III LEP 2014-15	0				0	21,764	22,983		(1,219)
Totals	<u>\$48,586,582</u>	<u>\$102,896,807</u>	<u>\$97,782,333</u>	<u>\$413,301</u>	<u>\$54,114,357</u>	<u>\$106,017,064</u>	<u>\$99,912,850</u>	<u>\$134,563</u>	<u>\$60,353,134</u>

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 Corporation. Consequently, these schedules do not include all disclosures required by generally accepted accounting principles. Current reports are available at <http://www.doe.in.gov/finance/school-financial-reports>.

PORTAGE TOWNSHIP SCHOOLS

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	Calendar Year		
	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>GENERAL FUND</u>			
Receipts:			
Revenue in Lieu of Taxes	\$4,351	\$1,476	
Tuition	572,293	509,971	\$574,714
Earnings on Investments	56,451	60,821	71,008
School Corporation Activities	27,854	33,685	12,572
Other Revenue from Local Sources	801,564	772,496	833,252
Revenue from State Sources	51,616,370	51,298,857	51,233,858
Revenue from Federal Sources	47,155	71,391	61,610
Sale of Property, Adjustments and Refunds		5,836	
Interfund Transfers			42,254
Other Items	41,200	139,748	32,194
	<u>53,167,239</u>	<u>52,894,281</u>	<u>52,861,462</u>
Total Receipts			
Expenditures:			
Instruction	32,060,939	32,368,288	34,684,978
Support Services	16,451,458	16,275,817	16,564,309
Community Services	555,685	600,210	581,993
Facilities Acquisitions and Construction	29,000	83,202	
Interfund Transfers	3,828,231		5,916
	<u>52,925,312</u>	<u>49,327,518</u>	<u>51,837,195</u>
Total Expenditures			
Net Increase (Decrease)	241,926	3,566,763	1,024,267
Beginning Balance - January 1st	13,922,108	14,164,034	17,730,797
	<u>14,164,034</u>	<u>17,730,797</u>	<u>18,755,063</u>
Ending Balance - December 31st			

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)

PORTAGE TOWNSHIP SCHOOLS

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	<u>Calendar Year</u>		
	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>DEBT SERVICE FUND</u>			
Receipts:			
Local Property Tax	\$5,835,007	\$6,196,348	\$5,930,595
License Excise Tax	495,973	464,750	502,888
Commercial Vehicle Excise Tax	60,074	70,118	64,680
Local Option Property Tax Replacement	8,472	9,337	10,423
Other Revenue from Local Sources			45
	<u>6,399,526</u>	<u>6,740,553</u>	<u>6,508,630</u>
Total Receipts			
Expenditures:			
Interest on Debt	1		
Lease Rental	5,117,000	5,112,000	5,104,000
Advancements and Obligations	914,747	1,104,520	1,275,610
Interfund Transfers	120,843	436,346	423,306
	<u>6,152,590</u>	<u>6,652,866</u>	<u>6,802,916</u>
Total Expenditures			
Net Increase (Decrease)	246,935	87,687	(294,286)
Beginning Balance - January 1st	<u>2,904,462</u>	<u>3,151,398</u>	<u>3,239,085</u>
Ending Balance - December 31st	<u><u>\$3,151,398</u></u>	<u><u>\$3,239,085</u></u>	<u><u>\$2,944,799</u></u>

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

(Continued on next page)

PORTAGE TOWNSHIP SCHOOLS

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	<u>Calendar Year</u>		
	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>RETIREMENT/SEVERANCE BOND FUND</u>			
Receipts:			
Local Property Tax	\$1,338,176	\$1,408,212	\$1,074,026
License Excise Tax	113,770	105,572	91,048
Commercial Vehicle Excise Tax	13,780	15,928	11,710
Local Option Property Tax Replacement	<u>1,943</u>	<u>2,121</u>	<u>1,887</u>
Total Receipts	<u>1,467,669</u>	<u>1,531,833</u>	<u>1,178,671</u>
Expenditures:			
Principal on Debt	885,000	940,000	1,005,000
Interest on Debt	546,269	458,809	366,950
Interfund Transfers	<u></u>	<u>70,278</u>	<u>46,664</u>
Total Expenditures	<u>1,431,269</u>	<u>1,469,088</u>	<u>1,418,615</u>
Net Increase (Decrease)	36,400	62,745	(239,944)
Beginning Balance - January 1st	<u>562,378</u>	<u>598,778</u>	<u>661,523</u>
Ending Balance - December 31st	<u><u>\$598,778</u></u>	<u><u>\$661,523</u></u>	<u><u>\$421,579</u></u>

The Retirement/Severance Bond Fund accounts for debt service payments anticipated to be made on debt issued for unfunded payments for termination of employment or to pay postretirement or severance benefits.

(Continued on next page)

PORTAGE TOWNSHIP SCHOOLS

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	<u>Calendar Year</u>		
	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>CAPITAL PROJECTS FUND</u>			
Receipts:			
Local Property Tax	\$3,527,365	\$3,940,019	\$3,119,698
License Excise Tax	358,714	353,854	309,503
Commercial Vehicle Excise Tax	43,449	53,387	39,807
Local Option Property Tax Replacement	6,127	7,109	6,415
Other Revenue from Local Sources			325,065
Interfund Transfers		184,845	123,117
	<u>3,935,655</u>	<u>4,539,214</u>	<u>3,923,605</u>
Expenditures:			
Support Services	1,286,504	2,316,058	2,246,596
Facilities Acquisition and Construction	<u>2,663,211</u>	<u>2,180,646</u>	<u>1,954,311</u>
	<u>3,949,716</u>	<u>4,496,704</u>	<u>4,200,907</u>
Net Increase (Decrease)	(14,061)	42,510	(277,303)
Beginning Balance - January 1st	<u>1,436,183</u>	<u>1,422,122</u>	<u>1,464,632</u>
Ending Balance - December 31st	<u><u>\$1,422,122</u></u>	<u><u>\$1,464,632</u></u>	<u><u>\$1,187,329</u></u>

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

(Continued on next page)

PORTAGE TOWNSHIP SCHOOLS

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	<u>Calendar Year</u>		
	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>TRANSPORTATION FUND</u>			
Receipts:			
Local Property Tax	\$3,625,957	\$3,125,296	\$3,664,800
License Excise Tax	368,902	280,616	362,284
Commercial Vehicle Excise Tax	44,683	42,338	46,596
Local Option Property Tax Replacement	6,301	5,638	7,509
Other Revenue from Local Sources	28,125	34,344	38,769
Other Items	4,822	5,130	2,545
Sale of Property, Adjustments and Refunds	271,329	47,706	21,482
Interfund Transfers		146,182	150,971
	<u>4,350,118</u>	<u>3,687,248</u>	<u>4,294,955</u>
Total Receipts			
Expenditures:			
Support Services	3,613,733	3,471,567	3,480,399
Interfund Transfers		500,000	528,267
	<u>3,613,733</u>	<u>3,971,567</u>	<u>4,008,666</u>
Total Expenditures			
Net Increase (Decrease)	736,385	(284,319)	286,289
Beginning Balance - January 1st	<u>4,879,177</u>	<u>5,615,561</u>	<u>5,331,242</u>
Ending Balance - December 31st	<u><u>\$5,615,561</u></u>	<u><u>\$5,331,242</u></u>	<u><u>\$5,617,531</u></u>

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

(Continued on next page)

PORTAGE TOWNSHIP SCHOOLS

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	<u>Calendar Year</u>		
	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>TRANSPORTATION SCHOOL BUS REPLACEMENT FUND</u>			
Receipts:			
Local Property Tax	\$977,424	\$1,009,744	\$889,610
License Excise Tax	99,478	90,639	87,969
Commercial Vehicle Excise Tax	12,049	13,675	11,314
Local Option Property Tax Replacement	1,699	1,821	1,823
Interfund Transfers		47,066	35,365
Total Receipts	<u>1,090,650</u>	<u>1,162,945</u>	<u>1,026,081</u>
Expenditures:			
Support Services	768,870	932,936	910,738
Debt Services	<u>121,002</u>	<u>121,002</u>	<u>60,502</u>
Total Expenditures	<u>889,872</u>	<u>1,053,938</u>	<u>971,240</u>
Net Increase (Decrease)	200,778	109,007	54,841
Beginning Balance - January 1st	<u>287,026</u>	<u>487,804</u>	<u>596,810</u>
Ending Balance - December 31st	<u><u>\$487,804</u></u>	<u><u>\$596,810</u></u>	<u><u>\$651,651</u></u>

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

LOCAL RAINY DAY FUND

Receipts:			
Interfund Transfers	<u>\$3,828,231</u>	<u>\$500,000</u>	<u>\$528,267</u>
Total Receipts	<u>3,828,231</u>	<u>500,000</u>	<u>528,267</u>
Expenditures:			
Facilities Acquisition and Construction			<u>4,580,407</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>4,580,407</u>
Net Increase (Decrease)	3,828,231	500,000	(4,052,140)
Beginning Balance - January 1st	<u>13,341,138</u>	<u>17,169,369</u>	<u>17,669,369</u>
Ending Balance - December 31st	<u><u>\$17,169,369</u></u>	<u><u>\$17,669,369</u></u>	<u><u>\$13,617,228</u></u>

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

(Continued on next page)

PORTAGE TOWNSHIP SCHOOLS

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	<u>Calendar Year</u>		
	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>OTHER FUNDS</u>			
Receipts:			
Revenues from Local Sources	\$2,668,777	\$8,360,895	\$8,668,608
Earnings on Investments	8,018	(24,290)	11,831
Revenues from State Sources	2,174,467	1,238,891	1,977,531
Revenues from Federal Sources	4,219,683	4,095,494	4,194,858
Revenues from Intermediate Sources	10,150	10,150	10,150
Sale of Property, Adjustments and Refunds		2,500	190
Interfund Transfers	120,843	128,531	173,283
Other Items	830	761	1,639
	<u>9,202,768</u>	<u>13,812,931</u>	<u>15,038,091</u>
Total Receipts			
Expenditures:			
Support Services	3,300,506	1,782,748	3,331,990
Community Services	3,687,928	3,690,544	3,762,388
Facilities Acquisition and Construction	54,210	49,596	55,881
Instruction	1,398,086	1,420,494	1,683,175
Nonprogrammed Charges	323,796	4,505,490	6,156,666
Interfund Transfers			49,103
	<u>8,764,526</u>	<u>11,448,872</u>	<u>15,039,203</u>
Total Expenditures			
Net Increase (Decrease)	438,242	2,364,060	(1,112)
Beginning Balance - January 1st	<u>11,270,828</u>	<u>11,709,070</u>	<u>14,073,130</u>
Ending Balance - December 31st	<u><u>\$11,709,070</u></u>	<u><u>\$14,073,130</u></u>	<u><u>\$14,072,018</u></u>
 <u>GRAND TOTALS</u>			
Total Receipts	<u>\$83,441,855</u>	<u>\$84,869,005</u>	<u>\$85,359,761</u>
Total Expenditures	<u>77,727,019</u>	<u>78,420,552</u>	<u>88,859,151</u>
Net Increase (Decrease)	5,714,837	6,448,453	(3,499,390)
Beginning Balance - January 1st	<u>48,603,299</u>	<u>54,318,135</u>	<u>60,766,588</u>
Ending Balance - December 31st	<u><u>\$54,318,135</u></u>	<u><u>\$60,766,588</u></u>	<u><u>\$57,267,199</u></u>

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

This Official Statement and its execution are duly authorized.

PORTAGE TOWNSHIP MULTI-SCHOOL
BUILDING CORPORATION

By: Daniel Wilson
President

Attest: Michael E. Shaw
Secretary

PORTAGE TOWNSHIP SCHOOLS

By: [Signature]
Superintendent

APPENDIX B

SUMMARY OF THE LEASE

The following is a summary of certain provisions of the Lease as amended and does not purport to comprehensively describe that document in its entirety.

Acquisition and Construction of the Leased Premises

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

Lease Term and Rental

The Lease is for a twenty-five (25) year term which commenced on the date the Building Corporation acquired fee simple title to the Leased Premises and expires on the date which is twenty-five (25) years later. By each rent payment date, the School Corporation is to pay the installment of rent due under the Lease. Each installment of rent is payable in advance for the following six-month period on June 30 and December 31. The annual rent (to be paid in equal semiannual installments) is as shown in this Official Statement. Completion of the Leased Premises was to be certified to the School Corporation by a representative of the Lessor pursuant to the Lease. The date the building was substantially completed and ready for occupancy was to be endorsed on the end of the Lease by the parties thereto as soon as could be done after the completion of the construction. The endorsement was recorded as an addendum to the Lease.

Maintenance and Modification

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

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

out or obsolete personal property, but may replace such property at its own expense, and the replacement property shall belong to Lessee.

Property and Liability Insurance

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

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

Damage or Destruction

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

If the Leased Premises is totally or substantially destroyed and the amount of insurance money received is sufficient to redeem all of the outstanding Bonds and all such Bonds are then subject to redemption, the Lessor, with the written approval of the School Corporation, may direct the Trustee to use net proceeds of insurance to call for redemption all of the Bonds then outstanding at the then current redemption price.

Rent Abatement and Rental Value Insurance

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

Taxes and Utility Charges

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

Events of Default

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

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

Remedies

On the occurrence of an event of default under the Lease, the Trustee may proceed to protect and enforce its rights by suit or suits in equity or at law in any court of competent jurisdiction, whether for specific performance or any covenant or agreement contained therein, or for the enforcement of any other appropriate legal or equitable remedy; file a claim with the Treasurer of the State of Indiana for an amount equal to an amount in default, and may authorize or delegate the authority to file such claim; or the lessor, at its option, without further notice, may terminate the estate and interest of the School Corporation thereunder, and it shall be lawful for the Lessor forthwith to resume possession of the Leased Premises and the School Corporation covenants to surrender the same forthwith upon demand. The exercise by the Lessor of the right to terminate the Lease shall not release the School Corporation from the performance of any obligation thereof maturing prior to the Lessor's actual entry into possession. No waiver by the Lessor of any right to terminate this Lease upon any default shall 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 Lessor. In the Lease, the School Corporation has covenanted to use and maintain the Leased Premises in accordance with the laws and ordinances of the United States of America, the State of Indiana, and all other proper governmental authorities. The School Corporation has also covenanted that it will not enter into any lease, management contract or other contractual arrangement which would allow the use of the Leased Premises by a nongovernmental person which would have the effect of making the Lessor's bonds private activity bonds under Section 141 of the Internal Revenue Code of 1986.

Option to Purchase

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

Option to Renew

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

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

The following is a brief summary of certain provisions of the Trust Indenture, as supplemented, and does not purport to comprehensively describe that document in its entirety.

Application of Bond Proceeds

A portion of the proceeds of the Bonds shall be used to purchase government obligations for deposit along with cash into an escrow fund held by the Escrow Trustee to effect the defeasance of the Original Indenture and Supplemental Indenture, solely as to the 2007 Bonds. The balance of the proceeds of the Bonds shall be deposited in the 2017 Bond Issuance Expense Account.

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

There are created under the Trust Indenture the following funds: (1) the Portage Township Multi-School Building Corporation Construction Fund (the "Construction Fund"), (2) the Portage Township Multi-School Building Corporation Sinking Fund (the "Sinking Fund"), (3) the Portage Township Multi-School Building Corporation Operation and Reserve Fund (the "Operation and Reserve Fund"), and (4) the Portage Township Multi-School Building Corporation Rebate Fund (the "Rebate Fund").

The Trustee shall deposit in the Sinking Fund created pursuant to the Trust Indenture, 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 principal of, mandatory sinking fund payment and interest on the Bonds due within twenty (20) days after the due date of such rental payment. The Lease rental received on or before December 31, 2017 which is not needed to pay debt service on the Bonds will be deposited in the 2017 Construction Account of the Construction Fund. The 2017 Construction Account will be used to renovate and improve any facility owned or operated by the Lessee, including the purchase of equipment and technology. After December 31, 2017, any portion of a rental payment remaining after such deposit to the Sinking Fund shall be deposited by the Trustee in the Operation and Reserve Fund. The Trustee shall from time to time pay from the Sinking Fund the principal of the Bonds at maturity or upon mandatory redemption and the interest as it falls due.

The Operation and Reserve Fund shall be used only (a) to pay necessary incidental expenses of the Building Corporation, (b) if the amount in the Sinking Fund at any time is less than the required amount, to transfer funds to the Sinking Fund in an amount sufficient to raise the amount in the Sinking Fund to the required amount, (c) if the Bonds are called for redemption, to pay the principal, interest, and redemption premium, if any, on the Bonds and (d) 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 any officer of the Building Corporation or the Lessor Representative together with the creditor's statement as to the amount owing.

Costs of issuance of the Bonds will be paid from moneys deposited in the 2017 Bond Issuance Expense Account. It is expected that all costs will be paid within thirty (30) days of

closing. Any moneys remaining in the 2017 Bond Issuance Expense Account will be transferred to the Sinking Fund after the filing of an affidavit with the Trustee that all costs have been paid.

The Rebate Fund shall 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 an exception to rebate is not met, the Building Corporation shall be required to calculate or cause to be calculated at the five year anniversary the amount of such rebate (the "Rebate Amount") and deposit such rebate amount 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 together with all investment earnings thereon to the United States of America at such times as shall be 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 Trust Indenture then outstanding, the Trustee shall apply the amounts in such Funds to the redemption of such Bonds pursuant to the Trust Indenture.

Investment of Funds

The Trustee shall invest the moneys in funds created in the Trust Indenture in (i) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (ii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, (iv) Federal Housing Administration debentures, (v) Federal Home Loan Mortgage Corporation participation certificates and senior debt obligations (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts), (vi) Farm Credit Bank consolidated system-wide bonds and notes, (vii) Federal Home Loan Banks consolidated debt obligations, (viii) Federal National Mortgage Association senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts), (ix) unsecured certificates of deposit, time deposits and bankers' acceptances of any bank (including the Trustee and its affiliates) the short-term obligations of which are rated "A-1" or better by Standard and Poor's Ratings Group having an original maturity of not more than 360 days, (x) commercial paper (having original maturities of not more than 270 days) rated "A-1+" by Standard and Poor's Ratings Group and "Prime-1" by Moody's at the time of purchase, (xi) evidence of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated, (xii) deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), including CDARS, (xiii) money market funds, which funds may be funds of the Trustee or its affiliates, including those for which the Trustee or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor

or otherwise, and which funds are rated at the time of purchase "AAAm" or "AAAm-G" by Standard and Poor's Ratings Group, (xiv) repurchase and reverse repurchase agreements collateralized with Government Securities, including those of the Trustee or any of its affiliates, (xv) investment deposit agreements constituting an obligation of a bank, as defined by the Indiana Banking Act (including the Trustee and its affiliates), whose outstanding unsecured long-term debt is rated at the time of such agreement in any of the two highest rating categories by each Rating Agency, or (xvi) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic banks whose short term certificates of deposit are rated on the date of the purchase in any of the two highest rating categories by any rating agency and maturing no more than 360 days after the date of the purchase. Any income or interest realized upon any such investment shall be credited and any loss shall be charged to the Fund or Account from which the moneys were invested. Securities purchased with moneys from the Sinking Fund or the Rebate Fund shall mature prior to the time the moneys invested will be needed to pay the amounts which must be paid from such funds. Moneys in the Sinking Fund and Rebate Fund shall be invested without restriction as to yield during an applicable temporary period pending their use. Moneys in the Bond Issuance Expense Fund after one (1) year of the date of issuance of the Bonds and the Operation and Reserve Fund after 30 days of the date of deposit shall 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 School Corporation, and that a full, true and correct copy of the Lease is on file with the Trustee; that construction has been completed on schedule, and the School Corporation has begun paying lease rental;
- (b) it will faithfully perform all provisions contained in each Bond and the Trust 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 Trust Indenture, and to mortgage and pledge the real estate and rentals and other income of the mortgaged property as provided in the Trust Indenture;
- (d) it will promptly make, execute, and deliver all indentures supplemental to the Trust 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 Trust 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 Trust 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 other than the Bonds secured by the Trust Indenture, unless such additional indebtedness is payable only from income of the Building Corporation other than the rental payments provided for in the Lease, 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; and
- (j) the proceeds of the Bonds, any moneys received from lease rentals payable according to the Lease, amounts received from the investment of the proceeds of the Bonds or other amounts received shall not be invested in such manner which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code; and
- (k) in order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds, no proceeds thereof will be loaned to any entity or person, nor will they be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of such proceeds. Furthermore, the Building Corporation will, to the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, rebate all required arbitrage profits on such proceeds or other moneys treated as such proceeds to the United States Government and will set aside such moneys in the Rebate Fund to be held by the Trustee in trust for such purposes. Additionally, the Building Corporation covenants that it will not take any action nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code.

Insurance

The Building Corporation covenants to carry or cause the School Corporation to carry the following kinds of insurance after completion of construction: (a) physical loss or damage insurance on the mortgaged property in the amount of the full replacement cost of the property; (b) business income coverage or other similar insurance providing "rental value" coverage and naming the Lessor as an additional insured. Such "rental value" coverage shall include limits in an amount at least sufficient to meet the payments for two (2) years of the net rent, impositions and other charges provided for in the Lease, and (c) bodily injury and property damage insurance naming the Corporation as an insured against claims for damages for bodily injury, including accidental death, as well as claims for property damages with reference to the Leased Premises in an amount not less than Three Million Dollars (\$3,000,000) on account of each occurrence.

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

Events of Default and Remedies

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

Upon the occurrence of one or more events of default, the Building Corporation, upon demand of the Trustee, shall forthwith surrender the possession of the property and the Trustee

may take possession of all the mortgaged property and hold, operate and manage the same for the purpose of insuring payments on the Bonds until the event of default has been cured.

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

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

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

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

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

No duties or responsibilities of the Trustee may be amended or modified without the written consent of the Trustee.

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

Possession Until Default, Defeasance, Payment, Release

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

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

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

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

Additional Bonds

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

APPENDIX D

May ____, 2017

_____, _____

Re: Portage Township Multi-School Building Corporation
Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2017
Total Issue: \$24,240,000
Dated Date: May ____, 2017

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Portage Township Multi-School Building Corporation (the "Issuer") of \$24,240,000 of Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2017 dated May ____, 2017 (the "Bonds"), pursuant to Indiana Code 20-47-3 and 5-1-5 and a Trust Indenture between the Issuer and U.S. Bank National Association, as successor to Harris, N.A., as trustee (the "Trustee"), dated as of May 15, 2005, as supplemented by a First Supplemental Trust Indenture, dated as of March 1, 2007 and a Second Supplemental Trust Indenture, dated as of April 1, 2017 (as supplemented, the "Indenture"). We have examined the law and the certified transcript of proceedings of the Issuer and Portage Township Schools (the "School Corporation") relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render the opinions below. We have relied upon the certified transcript of proceedings and certificates of public officials, including the Issuer's and the School Corporation's tax covenants and representations (the "Tax Representations"), and we have not undertaken to verify any facts by independent investigation.

We have also relied upon a commitment for title insurance as to title to the real estate described in the Indenture.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Preliminary Official Statement dated ____, 2017 or the Final Official Statement dated ____, 2017 (collectively, the "Official Statement") or any other offering material relating to the Bonds, and we express no opinion relating thereto.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Lease Agreement between the Issuer, as lessor, and the School Corporation, as lessee, executed October 18, 2004, as amended by an Amendment to Lease, dated as of March 1, 2007 and a Second Amendment to Lease, dated as of April 1, 2017 (as amended, the "Lease") has been duly entered into in accordance with the provisions of the Indiana Code 20-47-3 and is

May _____, 2017

a valid and binding Lease. All taxable property in the School Corporation is subject to ad valorem taxation to pay the Lease rentals; however, the School Corporation's collection of the levy may be limited by operation of I.C. 6-1.1-20.6, which provides taxpayers with tax credits for property taxes attributable to different classes of property in an amount that exceeds certain percentages of the gross assessed value of that property. The School Corporation is required by law to fully fund the payment of its Lease rentals in an amount sufficient to pay the Lease rentals, regardless of any reduction in property tax collections due to the application of such tax credits. Pursuant to the Lease, the School Corporation is required by law annually to pay the Lease rentals, which Lease rentals have commenced.

2. The Issuer has duly authorized, sold, executed and delivered the Bonds and has duly authorized and executed the Indenture securing the same, and the Indenture has been duly recorded. The Bonds are the valid and binding obligations of the Issuer secured by a mortgage on the property described in the Indenture. Any foreclosure of the mortgage would, if the School Corporation is not in default in the payment of rentals as provided in the Lease, be subject to the rights of the School Corporation under the Lease.

3. Under statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is exempt from income taxation in the State of Indiana (the "State"). This opinion relates only to the exemption of interest on the Bonds from State income taxation.

4. Under federal statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is excludable from gross income of the owners for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), 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 federal alternative minimum tax imposed on certain corporations. This opinion is conditioned upon compliance by the Issuer and the School Corporation subsequent to the date hereof with their respective Tax Representations. Failure to comply with the Tax Representations could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to their issue date.

In rendering the opinion set forth in paragraph 4 above, we have relied upon a report of H.J. Umbaugh & Associates, Certified Public Accountants, LLP, as to the accuracy of the mathematical computations of the yield on the Bonds and the yield on the direct obligations of the United States of America deposited on the date hereof with U.S. Bank National Association, as escrow trustee (the "Escrow Trustee"), pursuant to an Escrow and Defeasance Agreement dated as of the date hereof among the Issuer, the Trustee and the Escrow Trustee.

It is to be understood that the rights of the registered owners of the Bonds and the enforceability of the Bonds and the Indenture, as well as the rights of the Issuer, the School

May _____, 2017

Corporation and the Trustee and the enforceability of the Lease may be subject to (i) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of law and equity; and (ii) the valid exercise of the constitutional powers of the State and the United States of America.

Very truly yours,

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APPENDIX E

MASTER CONTINUING DISCLOSURE UNDERTAKING

This MASTER CONTINUING DISCLOSURE UNDERTAKING dated as of August 24, 2016 (the "Master Undertaking") is executed and delivered by PORTAGE TOWNSHIP SCHOOLS (the "Obligor") for the purpose of permitting various Underwriters (as hereinafter defined) of the Obligations (as hereinafter defined) issued by or on behalf of the Obligor from time to time to purchase such Obligations in compliance with the Securities and Exchange Commission ("SEC") Rule 15c2-12 (the "SEC Rule") as amended;

WITNESSETH THAT:

Section 1. Definitions. The words and terms defined in this Master Undertaking shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Those words and terms not expressly defined herein and used herein with initial capitalization where rules of grammar do not otherwise require capitalization, shall have the meanings assigned to them in the SEC Rule.

- (1) "Holder" or any similar term, when used with reference to any Obligation or Obligations, means any person who shall be the registered owner of any outstanding Obligation, or the owner of a beneficial interest in such Obligation.
- (2) "EMMA" is Electronic Municipal Market Access System established by the MSRB.
- (3) "Final Official Statement" means, with respect to any Obligations, the final Official Statement relating to such Obligations, including any document or set of documents included by specific reference to such document or documents available to the public on EMMA.
- (4) "MSRB" means the Municipal Securities Rulemaking Board.
- (5) "Obligated Person" means any person, including the Obligor, 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 a part of the obligations on the Obligations (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). All Obligated Persons with respect to Obligations currently are identified in Section 3 below.
- (6) "Obligations" means the various obligations issued by or on behalf of Portage Township Schools, as listed on Exhibit A, as the same shall be amended or supplemented from time to time.
- (7) "Underwriter" or "Underwriters" means, with respect to any Obligations, the underwriter or underwriters of such Obligations pursuant to the applicable purchase agreement for such Obligations.

Section 2. Obligations; Term. (a) This Master Undertaking applies to the Obligations.

(b) The term of this Master Undertaking extends from the date of delivery of the Master Undertaking by the Obligor to the earlier of (i) the date of the last payment of principal or redemption price, if any, of, and interest to accrue on, all Obligations or (ii) the date all Obligations are defeased under the respective trust indentures or respective resolutions.

Section 3. Obligated Persons. The Obligor hereby represents and warrants as of the date hereof that the only Obligated Person with respect to the Obligations is the Obligor. If any such person is no longer committed by contract or other arrangement to support payment of the Obligations, such person shall no longer be considered an Obligated Person within the meaning of the SEC Rule and the continuing obligation under this Master Undertaking to provide annual financial information and notices of events shall terminate with respect to such person.

Section 4. Provision of Financial Information. (a) The Obligor hereby undertakes to provide, with respect to the Obligations, the following financial information, in each case (i) in an electronic format as prescribed by the MSRB and (ii) accompanied by identifying information as prescribed by the MSRB:

- (1) To the MSRB, the audited financial statements of the Obligor as prepared and examined by the Indiana State Board of Accounts on a biennial basis for each period of two fiscal years, together with the opinion of the reviewers thereof and all notes thereto (collectively, the "Audited Information"), by the June 30 immediately following each biennial period beginning June 30, 2018, and shall be made by June 30 every two years thereafter, if the Audited Information is delivered to the Obligor by June 30 of each biennial period. If, however, the Obligor has not received the Audited Information by such June 30 biennial date, the Obligor agrees to (i) post a voluntary notice to the MSRB by June 30 of such biennial period that the Audited Information has not been received, and (ii) post the Audited Information within 60 days of the Obligor's receipt thereof; and
- (2) To the MSRB, no later than June 30 of each year beginning June 30, 2017, the most recent unaudited annual financial information for the Obligor including (i) unaudited financial statements of the Obligor, and (ii) operating data (excluding any demographic information or forecast) of the general type provided under the general categories of headings as described below (collectively, the "Annual Information"), which Annual Information may be provided in such format and under such headings as the School Corporation deems appropriate:

APPENDIX A

PORTAGE TOWNSHIP SCHOOLS

- 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

(b) If any Annual Information or Audited Information relating to the Obligor referred to in paragraph (a) of this Section 4 no longer can be provided because the operations to which they relate have been materially changed or discontinued, a statement to that effect, provided by the Obligor to the MSRB, along with any other Annual Information or Audited Information required to be provided under this Agreement, shall satisfy the undertaking to provide such Annual Information or Audited Information. To the extent available, the Obligor shall cause to be filed along with the other Annual Information or Audited Information operating data similar to that which can no longer be provided.

(c) The disclosure may be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit B attached hereto.

(d) The Obligor agrees to make a good faith effort to obtain Annual Information and Audited Information. However, failure to provide any component of Annual Information and Audited Information, because it is not available to the Obligor on the date by which Annual Information is required to be provided hereunder, shall not be deemed to be a breach of this Master Undertaking. The Obligor further agrees to supplement the Annual Information or Audited Information filing when such data is available.

(e) Annual Information or Audited Information required to be provided pursuant to this Section 4 may be provided by a specific reference to such Annual Information or Audited Information already prepared and previously provided to the MSRB. Any information included by reference shall also be (i) available to the public on EMMA at www.emma.msrb.org, or (ii) filed with the SEC.

(f) All continuing disclosure filings under this Master Undertaking shall be made in accordance with the terms and requirements of the MSRB at the time of such filing. As of the date of this Master Undertaking, the SEC has approved the submission of continuing disclosure filings on EMMA, and the MSRB has requested that such filings be made by transmitting such filings electronically to EMMA currently found at www.emma.msrb.org.

Section 5. Accounting Principles. The Annual Information will be prepared on a cash basis as prescribed by the State Board of Accounts, as in effect from time to time, as described in the auditors' report and notes accompanying the audited financial statements of the

Obligor or those mandated by state law from time to time. The Audited Information of the Obligor, as described in Section 4(a)(1) hereof, will be prepared in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Section 6. Reportable Events. The Obligor undertakes to disclose the following events within 10 business days of the occurrence of any of the following events, if material (which determination of materiality shall be made by the Obligor in accordance with the standards established by federal securities laws), to the MSRB, in each case (i) in an electronic format as prescribed by the MSRB and (ii) accompanied by identifying information as prescribed by the MSRB:

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

The Obligor undertakes to disclose the following events, within 10 business days of the occurrence of any of the following events, regardless of materiality, to the MSRB, in each case (i) in an electronic format as prescribed by the MSRB and (ii) accompanied by identifying information as prescribed by the MSRB:

- (1) principal and interest payment delinquencies;
- (2) unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) substitution of credit or liquidity providers, or their failure to perform;
- (5) defeasances;
- (6) rating changes;
- (7) adverse tax opinions or events affecting the status of the Obligations, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed

Issue (IRS Form 5701-TEB) or other material events, notices or determinations with respect to the tax status of the Obligations;

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

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

Section 7. Use of Agent. The Obligor may, at its sole discretion, utilize an agent (the "Dissemination Agent") in connection with the dissemination of any information required to be provided by the Obligor pursuant to the SEC Rule and the terms of this Master Undertaking. If a Dissemination Agent is selected for these purposes, the Obligor shall provide prior written notice thereof (as well as notice of replacement or dismissal of such agent) to EMMA, and the MSRB.

Further, the Obligor may, at its sole discretion, retain counsel or others with expertise in securities matters for the purpose of assisting the Obligor in making judgments with respect to the scope of its obligations hereunder and compliance therewith, all in order to further the purposes of this Master Undertaking.

Section 8. Failure to Disclose. If, for any reason, the Obligor fails to provide the Audited Information or Annual Information as required by this Master Undertaking, the Obligor shall provide notice of such failure in a timely manner to EMMA or to the MSRB, in the form of the notice attached as Exhibit D.

Section 9. Remedies. (a) The purpose of this Master Undertaking is to enable the Underwriters to purchase the Obligations by providing for an undertaking by the Obligor in satisfaction of the SEC Rule. This Master Undertaking is solely for the benefit of (i) the Underwriters, and (ii) the Holders, and creates no new contractual or other rights for, nor can it be relied upon by, the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other Obligated Persons or any other third party. The sole remedy against the Obligor for any failure to carry out any provision of this Master Undertaking shall be for specific performance of the Obligor's disclosure obligations hereunder and not for money damages of any kind or in any amount or for any other remedy. The Obligor's failure to honor its covenants hereunder shall not constitute a breach or default of the Obligations or any other agreement to which the Obligor is a party and shall not give rise to any other rights or remedies.

(b) Subject to paragraph (e) of this Section 9, in the event the Obligor fails to provide any information required of it by the terms of this Master Undertaking, any holder of Obligations may pursue the remedy set forth in the preceding paragraph in any court of competent jurisdiction in the State of Indiana. An affidavit to the effect that such person is a holder of Obligations supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue this remedy.

(c) Subject to paragraph (e) of this Section 9, any challenge to the adequacy of the information provided by the Obligor by the terms of this Master Undertaking may be pursued

only by holders of not less than 25% in principal amount of Obligations then outstanding in any court of competent jurisdiction in the State of Indiana. An affidavit to the effect that such persons are holders of Obligations supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue the remedy set forth in the preceding paragraph.

(d) If specific performance is granted by any such court, the party seeking such remedy shall be entitled to payment of costs by the Obligor and to reimbursement by the Obligor of reasonable fees and expenses of attorneys incurred in the pursuit of such claim. If specific performance is not granted by any such court, the Obligor shall be entitled to payment of costs by the party seeking such remedy and to reimbursement by such party of reasonable fees and expenses of attorneys incurred in the pursuit of such claim.

(e) Prior to pursuing any remedy for any breach of any obligation under this Master Undertaking, a holder of Obligations shall give notice to the Obligor and the respective issuer of each obligation, by registered or certified mail, of such breach and its intent to pursue such remedy. Thirty (30) days after the receipt of such notice, upon earlier response from the Obligor to this notice indicating continued noncompliance, such remedy may be pursued under this Master Undertaking if and to the extent the Obligor has failed to cure such breach.

Section 10. Additional Information. Nothing in this Master Undertaking shall be deemed to prevent the Obligor from disseminating any other information, using the means of dissemination set forth in this Master Undertaking or any other means of communication, or including any other information in any Annual Information or notice of occurrence of a reportable event, in addition to that which is required by this Master Undertaking.

Section 11. Modification of Master Undertaking. The Obligor may, from time to time, amend or modify this Master Undertaking without the consent of or notice to the holders of the Obligations 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 (including but not limited to a change in law which requires a change in the Obligor's policies or accounting practices) or change in the identity, nature or status of the Obligor, or type of business conducted, (ii) this Master Undertaking, as so amended or modified, would have complied with the requirements of the SEC Rule on the date hereof, after taking into account any amendments or interpretations of the SEC 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 Obligations, as determined either by (A) nationally recognized bond counsel or (B) an approving vote of the holders of the Obligations pursuant to the terms of any Trust Indenture at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds this Master Undertaking) is otherwise permitted by the SEC Rule, as then in effect.

Section 12. Interpretation Under Indiana Law. It is the intention of the parties hereto that this Master Undertaking and the rights and obligations of the parties hereunder shall be governed by, and construed and enforced in accordance with, the law of the State of Indiana.

Section 13. Severability Clause. In case any provision in this Master Undertaking shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 14. Successors and Assigns. All covenants and agreements in this Master Undertaking made by the Obligor shall bind its successors, whether so expressed or not.

IN WITNESS WHEREOF, the Obligor has caused this Master Undertaking to be executed as of the day and year first hereinabove written.

PORTAGE TOWNSHIP SCHOOLS, as Obligor

By: _____
Andy Maletta, President
Board of School Trustees

Jessica Bailey, Secretary
Board of School Trustees

EXHIBIT A
OBLIGATIONS

<u>Name of Issue</u>	<u>Base CUSIP</u>	<u>Final Maturity</u>
Portage Township Multi-School Building Corporation Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2016B	735883	January 15, 2028

EXHIBIT B

**CERTIFICATE RE: [ANNUAL INFORMATION][AUDITED INFORMATION]
DISCLOSURE**

The undersigned, on behalf of the PORTAGE TOWNSHIP SCHOOLS, as the Obligor under the Master Continuing Disclosure Undertaking, dated as of August 24, 2016 (the "Agreement"), hereby certifies that the information enclosed herewith constitutes the [Annual Information][Audited Information] (as defined in the Agreement) which is required to be provided pursuant to Section 4(a) of the Agreement.

Dated: _____.

PORTAGE TOWNSHIP SCHOOLS

DO NOT EXECUTE – FOR FUTURE USE ONLY

EXHIBIT C

CERTIFICATE RE: REPORTABLE EVENT DISCLOSURE

The undersigned, on behalf of the PORTAGE TOWNSHIP SCHOOLS, as Obligor under the Master Continuing Disclosure Undertaking, dated as of August 24, 2016 (the "Agreement"), hereby certifies that the information enclosed herewith constitutes notice of the occurrence of a reportable event which is required to be provided pursuant to Section 6 of the Agreement.

Dated: _____.

PORTAGE TOWNSHIP SCHOOLS

DO NOT EXECUTE – FOR FUTURE USE ONLY

EXHIBIT D

NOTICE TO MSRB OF FAILURE TO FILE INFORMATION

Notice is hereby given that the PORTAGE TOWNSHIP SCHOOLS (the "Obligor") did not timely file its [Annual Information][Audited Information] as required by Section 4(a) of the Master Continuing Disclosure Undertaking, dated as of August 24, 2016.

Dated: _____

PORTAGE TOWNSHIP SCHOOLS

DO NOT EXECUTE – FOR FUTURE USE ONLY

**SECOND SUPPLEMENT TO
MASTER CONTINUING DISCLOSURE UNDERTAKING**

This Second Supplement, dated as of April ____, 2017 (the "Second Supplement"), to the Master Continuing Disclosure Undertaking dated as of August 24, 2016, as previously supplemented to the date hereof (as supplemented, the "Master Undertaking"), of Portage Township Schools (the "Obligor"), is entered into for the benefit of _____, as underwriter of the \$24,240,000 Portage Township Multi-School Building Corporation Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2017 (the "2017 Bonds").

Section 1. The terms of the Master Agreement, as supplemented by this Second Supplement, are hereby made applicable in all respects to the 2017 Bonds.

Section 2. There are no other obligated persons other than the Obligor with respect to the 2017 Bonds.

Section 3. Exhibit A of the Master Undertaking is supplemented to include the 2017 Bonds, as attached hereto.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Obligor has caused this Master Undertaking to be executed as of the day and year first hereinabove written.

PORTGAGE TOWNSHIP SCHOOLS, as
Obligor

By: _____
President, Board of School Trustees

Secretary, Board of School Trustees

[Signature Page to Second Supplement to Master Continuing Disclosure Undertaking]

EXHIBIT A
OBLIGATIONS

Proforma after Issuance of 2017 Bonds

Full Name of Bond Issue	Base CUSIP	Final Maturity
Portage Township Multi-School Building Corporation Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2016B	735883	January 15, 2028
Portage Township Multi-School Building Corporation Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2016C	735883	July 15, 2022
Portage Township Multi-School Building Corporation Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2017	735883	

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