

NORTHWESTERN SCHOOL CORPORATION

December 5, 2013

The Board of School Trustees met in a special public work session at 6:00 p.m. at Northwestern High School Library, 3431 N 400 W, Kokomo, IN. All Board members were in attendance. Led by Mr. Seamon along with Phil Ruska and Kevin Baum, representatives of Performance Services, Inc., the board toured the buildings as the needs of the proposed facility renovation and improvement project were identified.

The board then met at 7:00 in the High School Library in special session to conduct a public hearing with regard to the proposed renovation and improvement project. All board members were present as well as Ryan Snoddy, Harold Seamon, Sheila Lamb and 9 interested parties. President Bryan Alexander called the meeting to order and Todd Moser Jones opened with prayer.

I. PROJECT HEARING

A. Conduct Public Hearing

President Bryan Alexander presided over the hearing and explained Indiana law requires a public hearing to be held whenever a school corporation proposes to construct or renovate a school building at a cost in excess of one million dollars. He explained that all interested parties may give testimony and/or ask questions regarding the proposed project.

Harold Seamon presented the proposed Phase III renovation and improvement needs at Northwestern Elementary, Northwestern Middle School and Northwestern High School, along with estimated Project costs. Jim Elizondo, financial consultant from City Securities explained how the Project could be funded and the tax rate impact the Project would have on the community. The board engaged in considerable discussion as Mr. Seamon, Mr. Elizondo, Mr. Ruska and Mr. Baum responded to questions and comments from all five board members. Mr. Alexander then announced they would hear testimony and questions from the public. As there were no questions or comments, Mr. Alexander then closed the public hearing.

Ted Merrell made the motion to extend our financing agreement through 2023 through refunding of bonds, not to exceed the existing total monthly payment for the current bond issue. After bonds are sold on December 9th, Mr. Seamon will present the prioritized list of needs at the December 12th meeting, based upon the funds available through the Dec 4 bond sale. Todd Moser seconded. The motion passed 3 for; 2 against. Upon a call of hands, the record shall show the yes votes to be from Ted Merrell, Todd Moser and Bryan Alexander; and no votes from Jonathan Underwood and Steve Jones.

Several documents were then presented for the board's consideration.

B. Adopt Project Resolution

Ted Merrell made the motion to adopt the Project Resolution attached as Exhibit A to construct the proposed renovations and improvements. Todd Moser seconded the motion, and the motion passed unanimously 5-0.

C. Adopt Resolution Authorizing Execution of Amendment to Lease

The current lease agreement between Northwestern School Building Corporation and Northwestern School Corporation will need to be amended. A resolution authorizing execution of the Sixth Amendment to Lease attached as Exhibit B was presented for adoption. By a vote of 5-0 the board unanimously adopted the resolution following a motion made by Todd Moser and a second from Ted Merrell.

D. Adopt Resolution Receiving Patrons' Petition and Determining Need for the Project

Petitions signed by more than fifty (50) patrons of the corporation requesting the proposed renovations and improvements were presented for the Board's approval. On a motion made by Todd Moser and seconded by Jonathan Underwood, and by a vote of 5-0, the Resolution receiving patron petitions attached as Exhibit C was unanimously approved.

E. Adopt Resolution Approving Issuance of Bonds and Continuing Disclosure Undertaking

President Bryan Alexander then advised the Board that it needed to approve the form of Continuing Disclosure Undertaking and issuance of bonds. Ted Merrell made the motion to adopt the resolution attached as Exhibit D. Jonathan Underwood seconded and the board unanimously adopted the resolution by a vote of 5-0.

II. APPOINTMENT OF A NEW MEMBER TO THE NORTHWESTERN SCHOOL BUILDING CORPORATION

Mr. Snoddy recommending that Mr. Hoyt Alexander be appointed to replace Mr. Jim Elizondo as a member of the Northwestern School Corporation Building Corporation. Jonathan Eller made the motion to make the appointment as recommended; Ted Merrell seconded. Hoyt Alexander was approved by a vote of 4-0 with Bryan Alexander abstaining.

There being no further business, Jonathan Underwood made the motion to adjourn to executive session. Todd Moser seconded and motion passed unanimously at 8:45 p.m.

President

Vice President

Secretary

SCHOOL BOARD MINUTES – EXECUTIVE SESSION

The Board of School Trustees met in executive session at 8:45 p.m. at Northwestern High School Library Conference room, 3431 N 400 W, Kokomo, IN. All Board members were in attendance. Discussion was limited to the advertised agenda of discussion with regard to the job performance evaluation of an individual employee.

President

Vice President

Secretary

Next Meeting – December 12, 2013– Northwestern High School Library – 7:00 P.M.

**EXCERPTS FROM MINUTES OF A MEETING
OF THE BOARD OF SCHOOL TRUSTEES
NORTHWESTERN SCHOOL CORPORATION**

A meeting of the Board of School Trustees of Northwestern School Corporation was held at Northwestern High School Library, 3431 N 400 W, Kokomo, Indiana, on December 5, 2013 at the hour of 7:00 p.m. (Eastern), pursuant to notice duly given in accordance with the rules of the Board.

The meeting was called to order by the President of the Board of School Trustees.

On call of the roll, all members of the Board of School Trustees were shown to be present as follows: Steve Jones, Ted Merrell, Todd Moser, Jonathan Underwood, Bryan Alexander

(Among other proceedings had and actions taken were the following:)

President Bryan Alexander presided over the hearing welcoming everyone and introducing members of the Board and speakers.

Mr. Alexander explained one purpose of the meeting was that under Indiana law whenever a school corporation proposes to construct or renovate a school building at a cost in excess of one million dollars it must first hold a public hearing. Notice of this public hearing was published in the Kokomo Tribune and in the Kokomo Herald on October 31, 2013. The proofs of publication of the notice of the hearing were presented to the meeting.

It was explained that at this hearing all interested people may give testimony and/or ask questions concerning the building project. The purpose of the hearing is two-fold: (1) to inform the public as to the proposed building project; and (2) to allow all interested parties, taxpayers and patrons of Northwestern School Corporation to voice their opinions as to the project and ask questions.

After the purpose of the hearing was explained, the presentations regarding the need for the renovation of and improvements to Northwestern Elementary School, Northwestern Middle School and Northwestern High School (the "Project") were given. An evaluation of

the existing facilities was given. The building plan was then given explaining the proposed facilities. The estimated Project cost and schedule was then presented to the public. The financial consultant explained how this Project could be funded and the tax rate impact the Project would have on the community.

After the above presentations, the Board President announced they would now hear testimony and questions from the public. As there were no questions or comments from the public, Mr. Alexander closed the public hearing.

The Board then considered the Project Resolution to construct the Project at a cost of more than one million dollars per building. Motion made by Ted Merrell to adopt the resolution attached as Exhibit A. Seconded by Todd Moser. A discussion was held by the Board. Motion carried unanimously. (5 for; 0 against).

The President next stated that the proposed sixth amendment lease (the "Sixth Amendment"), plans, specifications and estimates for the school buildings to be renovated and improved by the Northwestern School Building Corporation had been on file from the date of publication of said notice until today, in the Administration Building of Northwestern School Corporation, Kokomo, Indiana. Copies of the same were presented to this meeting for the inspection of the members of the Board of School Trustees. He said that it was not necessary to review in detail all of the procedure to date since all of the members of the Board were thoroughly familiar with all steps heretofore taken, including the proposed Sixth Amendment, plans, specifications and estimates just submitted, but that if any persons present, other than members of this Board of School Trustees had any questions concerning these documents or the previous actions of this Board, or other steps taken looking towards the renovation and improvements of said school buildings, he would be glad to answer the same.

The meeting was then open for questions and for the hearing of all persons interested. After hearing all persons interested, and following discussion by members of the

Board of School Trustees, on motion duly made by Todd Moser and seconded by Ted Merrell, the resolution attached as Exhibit B was unanimously adopted by a vote of 5-0.

The President further advised the Board that it needed to consider the Resolution Receiving Patrons' Petition and Determining Need for the Project. Following a motion from Todd Moser and second from Jonathan Underwood, the Board unanimously adopted the resolution attached as Exhibit C by a vote of 5-0.

The President next advised the Board that it needed to approve the form of Continuing Disclosure Undertaking and issuance of bonds. Motion made by Ted Merrell to adopt the resolution attached as Exhibit D. The motion was second by Jonathan Underwood; motion passed unanimously by a vote of 5-0.

Motion made and seconded to adjourn the meeting. Meeting adjourned.

Secretary, Board of School Trustees

ATTEST:

President, Board of School Trustees

EXHIBIT A
PROJECT RESOLUTION

WHEREAS, the Northwestern School Corporation Board of School Trustees at a meeting on December 5, 2013 held a public hearing in accordance with I.C. 20-26-7-37 for the purpose of answering questions and listening to taxpayers' comments and any evidence they may present about the proposed renovation of and improvements to Northwestern Elementary School, Northwestern Middle School and Northwestern High School (the "Project"); and

WHEREAS, the Northwestern School Corporation Board of School Trustees has carefully studied all of the known options and feels that the proposed Project is in the best interest of the present and future students to be served by these facilities; now, therefore,

BE IT RESOLVED, that the Project will be constructed for the purpose of providing an improved educational program and environment for students.

BE IT FURTHER RESOLVED, that the estimated hard and soft construction costs of the renovation of and improvements to Northwestern Elementary School is \$145,000 and the renovation of and improvements to Northwestern Middle School is \$535,000 and the renovation of and improvements to Northwestern High School is \$920,000 with estimated costs of issuance of \$25,000 resulting in total estimated Project costs of \$1,625,000.

BE IT FURTHER RESOLVED, that the estimated \$1,625,000 will be funded by one or more of the following: Capital Projects Fund and Building Corporation Bond Issue with an anticipated impact on the Debt Service Fund tax rate of \$0.2858 per \$100 assessed valuation based on an estimated \$697,089,545 assessed valuation beginning in 2014. However, as other debt is repaid and refunded, the net increase to the Debt Service Fund tax rate is expected to be \$0.00.

Passed and adopted this 5th day of December, 2013.



President

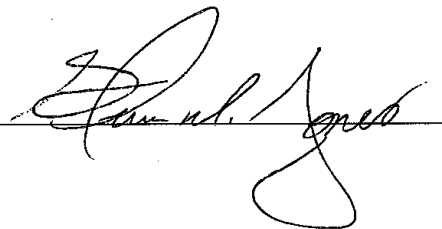


EXHIBIT B

RESOLUTION AUTHORIZING EXECUTION OF SIXTH AMENDMENT TO LEASE

WHEREAS, this Board of School Trustees has previously examined and approved a form of sixth amendment to lease (the "Sixth Amendment") proposed by Northwestern School Building Corporation on November 14, 2013; and,

WHEREAS, notice of a hearing on the proposed Sixth Amendment was given by publication in the Kokomo Tribune and in the Kokomo Herald on October 31, 2013, and said hearing has been held in accordance with said notice; now, therefore,

BE IT RESOLVED by the Board of School Trustees of the Northwestern School Corporation, that this Board now finds that the preliminary plans, specifications and estimates provide the necessary facilities for the pupils of this School Corporation and the same now are hereby approved, and the members of the Board of School Trustees be, and they are hereby authorized and directed to endorse their approval upon such plans, specifications and estimates.

BE IT FURTHER RESOLVED, that the proposed Sixth Amendment with Northwestern School Building Corporation, as lessor, provides for a fair and reasonable rental and further that the execution of said Sixth Amendment is necessary and wise.

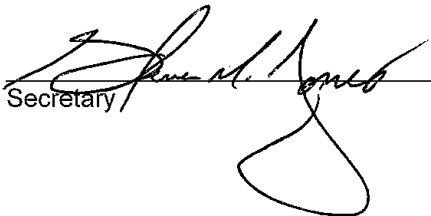
BE IT FURTHER RESOLVED, that the Secretary is authorized and directed to initial and date a copy of the proposed Sixth Amendment and to place the same in the minute book immediately following the minutes of this meeting, and said Sixth Amendment is made a part of this resolution as fully as if the same were set forth herein.

BE IT FURTHER RESOLVED, that the President and Secretary of the Board of School Trustees be, and they are hereby authorized and directed to execute the aforesaid Sixth Amendment on behalf of Northwestern School Corporation.

Passed and Adopted this 5th day of December, 2013.



President



Secretary

EXHIBIT C

PATRONS' PETITION RESOLUTION

WHEREAS, a petition in multiple counterparts, signed by more than fifty (50) patrons of Northwestern School Corporation (the "School Corporation") has been filed with this Board requesting the renovation, improvement and leasing from the Northwestern School Building Corporation of school facilities; and

WHEREAS, such petition has been carefully considered and investigations have been conducted by this Board, both before and after the filing of said petition; and

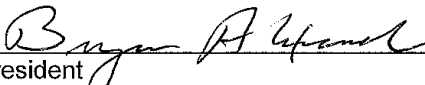
WHEREAS, this Board now finds that a need exists for such school facilities, and that the School Corporation cannot provide the necessary funds to pay the cost of the school facilities required to meet such need; and

WHEREAS, it is deemed desirable to proceed with the necessary negotiations and all other steps looking toward the renovation and improvement of such facilities by Northwestern School Building Corporation and the lease of such facilities to the School Corporation; now, therefore,

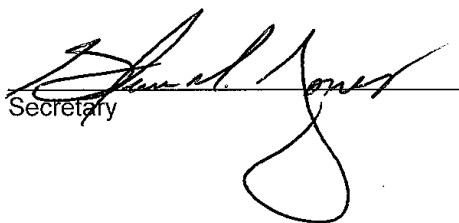
BE IT RESOLVED, that the petition of school patrons heretofore filed with this Board is hereby approved.

BE IT FURTHER RESOLVED, that a need exists for the renovation and improvement of such facilities, and that such facilities cannot be renovated and improved from any funds available to the School Corporation, and that this Board proceed to take such steps as may be necessary to secure the renovation, improvement and leasing of such school facilities as provided by the Indiana Code Title 20, Article 47, Chapter 3.

Passed and Adopted this 5th day of December, 2013.



President



Secretary

EXHIBIT D

**RESOLUTION APPROVING ISSUANCE OF BONDS AND CONTINUING
DISCLOSURE UNDERTAKING**

WHEREAS, the Northwestern School Building Corporation (the "Building Corporation") proposes to issue its bonds, in a principal amount not to exceed \$18,300,000; and

WHEREAS, a Continuing Disclosure Undertaking has been presented to the Board of School Trustees; and

WHEREAS, the Board of School Trustees must approve the form of Undertaking; now therefore,

BE IT RESOLVED, that the School Corporation shall approve and ratify the issuance of the Building Corporation's First Mortgage Bonds, in a principal amount not to exceed \$18,300,000 (the "Bonds"), such Bonds shall be designated as "Northwestern School Building Corporation Ad Valorem Property Tax First Mortgage Refunding and Improvement Bonds, Series 2013".

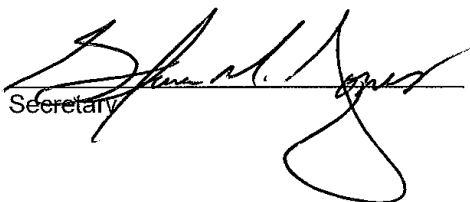
BE IT FURTHER RESOLVED, that the Board of School Trustees hereby approves the form of Continuing Disclosure Undertaking and hereby authorizes the President and Secretary of the Board of School Trustees to execute such Undertaking and any other document or certificate necessary for the issuance of the bonds described in the Undertaking.

BE IT FURTHER RESOLVED, that the officers of the Board of School Trustees are hereby authorized and directed to execute any and all documents required in order to issue and deliver the Bonds.

Passed and Adopted this 5th day of December, 2013.



President



Secretary