NOTICE OF ADOPTION OF PRELIMINARY DETERMINATION

Notice is hereby given pursuant to Indiana Code § 6-1.1-20-3.5 that the Board of School Trustees (the "Board") of Baugo Community Schools (the "School Corporation") did, on June 9, 2025, make a preliminary determination to issue one or more series of bonds and enter into one or more lease agreements (the "Lease") for the renovation of and improvements to facilities throughout the School Corporation, including site improvements and the purchase of equipment, buses, real estate and technology (collectively, the "Project"). The Lease will be for a maximum term of thirty (30) years with a maximum annual Lease rental of $6,125,000. The maximum annual Lease rental has been estimated based upon an estimated aggregate principal amount of bonds of $25,000,000, estimated interest rate of 5.50%, and total estimated interest costs of $16,750,113.

As required by Indiana Code § 6-1.1-20-3.5(b)(1), the following information was available to the public at the public hearings on the preliminary determination: (i) the School Corporation's current and projected annual debt service payments divided by the net assessed value of taxable property within the School Corporation, which is 0.81%; and (ii) the sum of the School Corporation's outstanding long term debt plus the outstanding long term debt of other taxing units that include any other territory of the School Corporation divided by the net assessed value of taxable property within the School Corporation, which is 8.51%.

The School Corporation's current Debt Service Fund levy is $5,790,943 and the current Debt Service Fund tax rate is $0.7564. After the School Corporation enters into the proposed Lease and the bonds are issued, the Debt Service Fund levy will increase by a maximum of $6,125,000 and the Debt Service Fund tax rate will increase by a maximum of $0.7544. However, as existing obligations mature, the anticipated net increase to the Debt Service Fund

tax rate is expected to be $0.00 above the current Debt Service Fund tax rate based on the 2025 net assessed valuation.

The estimated amount of the School Corporation's Debt Service Fund levy and Debt Service Fund tax rate that will result during the following 10 years if the School Corporation enters into the lease and issues the bonds, after considering any changes that will occur to the Debt Service Fund levy and Debt Service Fund tax rate during that period on account of any outstanding bonds or lease obligations that will mature or terminate during that period:

Year	Estimated Total Debt Service Levy	Estimated Total Debt Service Rate
2025	$5,790,943	$0.7564
2026	5,790,943	0.7564
2027	5,790,943	0.7564
2028	5,790,943	0.7564
2029	5,790,943	0.7564
2030	5,790,943	0.7564
2031	5,790,943	0.7564
2032	5,790,943	0.7564
2033	5,790,943	0.7564
2034	5,790,943	0.7564
2035	5,790,943	0.7564

The Project involves the opening of new school facility space; however, the new school facility space will be more efficient than the school facility space which shall be replaced. Therefore, the School Corporation does not expect to annually incur an increase to operate such new facility space. The purpose of the Lease is to provide for the Project.

If a valid petition pursuant to Indiana Code § 6-1.1-20-3.5 is received within 30 days from the first publication of this notice, the proposed debt service or Lease payments must be approved in an election on a local public question held under Indiana Code § 6-1.1-20-3.6.

Dated June 11, 2025.

/s/ Secretary, Board of School Trustees
Baugo Community Schools