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SECOND AMENDMENT TO LEASE

Between

HAMMOND MULTI-SCHOOL BUILDING CORPORATION

And

SCHOOL CITY OF HAMMOND

2007 052601

WHEREAS, the Hammond Multi-School Building Corporation, an Indiana corporation (hereinafter called the "Lessor"), and the School City of Hammond, a school corporation existing under the laws of the State of Indiana and located in Lake County (hereinafter called the "Lessee"), did heretofore enter into a Lease Agreement dated May 5, 1995 (the "Lease"), as amended by an Amendment to Lease dated as of October 5, 1995 (the "Amendment to Lease"), as authorized by I.C. 20-47-3 (formerly I.C. 21-5-12) of the real estate described on Exhibit A attached hereto. The Lease was duly recorded in the office of the Recorder of Lake County, Indiana, on October 24, 2001 and appears as Instrument Number 95060257 and the Amendment to Lease was duly recorded on January 8, 1997 and appears as Instrument Number 97044102; and

WHEREAS, Lessor in 1997 issued its First Mortgage Bonds, Series 1997 in the amount of Thirty-One Million Seven Hundred Ninety-Five Thousand Dollars (\$31,795,000) (hereinafter referred to as the "1997 Bonds") to refund the Lessor's First Mortgage Bonds, Series 1995 (the "1995 Bonds"). The 1995 Bonds were originally issued to provide for the renovation of and improvements to the Kenwood Elementary School, Lew Wallace Elementary School and George Rogers Clark High School buildings; and

WHEREAS, Lessor now desires to refund the outstanding 1997 Bonds (the "Refunded Bonds"), as authorized by I.C. 5-1-5 and thereby and thereby generate additional cash for improvements to school facilities; now therefore,

IT IS AGREED by and between the Lessor and the Lessee that the Lease made and executed between them shall be amended as follows effective with the issuance and delivery by the Lessor of the First Mortgage Refunding Bonds, Series 2007 and the partial release and discharge of the Trust Indenture dated June 1, 1997, solely as it relates to the Refunded Bonds:

- 1. Section 2 of the Lease is amended as follows:

On or before the 20th day of the month preceding a rental payment date, the Lessee shall notify the Lessor and Trustee in writing if the Lessee reasonably expects that it will have insufficient funds to make the required rental payment when due and payable. Upon receipt of such notice from the Lessee, the Lessor shall immediately notify the Trustee in writing of the Lessee's expectation that it will not make the required rental payment when due and payable. The Bond

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K

"I affirm, under the penalties for perjury, that I have taken reasonable care to verify each Social Security number in this document, unless required by law." Lisa Kemp  
1/1929421

**Ticor Title recorded this document as an accommodation. Ticor did not examine the document or the title of the real estate affected.**

TICOR TITLE INSURANCE  
Crown Point, Indiana

Return to  
James Winkler

Insurer, as defined in the Indenture, shall receive a copy of the above-described notices at its address as indicated in the Indenture.

The lease rental payment schedule is as shown on Exhibit B attached hereto.

2. Section 12 of the Lease is amended as follows:

For purposes of clarifying any ambiguity, the parties acknowledge and agree that the 90 day period for correcting a default under the Lease applies only to defaults described in (b) of that Section and not with respect to payment of rentals or other sums payable by the Lessee.

IT IS HEREBY FURTHER AGREED that all other provisions of the Lease, shall remain in effect.

Dated as of June 1, 2007.

HAMMOND MULTI-SCHOOL BUILDING CORPORATION

**Document NOT OFFICIAL!**

This Document is the property of the Lake County Recorder!

By: *Edward J. Olm*  
President

Attest:

*Gail Rodovich*  
Secretary

A large, semi-transparent red octagonal watermark with the word "STOP" in white capital letters is centered on the page. It partially obscures the signature of the President and the text of the document.

A circular seal for the Recorder's Office, Indiana. It features an open book in the center, surrounded by the text "RECORDER'S OFFICE" and "SEAL INDIANA".

SCHOOL CITY OF HAMMOND

By: *David Marshall*  
President, Board of Trustees

Attest:

*Alberta Dent*  
Secretary, Board of Trustees



STATE OF INDIANA )  
 ) SS:  
COUNTY OF LAKE )

Before me, the undersigned, a Notary Public in and for said County and State, this 12th day of June, 2007 personally appeared Donald Osborne and Sail Rodovch, personally known to me to be the President and Secretary, respectively, of Hammond Multi-School Building Corporation, and acknowledged the execution of the foregoing Second Amendment to Lease for and on behalf of said Corporation.

WITNESS my hand and notarial seal.

Carol Ann Stepko  
(Written Signature)

CAROL ANN STEPKO  
(Printed Signature)  
Notary Public

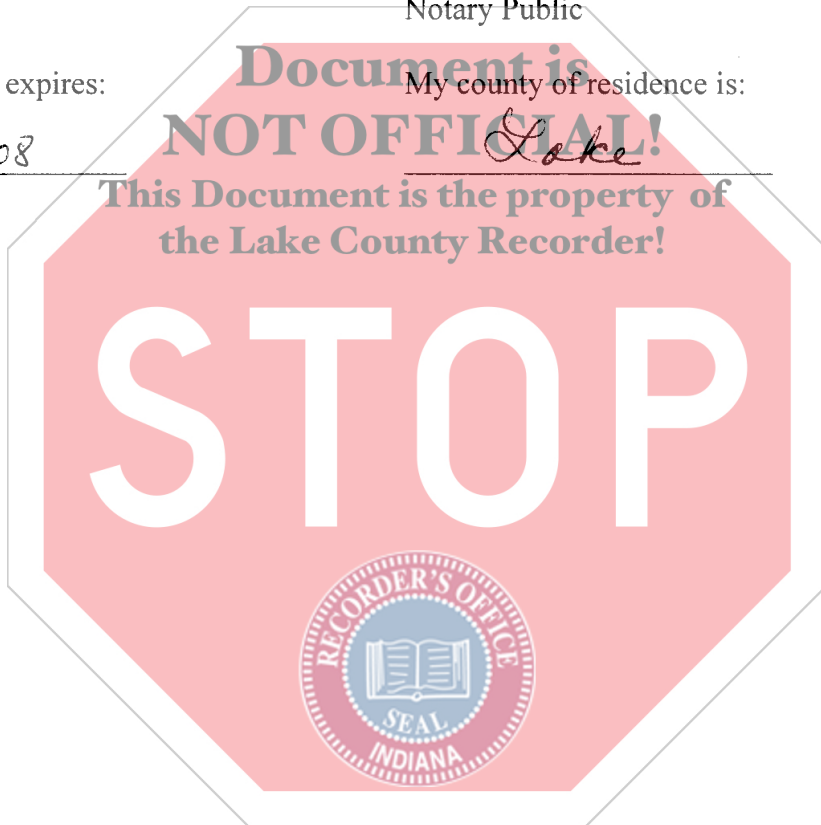
(Seal)

My commission expires:

3/22/08

My county of residence is:

Lake



STATE OF INDIANA )  
 ) SS:  
COUNTY OF LAKE )

Before me, the undersigned, a Notary Public in and for said County and State, this 12<sup>th</sup> day of June, 2007, personally appeared Anna Mamala and Albertine Dent, personally known to me to be the President and the Secretary, respectively, of the School City of Hammond, and acknowledged the execution of the foregoing Second Amendment to Lease for and on behalf of said school corporation.

WITNESS my hand and notarial seal.

Carol Ann Stepko  
(Written Signature)

CAROL ANN STEPKO  
(Printed Signature)

(Seal)

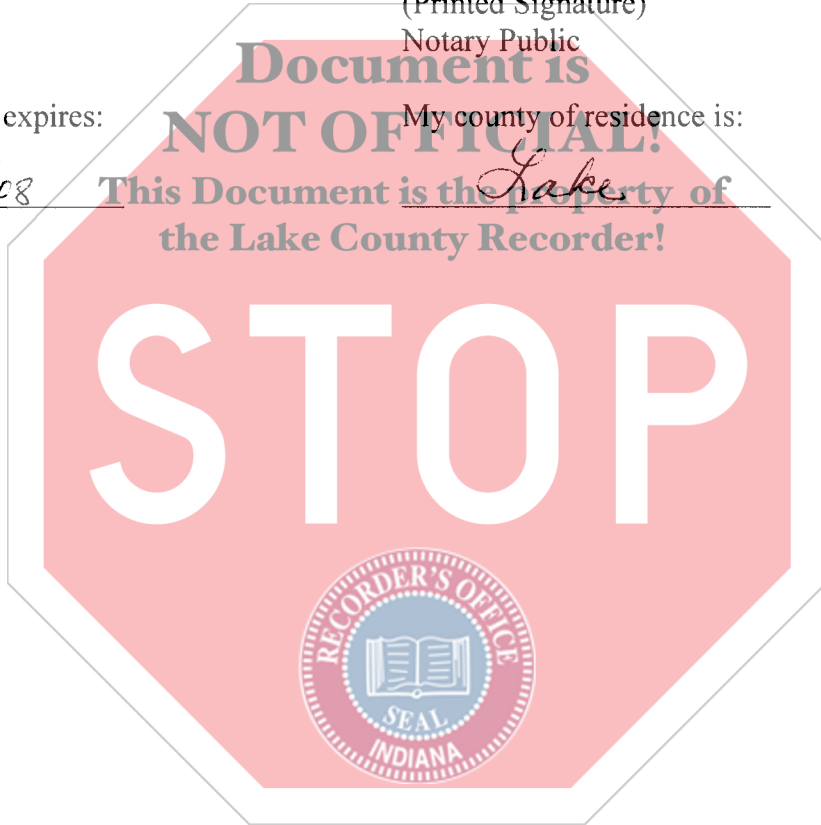
Notary Public

My commission expires:

My county of residence is:

3/22/08

Lake  
This Document is the property of  
the Lake County Recorder!



**EXHIBIT A**

The Leased Premises consists of a portion of the Kenwood Elementary School, Wallace Elementary School and George Rogers Clark High School, as more particularly described in the following legal description:

**Kenwood Elementary School**

Lots 1 through 34, both inclusive, and the vacated alley lying between Lots 1 to 17 and 18 to 34, in Block 7, in Kenwood Addition to Hammond, as per plat thereof, recorded in Plat Book 10 page 17, in the Office of the Recorder of Lake County, Indiana and commonly described as 6416 Hohman Avenue, Hammond, Indiana.

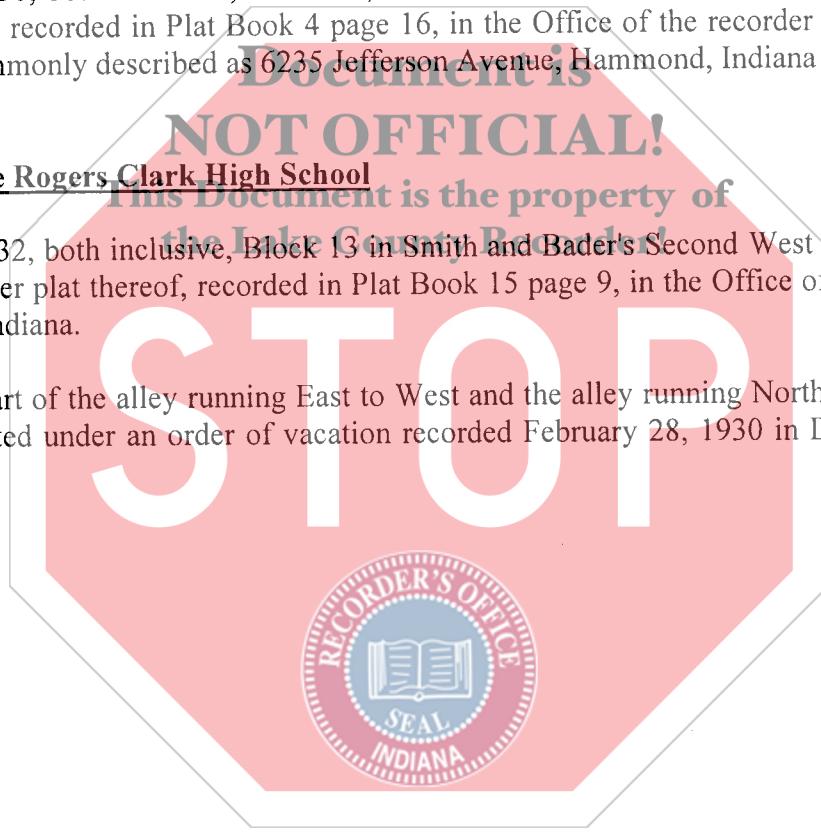
**Lew Wallace Elementary School**

Lots 1 through 30, both inclusive, Block 11, in Franklin Addition, in the City of Hammond, as per plat thereof, recorded in Plat Book 4 page 16, in the Office of the recorder of Lake County, Indiana and commonly described as 6235 Jefferson Avenue, Hammond, Indiana

**Tract 3-George Rogers Clark High School**

Lots 1 through 32, both inclusive, Block 13 in Smith and Bader's Second West Park Addition to Hammond, as per plat thereof, recorded in Plat Book 15 page 9, in the Office of the Recorder of Lake County, Indiana.

Also, all that part of the alley running East to West and the alley running North to South in said Block 13, vacated under an order of vacation recorded February 28, 1930 in Deed Record 209 page 27.



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**EXHIBIT B**

**SCHEDULE OF SEMI-ANNUAL LEASE RENTAL PAYMENTS**

(See Attached Schedule)



I affirm, under penalties for perjury, that I have taken reasonable care to redact each social security number in this document, unless required by law.

Thomas W. Peterson

This instrument prepared by Thomas W. Peterson, Ice Miller LLP, One American Square, Suite 3100, Indianapolis, Indiana 46282-0200.

HAMMOND MULTI-SCHOOL BUILDING CORPORATION  
SCHOOL CITY OF HAMMOND

SCHEDULE OF ANNUAL LEASE RENTAL CALCULATIONS

<u>Payment Date</u>	<u>Lease Payment Date</u>	<u>Semiannual Debt Service</u>	<u>Annual Debt Service</u>	<u>Semiannual Lease Rental Payments</u>	<u>Annual Lease Rental Payments</u>
07/15/07	07/05/07	\$1,219,780.00		\$1,225,000	
01/15/08	01/05/08	1,223,150.00	\$2,442,930.00	1,225,000	\$2,450,000
07/15/08	07/05/08	1,100,950.00		1,105,000	
01/15/09	01/05/09	1,100,950.00	2,201,900.00	1,105,000	2,210,000
07/15/09	07/05/09	1,100,750.00		1,105,000	
01/15/10	01/05/10	1,100,350.00	2,201,100.00	1,105,000	2,210,000
07/15/10	07/05/10	1,104,750.00		1,105,000	
01/15/11	01/05/11	1,103,850.00	2,208,600.00	1,105,000	2,210,000
07/15/11	07/05/11	1,102,750.00		1,105,000	
01/15/12	01/05/12	1,101,450.00	2,204,200.00	1,105,000	2,210,000
07/15/12	07/05/12	1,099,950.00		1,105,000	
01/15/13	01/05/13	1,103,250.00	2,203,200.00	1,105,000	2,210,000
07/15/13	07/05/13	1,101,250.00		1,105,000	
01/15/14	01/05/14	1,104,050.00	2,205,300.00	1,105,000	2,210,000
07/15/14	07/05/14	1,101,550.00		1,105,000	
01/15/15	01/05/15	1,103,850.00	2,205,400.00	1,105,000	2,210,000
07/15/15	07/05/15	1,900,850.00		1,905,000	
01/15/16	01/05/16	1,904,350.00	3,805,200.00	1,905,000	3,810,000
07/15/16	07/05/16	2,246,850.00		2,250,000	
01/15/17	01/05/17	2,249,850.00	4,496,700.00	2,250,000	4,500,000
07/15/17	07/05/17	2,246,250.00		2,250,000	
01/15/18	01/05/18	2,247,125.00	4,493,375.00	2,250,000	4,500,000
07/15/18	07/05/18	2,941,750.00		2,942,000	
01/15/19	01/05/19	2,937,750.00	5,879,500.00	2,942,000	5,884,000
07/15/19	07/05/19	1,727,125.00	1,727,125.00	1,729,000	1,729,000
Totals		<u>\$38,274,530.00</u>	<u>\$38,274,530.00</u>	<u>\$38,343,000</u>	<u>\$38,343,000</u>

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(Subject to the comments in the attached report  
dated June 21, 2007 of Umbaugh.)