

**NOTICE OF HEARING ON PROPOSED LEASE
SALEM COMMUNITY SCHOOLS**

You are hereby notified that a public hearing will be held before the Board of School Trustees (the "Board") on September 11, 2023 at the hour of 6:30p.m. (Local Time) at 500 North Harrison Street, Salem, Indiana, upon, a proposed Lease Agreement (the "Lease") to be entered into between Salem Elementary School Building Corporation (the "Building Corporation"), as lessor, and Salem Community Schools (the "School Corporation"), as lessee.

The proposed Lease upon which the hearing will be held is for a term of twenty-two (22) years, commencing with the closing of the Building Corporation's first mortgage bonds. The Lease provides for rental during renovation in the amount of up to \$500,000 per payment, payable on June 30 and December 31 beginning on June 30, 2024, until completion of renovation and improvements. Thereafter, the Lease provides for a maximum annual rental of \$1,000,000, payable on June 30 and December 31 of each year during the term of the Lease, commencing with the completion of renovation and improvements or June 30, 2025, whichever is later. As additional rental, the School Corporation shall maintain insurance on the building 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 building, 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 facility to be renovated pursuant to the Lease will be Bradie Shrum Upper Elementary School in the School Corporation located at 1101 North Shelby Street, Salem, Indiana, 47167.

The plans and estimates for the cost of said renovation, 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, 500 North Harrison Street, Salem, Indiana 47167.

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 building. 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 8th day of August, 2023.


/s/ Becky Humphrey, Secretary,
Board of School Trustees Salem Community Schools