

FRONTIER SCHOOL CORPORATION

126 E. MAIN STREET
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NOTICE OF HEARING ON PROPOSED SIXTH AMENDMENT TO LEASE FRONTIER SCHOOL CORPORATION

You are hereby notified that a public hearing will be held before the Board of School Trustees (the "Board") of Frontier School Corporation (the "School Corporation") on March 16, 2020 at the hour of 7:00 p.m. (Local Time) at the Frontier Elementary School Library, Brookston, Indiana, upon a proposed Sixth Amendment to Lease (the "Sixth Amendment") to be entered into between Frontier School Building Corporation (the "Building Corporation"), as lessor, and the School Corporation, as lessee.

The proposed Sixth Amendment upon which the hearing will be held amends the existing Lease Agreement originally dated May 14, 1996, as amended (the "Original Lease", and together with the Sixth Amendment, the "Lease"). Solely with regard to Tract III of the Leased Premises (as defined below), the Sixth Amendment extends the term of the Original Lease and increases the rent payable thereunder in exchange for the renovation of and improvements to Tract III of the property subject to the Lease (the "Leased Premises"). With regard to Tract III, the Sixth Amendment extends the term of the Original Lease to December 31, 2039 and increases the annual Lease rental for Tract III by a maximum of \$700,000, payable on June 30 and December 31 beginning with the completion of the renovation of and improvements to the Leased Premises or June 30, 2021. Further, the Lessor and Lessee have agreed that following the maturity of the Lessor's Ad Valorem Property Tax First Mortgage Bonds, Series 2014, Tract I and Tract II of the Leased Premises shall be released from the Leased Premises.

As additional rental, the School Corporation shall maintain insurance on the Leased Premises as required in the Lease, shall pay all taxes and assessments against such Leased Premises, as well as the cost of alterations and repairs, and shall pay rebate amounts to the United States Treasury, if necessary. After the sale by the Building Corporation of its bonds (the \15112785.1 "Bonds") to pay for the cost of the renovation and improvements, including any other expenses incidental thereto, the increased annual Lease rental stated above shall be reduced to an amount equal to the multiple of \$1,000 next higher than the sum of principal and interest due on the Bonds in each twelve-month period ending on January 15 plus \$5,000, payable in equal semiannual installments.

The Lease gives an option to the School Corporation to purchase Tract III of the Leased Premises on any Lease rental payment date.

The buildings to be renovated and improved will be Frontier Jr./Sr. High School located

at 1 Falcon Drive, Chalmers, Indiana and Frontier Elementary School located at 811 South Railroad Street, Brookston, Indiana in said school corporation.

The plans and specifications, including the estimates for the cost of the renovations and improvement, as well as a copy of the proposed Sixth Amendment, are available for inspection by the public on all business days, during business hours, at the Administration Building of the School Corporation, 126 East Main Street, Chalmers, Indiana.

At such hearing all persons interested shall have a right to be heard upon the necessity for the execution of the Sixth Amendment, and upon whether the increased Lease rental provided for therein to be paid to the Building Corporation is a fair and reasonable rental for the renovations to the Leased Premises. Such hearing may be adjourned to a later date or dates, and following such hearing the Board may either authorize the execution of the Sixth Amendment as originally agreed upon or may make modifications therein as may be agreed upon with the Building Corporation.

Dated this 12th day of February, 2020.

Mrs. Laura Bell
Secretary, Board of School Trustees
Frontier School Corporation

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