

**NOTICE OF HEARING ON PROPOSED LEASE
PENN-HARRIS-MADISON SCHOOL CORPORATION**

You are hereby notified that a public hearing will be held before the Board of School Trustees (the "Board") on May 20, 2024 at the hour of 7:00 p.m. (Local Time) at the Penn-Harris-Madison School Corporation Educational Service Center, 55900 Bittersweet Road Mishawaka, Indiana, upon a proposed Lease Agreement (the "Lease") to be entered into between Penn High School Bldg. Corp. (the "Building Corporation"), as lessor, and Penn-Harris-Madison School Corporation (the "School Corporation"), as lessee.

The proposed Lease upon which the hearing will be held is for a term of fifteen (15) years, commencing with regard to a portion of Northpoint Elementary School ("Tract I" as defined in the Lease), with the acquisition of title to such building to be renovated, and commencing with regard to the real estate upon which a new multi-purpose fieldhouse will be constructed near the intersection of McKinley Highway and Bittersweet Road ("Tract II" as defined in the Lease), with the completion of the facility to be constructed by the Building Corporation. The Lease provides for interim lease rental payments in the amount of up to \$4,450,000 per payment payable on June 30 and December 31 beginning on June 30, 2025, until completion of construction of the facility upon Tract II. Thereafter, the Lease provides for a maximum annual rental of \$8,900,000, payable on June 30 and December 31 of each year during the term of the Lease, commencing with the completion of the facility upon Tract II or June 30, 2026, whichever is later. As additional rental, the School Corporation shall maintain insurance on the buildings as required in the Lease, shall pay all taxes and assessments against such property, as well as the cost of alterations and repairs, and shall pay rebate amounts to the United States Treasury, as necessary. After the sale by the Building Corporation of its ad valorem property tax first mortgage bonds to pay for the cost of the construction and renovation, including the acquisition of real estate and other expenses incidental thereto, the annual rental shall be reduced to an amount equal to the multiple of \$1,000 next higher than the 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.

The Lease gives an option to the School Corporation to purchase the property on any rental payment date.

The leased premises pursuant to the Lease will consist of (i) a portion of Northpoint Elementary School located at 50800 Cherry Road, Granger, Indiana, and (ii) the real estate upon which a new multi-purpose fieldhouse will be constructed near the intersection of McKinley Highway and Bittersweet Road, Mishawaka, Indiana, both such properties being located within the boundaries of the School Corporation. The School Corporation will utilize the proceeds for the sale of such real estate towards the construction of the project for which the bonds are being issued, including the renovation of and improvements to school facilities owned or operated by the School Corporation.

The plans and estimates for the cost of said renovation and construction, as well as a copy of the proposed Lease, are available for inspection by the public on all business days, during business hours, at the Administration Building of the School Corporation, 55900 Bittersweet Road, Mishawaka, Indiana.

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

Dated this 18th day of April, 2024.

Clare Roach, Secretary, Board of School Trustees
Penn-Harris-Madison School Corporation