

**O'NEILL PUBLIC SCHOOLS  
BOARD OF EDUCATION**

Monday, November 20, 2017  
7:30 PM

Jr-Sr High School - Gymnasium  
540 East Hynes  
O'Neill, NE 68763

**REGULAR MEETING  
AGENDA**

{{Name: Agenda Item Name}} {{Speaker: Agenda Item Speakers}}  
{{Rationale: Agenda Item Rationale}} {{RecommendedMotions: Agenda Item Recommended Motions}} {{Goals: Agenda Item Goals}}  
{{AgendaItemEnd}}

**1. Call to Order**

A. Roll Call

B. Excused/Unexcused Board Members

**2. Pledge of Allegiance**

**3. Approve Meeting Agenda**

**4. Reception of Visitors**

**5. Oral and Written Communications**

**6. Old Business**

A. Junior-Senior High School Projects to be Considered for Lease Purchase

B. A Resolution Authorizing the District to Enter into One or More Lease-Purchase Financings for the Leasing of One or More Facilities and Equipment, all to be Used for High School Purposes

## **7. New Business**

## **8. Adjournment**

*The agenda sequence is provided as a courtesy only. The board reserves the right to consider each item in any sequence it deems appropriate. Therefore, we encourage visitors to attend the meeting from the beginning. As a result of a majority vote by the board, certain agenda items may be clearly necessary to discuss in executive session in order to protect the public interest or to prevent needless injury to the reputation of an individual, and if the individual has not requested a public meeting.*



11/20/2017

### O'Neill High School- Value Management Options

Item	Scope Removed From Project	Quantity	Cost
1	Remove Central Administration Addition	3,040 SF	\$ (540,000)
2	3 Additional Classrooms Being Turned into Commons Space in Lieu of Classrooms		\$ (25,000)
3	Reduce Auditorium Seating to 610 seats	140 Seats	\$ (300,000)
4	Reduce Gymnasium seating to 1,485 seats	318 Seats	\$ (250,000)
5	Remove New Band Room	3,343 SF	\$ (610,000)

**SOURCES AND USES OF FUNDS**

**HOLT COUNTY SCHOOL DISTRICT 0007, IN THE STATE OF NEBRASKA  
(O'NEILL PUBLIC SCHOOLS)  
LEASE PURCHASE AGREEMENTS, SERIES 2017 and SERIES 2018  
Combined Results  
[ Preliminary -- for discussion only ]**

	<b>Dated Date</b> <b>Delivery Date</b>	<b>12/15/2017</b> <b>12/15/2017</b>	<b>06/15/2018</b> <b>06/15/2018</b>	
<b>Sources:</b>		<b>Ser. 2017</b>	<b>Ser. 2018</b>	<b>Total</b>
Lease Proceeds:				
Par Amount		8,000,000.00	8,000,000.00	16,000,000.00
		8,000,000.00	8,000,000.00	16,000,000.00
<b>Uses:</b>		<b>Ser. 2017</b>	<b>Ser. 2018</b>	<b>Total</b>
Project Fund Deposits:				
Project		7,840,000.00	7,840,000.00	15,680,000.00
Cost of Issuance:				
Other Cost of Issuance		160,000.00	160,000.00	320,000.00
		8,000,000.00	8,000,000.00	16,000,000.00

**AGGREGATE DEBT SERVICE**

**HOLT COUNTY SCHOOL DISTRICT 0007, IN THE STATE OF NEBRASKA  
(O'NEILL PUBLIC SCHOOLS)  
LEASE PURCHASE AGREEMENTS, SERIES 2017 and SERIES 2018  
Combined Results**

[ Preliminary -- for discussion only ]

Date	Ser. 2017 Principal	Ser. 2017 Interest	Ser. 2017 Debt Service	Ser. 2018 Principal	Ser. 2018 Interest	Ser. 2018 Debt Service	Aggregate Debt Service	Annual Total
06/15/2018	420,000	80,000.00	500,000.00				500,000.00	500,000.00
08/31/2018								
12/15/2018	340,000	75,800.00	415,800.00		80,000.00	80,000.00	495,800.00	500,000.00
06/15/2019	345,000	72,400.00	417,400.00		80,000.00	80,000.00	497,400.00	993,200.00
08/31/2019								
12/15/2019	350,000	68,950.00	418,950.00		80,000.00	80,000.00	498,950.00	994,400.00
06/15/2020	350,000	65,450.00	415,450.00		80,000.00	80,000.00	495,450.00	994,400.00
08/31/2020								
12/15/2020	455,000	61,950.00	516,950.00	900,000	80,000.00	980,000.00	1,496,950.00	2,995,350.00
06/15/2021	695,000	57,400.00	752,400.00	675,000	71,000.00	746,000.00	1,498,400.00	2,995,350.00
08/31/2021								
12/15/2021	700,000	50,450.00	750,450.00	685,000	64,250.00	749,250.00	1,499,700.00	3,000,550.00
06/15/2022	705,000	43,450.00	748,450.00	695,000	57,400.00	752,400.00	1,500,850.00	3,000,550.00
08/31/2022								
12/15/2022	715,000	36,400.00	751,400.00	695,000	50,450.00	745,450.00	1,496,850.00	2,994,600.00
06/15/2023	720,000	29,250.00	749,250.00	705,000	43,500.00	748,500.00	1,497,750.00	2,994,600.00
08/31/2023								
12/15/2023	730,000	22,050.00	752,050.00	710,000	36,450.00	746,450.00	1,498,500.00	2,997,600.00
06/15/2024	735,000	14,750.00	749,750.00	720,000	29,350.00	749,350.00	1,499,100.00	2,997,600.00
08/31/2024								
12/15/2024	740,000	7,400.00	747,400.00	730,000	22,150.00	752,150.00	1,499,550.00	2,999,400.00
06/15/2025				1,485,000	14,850.00	1,499,850.00	1,499,850.00	2,999,400.00
08/31/2025								
	8,000,000	685,700.00	8,685,700.00	8,000,000	789,400.00	8,789,400.00	17,475,100.00	17,475,100.00

## LEASE SUMMARY STATISTICS

### HOLT COUNTY SCHOOL DISTRICT 0007, IN THE STATE OF NEBRASKA (O'NEILL PUBLIC SCHOOLS) LEASE PURCHASE AGREEMENTS, SERIES 2017 and SERIES 2018 Combined Results

[ Preliminary -- for discussion only ]

Earliest Dated Date	12/15/2017
Earliest Delivery Date	12/15/2017
First Coupon	06/15/2018
Last Maturity	06/15/2025
Arbitrage Yield	2.000000%
True Interest Cost (TIC)	2.000000%
Net Interest Cost (NIC)	1.897113%
All-In TIC	2.465531%
Average Coupon	1.897113%
Average Life (years)	4.860
Weighted Average Maturity (years)	4.610
Par Amount	16,000,000.00
Lease Proceeds	16,000,000.00
Total Interest	1,475,100.00
Net Interest	1,475,100.00
Lease Years from Dated Date	77,755,000.00
Lease Years from Delivery Date	77,755,000.00
Total Debt Service	17,475,100.00
Maximum Annual Debt Service	2,998,650.00
Average Annual Debt Service	2,330,013.33
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	_____
Bid Price	100.000000

Lease Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Due 2024	8,000,000.00	100.000	2.000%	4.286	03/29/2022	5,200.00
Term Due 2025	8,000,000.00	100.000	2.000%	4.934	11/21/2022	5,200.00
	16,000,000.00			4.610		10,400.00

	TIC	All-In TIC	Arbitrage Yield
Par Value	16,000,000.00	16,000,000.00	16,000,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-320,000.00	
- Other Amounts			
Target Value	16,000,000.00	15,680,000.00	16,000,000.00
Target Date Yield	Multiple 2.000000%	Multiple 2.465531%	Multiple 2.000000%

**SOURCES AND USES OF FUNDS**

**HOLT COUNTY SCHOOL DISTRICT 0007, IN THE STATE OF NEBRASKA  
(O'NEILL PUBLIC SCHOOLS)  
LEASE PURCHASE AGREEMENT, SERIES 2017  
\$8M Par  
BQ, Non-Rated, 2024 Final Maturity, Level Debt Service  
[ Preliminary -- for discussion only ]**

Dated Date	12/15/2017
Delivery Date	12/15/2017

**Sources:**

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Lease Proceeds:	
Par Amount	8,000,000.00
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	8,000,000.00
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**Uses:**

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Project Fund Deposits:	
Project	7,840,000.00
Cost of Issuance:	
Other Cost of Issuance	160,000.00
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	8,000,000.00
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**LEASE DEBT SERVICE**

**HOLT COUNTY SCHOOL DISTRICT 0007, IN THE STATE OF NEBRASKA  
(O'NEILL PUBLIC SCHOOLS)  
LEASE PURCHASE AGREEMENT, SERIES 2017  
\$8M Par**

**BQ, Non-Rated, 2024 Final Maturity, Level Debt Service  
[ Preliminary -- for discussion only ]**

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
06/15/2018	420,000	2.000%	80,000	500,000	
08/31/2018					500,000
12/15/2018	340,000	2.000%	75,800	415,800	
06/15/2019	345,000	2.000%	72,400	417,400	
08/31/2019					833,200
12/15/2019	350,000	2.000%	68,950	418,950	
06/15/2020	350,000	2.000%	65,450	415,450	
08/31/2020					834,400
12/15/2020	455,000	2.000%	61,950	516,950	
06/15/2021	695,000	2.000%	57,400	752,400	
08/31/2021					1,269,350
12/15/2021	700,000	2.000%	50,450	750,450	
06/15/2022	705,000	2.000%	43,450	748,450	
08/31/2022					1,498,900
12/15/2022	715,000	2.000%	36,400	751,400	
06/15/2023	720,000	2.000%	29,250	749,250	
08/31/2023					1,500,650
12/15/2023	730,000	2.000%	22,050	752,050	
06/15/2024	735,000	2.000%	14,750	749,750	
08/31/2024					1,501,800
12/15/2024	740,000	2.000%	7,400	747,400	
08/31/2025					747,400
	8,000,000		685,700	8,685,700	8,685,700

## LEASE SUMMARY STATISTICS

### HOLT COUNTY SCHOOL DISTRICT 0007, IN THE STATE OF NEBRASKA (O'NEILL PUBLIC SCHOOLS) LEASE PURCHASE AGREEMENT, SERIES 2017 \$8M Par

**BQ, Non-Rated, 2024 Final Maturity, Level Debt Service  
[ Preliminary -- for discussion only ]**

Dated Date	12/15/2017
Delivery Date	12/15/2017
First Coupon	06/15/2018
Last Maturity	12/15/2024
Arbitrage Yield	2.000000%
True Interest Cost (TIC)	2.000000%
Net Interest Cost (NIC)	2.000000%
All-In TIC	2.500081%
Average Coupon	2.000000%
Average Life (years)	4.286
Weighted Average Maturity (years)	4.286
Duration of Issue (years)	4.095
Par Amount	8,000,000.00
Lease Proceeds	8,000,000.00
Total Interest	685,700.00
Net Interest	685,700.00
Lease Years from Dated Date	34,285,000.00
Lease Years from Delivery Date	34,285,000.00
Total Debt Service	8,685,700.00
Maximum Annual Debt Service	1,502,850.00
Average Annual Debt Service	1,240,814.29
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	100.000000
Bid Price	100.000000

Lease Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Due 2024	8,000,000.00	100.000	2.000%	4.286	03/29/2022	5,200.00
	8,000,000.00			4.286		5,200.00

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,000,000.00	8,000,000.00	8,000,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-160,000.00	
- Other Amounts			
Target Value	8,000,000.00	7,840,000.00	8,000,000.00
Target Date	12/15/2017	12/15/2017	12/15/2017
Yield	2.000000%	2.500081%	2.000000%

**SOURCES AND USES OF FUNDS**

**HOLT COUNTY SCHOOL DISTRICT 0007, IN THE STATE OF NEBRASKA  
(O'NEILL PUBLIC SCHOOLS)  
LEASE PURCHASE AGREEMENT, SERIES 2018  
\$8M Par**

**BQ, Non-Rated, 2025 Final Maturity, Level Debt Service (Wrap Proposed 2017s)  
[ Preliminary -- for discussion only ]**

Dated Date                   06/15/2018  
Delivery Date               06/15/2018

**Sources:**

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Lease Proceeds:	
Par Amount	8,000,000.00
	<hr/>
	8,000,000.00
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**Uses:**

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Project Fund Deposits:	
Project	7,840,000.00
Cost of Issuance:	
Other Cost of Issuance	160,000.00
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	8,000,000.00
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**LEASE DEBT SERVICE**

**HOLT COUNTY SCHOOL DISTRICT 0007, IN THE STATE OF NEBRASKA  
(O'NEILL PUBLIC SCHOOLS)**

**LEASE PURCHASE AGREEMENT, SERIES 2018**

**\$8M Par**

**BQ, Non-Rated, 2025 Final Maturity, Level Debt Service (Wrap Proposed 2017s)**

**[ Preliminary -- for discussion only ]**

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
12/15/2018			80,000	80,000	
06/15/2019			80,000	80,000	
08/31/2019					160,000
12/15/2019			80,000	80,000	
06/15/2020			80,000	80,000	
08/31/2020					160,000
12/15/2020	900,000	2.000%	80,000	980,000	
06/15/2021	675,000	2.000%	71,000	746,000	
08/31/2021					1,726,000
12/15/2021	685,000	2.000%	64,250	749,250	
06/15/2022	695,000	2.000%	57,400	752,400	
08/31/2022					1,501,650
12/15/2022	695,000	2.000%	50,450	745,450	
06/15/2023	705,000	2.000%	43,500	748,500	
08/31/2023					1,493,950
12/15/2023	710,000	2.000%	36,450	746,450	
06/15/2024	720,000	2.000%	29,350	749,350	
08/31/2024					1,495,800
12/15/2024	730,000	2.000%	22,150	752,150	
06/15/2025	1,485,000	2.000%	14,850	1,499,850	
08/31/2025					2,252,000
	8,000,000		789,400	8,789,400	8,789,400

## LEASE SUMMARY STATISTICS

### HOLT COUNTY SCHOOL DISTRICT 0007, IN THE STATE OF NEBRASKA (O'NEILL PUBLIC SCHOOLS)

#### LEASE PURCHASE AGREEMENT, SERIES 2018

**\$8M Par**

**BQ, Non-Rated, 2025 Final Maturity, Level Debt Service (Wrap Proposed 2017s)  
[ Preliminary -- for discussion only ]**

Earliest Dated Date	06/15/2018
Earliest Delivery Date	06/15/2018
First Coupon	12/15/2018
Last Maturity	06/15/2025
Arbitrage Yield	2.000000%
True Interest Cost (TIC)	2.000000%
Net Interest Cost (NIC)	2.000000%
All-In TIC	2.435082%
Average Coupon	2.000000%
Average Life (years)	4.934
Weighted Average Maturity (years)	4.934
Par Amount	8,000,000.00
Lease Proceeds	8,000,000.00
Total Interest	789,400.00
Net Interest	789,400.00
Lease Years from Dated Date	39,470,000.00
Lease Years from Delivery Date	39,470,000.00
Total Debt Service	8,789,400.00
Maximum Annual Debt Service	1,501,500.00
Average Annual Debt Service	1,255,628.57
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	100.000000
Bid Price	100.000000

Lease Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Due 2025	8,000,000.00	100.000	2.000%	4.934	05/22/2023	5,200.00
	8,000,000.00			4.934		5,200.00

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,000,000.00	8,000,000.00	8,000,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-160,000.00	
- Other Amounts			
Target Value	8,000,000.00	7,840,000.00	8,000,000.00
Target Date	Multiple	Multiple	Multiple
Yield	2.000000%	2.435082%	2.000000%

**Impact on Property Taxes with a Building Fund Levy of \$0.10 and General Fund Levy of \$0.69 (2017)**

A Taxpayer with an Irrigated Quarter of Land Valued for Tax Purposes at \$700,000 would owe an additional \$350/Year for School Taxes

A Taxpayer with a Quarter of Grassland Valued for Tax Purposes at \$350,000 would owe an additional \$175/Year for School Taxes

A Homeowner with a Home Valued at \$100,000 would owe an additional \$50/Year for School Taxes

A Homeowner with a Home Valued at \$200,000 would owe an additional \$100/Year for School Taxes

**Impact on Property Taxes with a Building Fund Levy of \$0.14 and General Fund Levy of \$0.70 (2018)**

A Taxpayer with an Irrigated Quarter of Land Valued for Tax Purposes at \$700,000 would owe an additional \$350/Year for School Taxes

A Taxpayer with a Quarter of Grassland Valued for Tax Purposes at \$350,000 would owe an additional \$175/Year for School Taxes

A Homeowner with a Home Valued at \$100,000 would owe an additional \$50/Year for School Taxes

A Homeowner with a Home Valued at \$200,000 would owe an additional \$100/Year for School Taxes

**The following years should remain steady until the lease purchases are paid off in June of 2025 when they should be reduced in the follow ways General Fund of \$0.70 and Building Fund of \$0.04:**

A Taxpayer with an Irrigated Quarter of Land Valued for Tax Purposes at \$700,000 would owe \$700/Year Less for School Taxes

A Taxpayer with a Quarter of Grassland Valued for Tax Purposes at \$350,000 would owe \$350/Year Less for School Taxes

A Homeowner with a Home Valued for Tax Purposes at \$100,000 would owe \$100/Year Less for School Taxes

A Homeowner with a Home Valued for Tax Purposes at \$200,000 would owe \$200/Year Less for School Taxes



- PROJECT 2A - SCIENCE CLASSROOMS
- PROJECT 2B - ADMIN & COMMONS
- PROJECT 2C - CTL CLASSROOMS & BAND
- PROJECT 2D - JR. HIGH CLASSROOMS, COMMONS
- PROJECT 3 - AUDITORIUM
- PROJECT 4 - GYMNASIUM & LOCKERS
- RENOVATION - INTERIOR RENOVATION

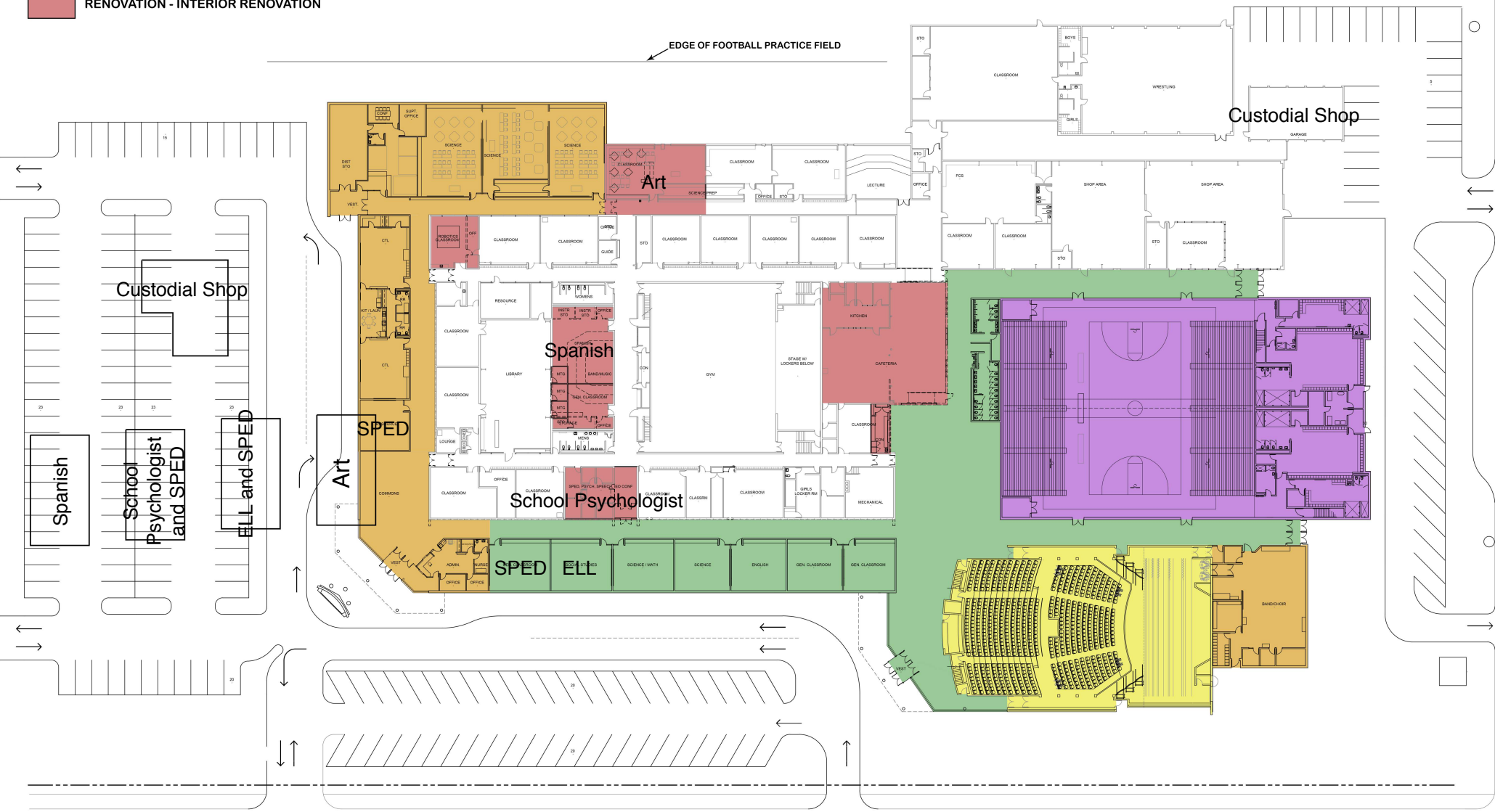
# O'Neill Public Schools

## Financing & Project Site Plan



Lincoln  
1221 N Street, Suite 600  
Lincoln NE 68508  
Phone 402-476-9700  
Fax 402-476-9722

Vermillion  
15 East Main, Suite 201  
Vermillion SD 57069  
Phone 605-624-1081



**1** SITE PLAN  
SCALE 1" = 20'

## Payment Schedule on a \$16,000,000 Lease Purchase

	Payments	2017-18 General Funds	2017-18 Building Funds	Total Funds
Beginning Balances		\$735,000.00	\$1,700,000.00	\$2,435,000.00
2017-18 Dec. HVAC Payment	\$530,898.00		\$1,169,102.00	\$1,904,102.00
2017-18 June HVAC Payment	\$533,708.00	\$201,292.00		\$1,370,394.00
2017-18 June High School Payment	\$500,000.00		\$669,102.00	\$870,394.00
2017-18 Architect's Fees	\$500,000.00		\$169,102.00	\$370,394.00
		2018-19 General Funds	2018-19 Building Funds	
Beginning Balances		\$735,000.00	\$2,163,127.00	\$2,898,127.00
2018-19 Dec. HVAC Payment	\$531,369.00	\$203,631.00		\$2,366,758.00
2018-19 Dec. High School Payment	\$495,800.00		\$1,667,327.00	\$1,870,958.00
2018-19 June HVAC Payment	\$528,899.00		\$1,138,428.00	\$1,342,059.00
2018-19 June High School Payment	\$497,400.00		\$641,028.00	\$844,659.00
2018-19 Architect's Fees	\$300,000.00		\$341,028.00	\$544,659.00
		2019-20 General Funds	2019-20 Building Funds	
Beginning Balances		\$735,000.00	\$2,335,053.00	\$3,070,053.00
2019-20 Dec. HVAC Payment	\$531,168.00	\$203,832.00		\$2,538,885.00
2019-20 Dec. High School Payment	\$498,950.00		\$1,836,103.00	\$2,039,935.00
2019-20 June HVAC Payment	\$528,150.00		\$1,307,953.00	\$1,511,785.00
2019-20 June High School Payment	\$495,450.00		\$812,503.00	\$1,016,335.00
2019-20 Architect's Fees	\$200,000.00		\$612,503.00	\$816,335.00
		2020-21 General Funds	2020-21 Building Funds	
Beginning Balances		\$1,000,000.00	\$2,606,528.00	\$3,606,528.00
2020-21 Dec. High School Payment	\$1,496,950.00	\$0.00	\$2,109,578.00	\$2,109,578.00
2020-21 June High School Payment	\$1,498,400.00		\$611,178.00	\$611,178.00
		2021-22 General Funds	2021-22 Building Funds	
Beginning Balances		\$1,000,000.00	\$2,605,203.00	\$3,605,203.00

2021-22 Dec. High School Payment	\$1,500,850.00	\$0.00	\$2,104,353.00	\$2,104,353.00
2021-22 June High School Payment	\$1,496,850.00		\$607,503.00	\$607,503.00
		2022-23 General Funds	2022-23 Building Funds	
		\$1,000,000.00	\$2,601,528.00	\$3,601,528.00
2022-23 Dec. High School Payment	\$1,496,850.00	\$0.00	\$2,104,678.00	\$2,104,678.00
2022-23 June High School Payment	\$1,497,750.00		\$606,928.00	\$606,928.00
		2023-24 General Funds	2023-24 Building Funds	
Beginning Balances		\$1,000,000.00	\$2,600,953.00	\$3,600,953.00
2023-24 Dec. High School Payment	\$1,498,500.00	\$0.00	\$2,102,453.00	\$2,102,453.00
2023-24 June High School Payment	\$1,499,100.00		\$603,353.00	\$603,353.00
		2024-25 General Funds	2024-25 Building Funds	
Beginning Balances		\$1,000,000.00	\$2,597,378.00	\$3,597,378.00
2024-25 Dec. High School Payment	\$1,499,550.00	\$0.00	\$2,097,828.00	\$2,097,828.00
2024-25 June High School Payment	\$1,499,850.00		\$597,978.00	\$597,978.00

## Possible Reductions on the \$17,640,215 Project

Remove Theater Equipment - \$613,100 – Raise \$300,000 privately and match that with a grant

Reduce the Number of Seats in the Gymnasium to 1,485 - \$250,000

Reduce the Number of Seats in the Auditorium to 610 - \$300,000

Don't Move Central Office - \$540,000

Don't Finish Three of the South Classrooms - \$25,000

Remove the New Band Room - \$610,000

<b>Project Options</b>	
Project #1 (Equipment) Cost	\$2,053,100.00
Project #1 Option 2 Without Auditorium Equipment	\$1,440,000.00
Project #1 Option 3 Without Gymnasium Equipment	\$1,753,100.00
Project #1 Option 4 Without Auditorium and Gymnasium Equipment	\$1,140,000.00
Project #2A,2B,2C (Science Classrooms, Administration and Commons, Center for Teaching and Learning, and Band)	\$4,315,558.00
Project #2A,2B,2C Option 2 - without Central Office	\$3,775,558.00
Project #2A,2B,2C Option 2 - without the New Band Room	\$3,705,558.00
Project #2D (Jr. High/Middle School Wing: Classrooms and Activity Area Commons)	\$3,926,931.00
Project #2D Option 2 - Don't Finish Three of the Classrooms	\$3,901,931.00
Project #3 (Auditorium with 750 Seats)	\$2,939,754.00
Project #3 Option 2 (Auditorium with 610 Seats)	\$2,639,754.00
Project #4 (Gymnasium with 1,800 Seats, 4 ADA Locker Rooms, and Mechanical Area/Storage)	\$4,404,873.00
Project #4 Option 2 (Gymnasium with 1,485 Seats, 4 ADA Locker Rooms, and Mechanical Area/Storage)	\$4,154,873.00
<b>Total for All Five Projects Without Modifications</b>	<b>\$17,640,215.00</b>
<b>Total for All Five Projects with Project #1 Option 2 (Everything except the auditorium equipment)</b>	<b>\$17,027,115.00</b>
<b>Total for All Five Projects with Project #1 Option 2 and Project #3 Option 2 (Everything with a 610 seat auditorium and no auditorium equipment)</b>	<b>\$16,727,115.00</b>
<b>Total for All Five Projects with Project #1 Option 2, Project #3 Option 2, and Project #4 Option 2 (Everything with a 610 seat auditorium, a 1,485 seat gymnasium, and no auditorium equipment)</b>	<b>\$16,477,115.00</b>

<b>Total for All Five Projects with Project #1 Option 2, Project #2D Option 2, Project #3 Option 2, and Project #4 Option 2 (Everything with a 610 seat auditorium, a 1,485 seat gymnasium, not finishing three rooms on the south side, and no auditorium equipment)</b>	<b>\$16,452,115.00</b>
<b>Total for All Five Projects with Project #1 Option 2, Project #2A,2B,2C Option 2, Project #2D Option 2, Project #3 Option 2, and Project #4 Option 2 ( Everything with a 610 seat auditorium, a 1,485 seat gymnasium, not finishing three rooms on the south side, no auditorium equipment, and not moving Central Office to the High School)</b>	<b>\$15,912,115.00</b>
<b>Total for Project #1 Option 2, Project #2A,2B,2C, Project #2D, and Project #4 (Everything without an auditorium or equipment for it)</b>	<b>\$14,087,361.00</b>
<b>Total for Project #1 Option 2, Project #2A,2B,2C Option 2, Project #2D, and Project #4 (Everything without an auditorium or equipment for it and not moving Central Office to the High School)</b>	<b>\$13,547,362.00</b>
<b>Total for Project #1 Option 3, Project #2A,2B,2C, Project #2D, and Project #3 (Everything without a gymnasium or equipment for it)</b>	<b>\$12,935,342.00</b>
<b>Total for Project #1 Option 4, Project #2A,2B,2C, and Project #2D (Everything without an auditorium or gymnasium or equipment for them)</b>	<b>\$9,382,489.00</b>

## Revenue Sources for the Project

Building Fund - \$0.14 on our current valuation generates \$1,849,525/yr

Windfarm Nameplate Taxes - \$850,000/yr (\$144,500 in the Building Fund and \$705,500 in the General Fund)

Selling the modulars - \$40,000 - \$80,000

Selling the Benton St. Properties - \$300,000 - \$500,000

Not Transporting PE Students - \$9,000/yr.

## Costs for the Project Not Included in the Lease

Architects Fees – \$1,000,000

FFE (Fixtures, Furniture, and Everything Else) - \$100,000

Renovations of Existing Spaces – Renovation for the new art room and old band room - \$25,000 - \$50,000. All other renovations can be put off and paid for as they are done over the next seven years with Building Fund money.

These three items will be paid for over the first one – three years of the project and paid for out of the Building and General Funds.



11/11/2017

### O'Neill High School Financing Options

<b>Project #1</b>	<b>Equipment</b>	<b>Cost</b>
	Mechanical Equipment	\$ 850,000
	Lighting	\$ 250,000
	Clock System	\$ 40,000
	Theater Equipment	\$ 417,000
	Gymnasium Equipment	\$ 150,000
	Auditorium Seating (740 ea)	\$ 196,100
	Telescoping Stands (1,000 ea)	\$ 150,000
		<b>\$ 2,053,100</b>
<b>Project #2A,2B,2C</b>	<b>Classrooms</b>	<b>Cost</b>
21,754 SF	Project 2A Construction	\$ 4,047,845
	Site Work	\$ 267,713
		<b>\$ 4,315,558</b>
<b>Project #2D</b>	<b>Classrooms</b>	<b>Cost</b>
21,818 SF	Project 2D Construction	\$ 3,658,430
	Site Work	\$ 268,501
		<b>\$ 3,926,931</b>
<b>Project #3</b>	<b>Auditorium</b>	<b>Cost</b>
12,194 SF	Auditorium	\$ 2,789,690
	Site Work	\$ 150,064
		<b>\$ 2,939,754</b>
<b>Project #4</b>	<b>Gymnasium / Locker Rooms/ Mech</b>	<b>Cost</b>
28,418 SF	Gymnasium / Locker Rooms/ Mech	\$ 4,055,150
	Site Work	\$ 349,723
		<b>\$ 4,404,873</b>
<b>New Addition Financing TOTAL</b>		<b>\$ 17,640,215</b>

**CERTIFICATE OF POSTING**

The undersigned hereby certifies that a copy of the Notice of Meeting of the Board of Education of Holt County School District 0007 (O'Neill Public Schools) in the State of Nebraska (the "District"), held at 7:30 p.m. on Monday, November 20, 2017, at the Junior-Senior High School Gymnasium located at 540 East Hynes, O'Neill, Nebraska, such notice being in the form attached hereto, was caused to be posted in the public places in the District listed below on the \_\_\_\_ day of November, 2017.

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Dated this 20<sup>th</sup> day of November, 2017.

\_\_\_\_\_  
Title

**NOTE: Attach a copy of the Notice of Meeting, as posted, if such Notice of Meeting is posted.**

ACKNOWLEDGMENT OF RECEIPT  
OF NOTICE OF MEETING

The undersigned members of the Board of Education of Holt County School District 0007 (O'Neil Public Schools) in the State of Nebraska hereby acknowledge receipt of advance notice of a meeting of said body, and the agenda for such meeting, held at 7:30 p.m. on Monday, November 20, 2017, at the Junior-Senior High School Gymnasium located at 540 East Hynes, O'Neil, Nebraska.

DATED this 20<sup>th</sup> day of November, 2017.

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November 20, 2017  
O'Neill, Nebraska

A meeting of the Board of Education (the "Board") of Holt County School District 0007 (more commonly referred to as O'Neill Public Schools) in the State of Nebraska (the "District") was held at 7:30 p.m. on Monday, November 20, 2017, at the Junior-Senior High School Gymnasium located at 540 East Hynes, O'Neill, Nebraska. Advance publicized notice of such meeting was given in strict accordance with the provisions of Article 14, Chapter 84, Reissue Revised Statutes of Nebraska, as amended (the "Open Meetings Act"), and set forth (a) the time, date, and place of this meeting, (b) that this meeting would be open to the attendance of the public and (c) that an agenda of then known subjects to be taken up at the meeting could be obtained from the office of the Superintendent of Schools (the "Superintendent"). A copy of said advance publicized notice was ordered annexed to the minutes of this meeting as Attachment 1. Each Board Member was previously furnished with a copy of said advance publicized notice, the same having been transmitted to each Board Member simultaneously with its publicizing, and a copy of their collective acknowledgment of receipt of such notice is attached to these minutes as Attachment 2. Additionally, reasonable efforts were made to provide advance notification of the meeting to all news media requesting the same of the time, date, and place of the meeting.

The President of the Board, \_\_\_\_\_, presided, and the Secretary of the Board, \_\_\_\_\_, recorded the proceedings. On roll call the following Board Members were present:  
\_\_\_\_\_.

The following Board Members were absent: \_\_\_\_\_. A quorum being present and the meeting duly commenced, the following proceedings were had and done.

The President of the Board publicly stated to all in attendance that a current copy of the Open Meetings Act was available for review and indicated the location of such copy in the room where the meeting was being held. All proceedings hereafter shown were taken while the meeting was open to the attendance of the public.

\* \* \* \* \*

(Other Proceedings)

\* \* \* \* \*

Board Member \_\_\_\_\_ introduced the following resolution and moved for its adoption,  
the full text of which is attached hereto as Attachment 3:

**A RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY BY HOLT COUNTY SCHOOL DISTRICT 0007 (O'NEILL PUBLIC SCHOOLS) IN THE STATE OF NEBRASKA OF ONE OR MORE LEASE-PURCHASE AGREEMENTS, SITE LEASES, CONSTRUCTION AGREEMENTS AND SUCH OTHER RELATED DOCUMENTS AS MAY BE NECESSARY IN CONNECTION WITH THE LEASE-PURCHASE OF CERTAIN EDUCATIONAL FACILITIES AND EQUIPMENT FOR USE BY THE DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \_\_\_\_\_; AUTHORIZING DISTRICT OFFICERS TO DETERMINE THE AGGREGATE LEASE AMOUNTS, PAYMENTS AND DATES, EFFECTIVE INTEREST RATES, PREPAYMENT PROVISIONS AND OTHER TERMS AND DETAILS OF SUCH FINANCINGS, ALL SUBJECT TO THE PARAMETERS SET FORTH HEREIN; APPROVING THE PAYMENT OF LEASE RENTAL PAYMENTS TO BE MADE BY THE DISTRICT PURSUANT TO EACH LEASE-PURCHASE AGREEMENT; AGREEING TO ACCEPT TITLE TO THE PROJECT FOLLOWING THE TERM OF EACH LEASE-PURCHASE AGREEMENT; DESIGNATING THE FINANCINGS AS QUALIFIED TAX-EXEMPT OBLIGATIONS; ADOPTING CERTAIN POST-ISSUANCE COMPLIANCE PROCEDURES WITH RESPECT TO THE FINANCINGS; AND AUTHORIZING CERTAIN ACTIONS AND DOCUMENTS AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

The foregoing Resolution having been read, Board Member \_\_\_\_\_ seconded the motion for its passage and adoption, and after discussion the roll was called and the following Members of the Board voted in favor of the passage and adoption of said Resolution: \_\_\_\_\_  
\_\_\_\_\_.

The following Members of the Board voted against the same: \_\_\_\_\_.

The following Members of the Board were absent or did not vote: \_\_\_\_\_.

Said Resolution having been voted upon favorably by a majority of the members of the Board, the same was by the President declared passed and adopted.

\* \* \* \* \*

(Other Proceedings)

\* \* \* \* \*

Moved to adjourn.

DATED THIS 20<sup>th</sup> day of November, 2017.

ATTEST:

\_\_\_\_\_  
Secretary, Board of Education

\_\_\_\_\_  
President, Board of Education

ATTACHMENT 1

ADVANCE PUBLICIZED NOTICE OF MEETING

ATTACHMENT 2

ACKNOWLEDGMENT OF RECEIPT OF NOTICE OF MEETING

ATTACHMENT 3  
AUTHORIZING RESOLUTION

**A RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY BY HOLT COUNTY SCHOOL DISTRICT 0007 (O'NEILL PUBLIC SCHOOLS) IN THE STATE OF NEBRASKA OF ONE OR MORE LEASE-PURCHASE AGREEMENTS, SITE LEASES, CONSTRUCTION AGREEMENTS AND SUCH OTHER RELATED DOCUMENTS AS MAY BE NECESSARY IN CONNECTION WITH THE LEASE-PURCHASE OF CERTAIN EDUCATIONAL FACILITIES AND EQUIPMENT FOR USE BY THE DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED [REDACTED]; AUTHORIZING DISTRICT OFFICERS TO DETERMINE THE AGGREGATE LEASE AMOUNTS, PAYMENTS AND DATES, EFFECTIVE INTEREST RATES, PREPAYMENT PROVISIONS AND OTHER TERMS AND DETAILS OF SUCH FINANCINGS, ALL SUBJECT TO THE PARAMETERS SET FORTH HEREIN; APPROVING THE PAYMENT OF LEASE RENTAL PAYMENTS TO BE MADE BY THE DISTRICT PURSUANT TO EACH LEASE-PURCHASE AGREEMENT; AGREEING TO ACCEPT TITLE TO THE PROJECT FOLLOWING THE TERM OF EACH LEASE-PURCHASE AGREEMENT; DESIGNATING THE FINANCINGS AS QUALIFIED TAX-EXEMPT OBLIGATIONS; ADOPTING CERTAIN POST-ISSUANCE COMPLIANCE PROCEDURES WITH RESPECT TO THE FINANCINGS; AND AUTHORIZING CERTAIN ACTIONS AND DOCUMENTS AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

**BE IT RESOLVED BY THE BOARD OF EDUCATION OF HOLT COUNTY SCHOOL DISTRICT 0007 (O'NEILL PUBLIC SCHOOLS) IN THE STATE OF NEBRASKA:**

**Section 1.** The Board of Education (the "**Board**") of Holt County School District 0007 (O'Neill Public Schools) in the State of Nebraska (the "**District**") hereby makes the following findings and determinations:

(a) The District is duly organized as a Class III school district under Sections 79-102 and 79-407, Reissue Revised Statutes of Nebraska, as amended; the District maintains both elementary and high school grades under the direction of a single board of education; and the District embraces territory having a population of more than one thousand and less than one hundred fifty thousand inhabitants, including such adjacent territory as may be included therein for school purposes.

(b) Pursuant to Section 79-10,105, Reissue Revised Statutes of Nebraska, as amended (the "**Act**"), the District is authorized to enter into a lease or lease-purchase agreement for the exclusive use of its individual jurisdiction for such buildings or equipment as the Board determines necessary. Such lease or lease-purchase agreements may not exceed a period of seven years, and all payments pursuant to such leases shall be made from current funds in the District's building fund and/or its general fund.

(c) The District has need of additional facilities, equipment and furnishings for high school use, and it is necessary, desirable, advisable and in the best interest of the District to lease and/or lease purchase such high school facilities, equipment and furnishings (each, a “Project”, and collectively, the “**Projects**”).

(d) To finance such Projects, it is in the best interest of the District to either (i) enter into one or more individual and distinct lease or lease-purchase agreements with one or more banks or other financial institutions selected as set forth herein (each, a “**Lessor**”), pursuant to which such Lessor will acquire, construct, improve, equip and/or furnish the each Project and lease said Project to the District in exchange for lease or lease-purchase payments to be made by the District, all in accordance with the Act, and/or (ii) enter into one or more lease or lease-purchase financings with one or more Lessors pursuant to which such Lessor will issue certificates of participation (the “**Certificates**”) representing proportionate interests in lease or lease-purchase payments to be made by the District pursuant to a lease or lease-purchase agreement and will acquire the equipment, furniture and other apparatus relating to the Projects (the “**Equipment**”) using the proceeds from the sale of the Certificates to pay all costs relating thereto. Each such lease or lease-purchase agreement is referred to herein as a “**Lease Agreement**”.

(e) Pursuant to each Lease Agreement the District shall make payments to the Lessors (“**Lease Payments**”) from current building funds and/or general funds of the District. Each Lease Agreement will provide the District with a right of non-appropriation in any fiscal year with respect to the Lease Payments. In the event of a non-appropriation of Lease Payments with respect to any Lease Agreement by the District in any fiscal year, the District will lose the right to operate and occupy the particular Project for the remaining term of such Lease Agreement.

(f) It is necessary that the District adopt policies and procedures to satisfy all applicable requirements of federal income tax law in order to preserve, post-issuance, the tax-exempt status of the Lease Agreement.

(g) All conditions, acts, and things required by law to exist or to be done precedent to the District undertaking the financing described herein pursuant to the Act do exist and have been done as required by law.

**Section 2.** The Board hereby authorizes the District to enter into one or more Lease Agreements with one or more Lessors to provides for the lease of the individual Projects to the District in exchange for the District’s agreement to make Lease Payments, and that title to each Project shall be conveyed without further consideration to the District upon termination of the particular Lease Agreement. All previous action of the District in connection with the lease and/or lease-purchase of the Projects, including the Equipment, is hereby approved, ratified and authorized.

**Section 3.** The President, the Vice President, the Secretary, the Treasurer and the Superintendent (each, including any person authorized to sign on his or her behalf, an “**Authorized Officer**”), or any individually, is hereby authorized, empowered and directed to execute and deliver one or more Lease Agreements, one or more License and Easements, Site Leases or similar ground lease agreements (each, a “**Site Lease**”), pursuant to which the District may grant to the

Lessor or Lessors a license and easement and/or leasehold interest with respect to the real property on which the Project will reside (each, a “**Project Site**”), one or more construction agreements (each, a “**Construction Agreement**”), pursuant to each the District, acting as agent of the Lessor, will construct the particular Project, one or more Federal Tax Certificates (each, a “**Tax Certificate**”), pursuant to which the District will make certain representations and covenants related to the exclusion of the interest portions of the Lease Payments from gross income for purposes of federal income taxation, and all other necessary documents in connection with undertaking the lease-purchase financing as permitted by the Act (collectively, the “**Lease Documents**”), for and on behalf of the District, including any necessary counterparts, in form and substance acceptable to the Authorized Officers, or any individually, but subject to the terms, parameters and conditions set forth herein. The Authorized Officers, or any individually, is hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such documents as executed.

**Section 4.** The Board hereby authorizes and directs the Authorized Officers, or any individually, in consultation with bond counsel, District counsel and D.A. Davidson & Co., to determine (a) the individual Projects to be leased, (b) the principal amount of each Lease Agreement, provided that the aggregate principal amount of all Lease Agreements authorized by this Resolution shall not exceed [REDACTED], (c) the term of each Lease Agreement, which shall not be greater than 7 years, (d) the amounts and the dates of the Lease Payments due under each Lease Agreement, (e) the effective rate or rates of interest to be carried by the principal installment of each Lease Payment such that the true interest cost of any Lease Agreement shall not exceed 5.00%, (f) the prepayment provisions and purchase options, if any, (g) the terms and provisions of the Lease Documents, (h) the identity of the Lessor or Lessors, (i) the terms and provisions of any Certificates and (j) such other terms and provisions relating to each Lease Agreement; provided that each Lease Agreement and the other Lease Documents may not have such terms and conditions which conflict with or exceed the parameters set forth in this Resolution. Such determinations and approvals shall be set forth in each Lease Agreement.

**Section 5.** Payment by the District to each Lessors of the Lease Payments due from time to time pursuant to the particular Lease Agreement is hereby authorized and directed, subject, however, to annual budgeting and appropriation by resolution of this Board as provided by each Lease Agreement. Such payments shall be made from current building funds and/or general funds derived from property taxes and other available funds.

**Section 6.** Each Lessor and any participant shall be a financial institution authorized to exercise trust powers within the State of Nebraska (the “**State**”) or a commercial leasing entity authorized to transact business in the State. As necessary, the Lessors shall accept the assignment from the District of all construction contracts, architects contracts, purchase orders and other related contracts and shall further agree to assume the obligations to make payments to the contractors, materialmen and equipment suppliers under such contracts and related subcontracts and purchase orders relating to the Projects or the Equipment, as applicable, provided that the District shall retain the authority to supervise the construction and equipping of each Project to the extent that such functions are to be performed by the “**Owner**” under any such contracts.

**Section 7.** The Board hereby authorizes the District to convey with respect to each Project the related Project Site to the Lessor the pursuant to a Site Lease, and the District will

accept delivery of full legal and unencumbered title to such Project and the related Project Site at the end of the term of the particular Lease Agreement.

**Section 8.** D.A. Davidson & Co., whether acting in the capacity of a placement agent in connection with a private placement of a Lease Agreement or whether acting in the capacity of an underwriter in connection with a public offering of the Certificates, shall receive a fee or discount that is mutually agreeable to the District and D.A. Davidson & Co.

**Section 9.** The Authorized Officers, or any individually, is authorized to execute and deliver for and on behalf of the District any and all additional certificates, documents, opinions or other papers and perform all other acts, including, without limitation, the execution, delivery and filing of any financing statements or any other documents to create and maintain a security interest in the properties and revenues pledged under each Lease Agreement as may be required by the documents set forth above or as they may deem necessary or appropriate in order to implement and carry out the intent and purpose of this Resolution.

**Section 10.** The obligations of the District under each Lease Agreement shall not constitute an indebtedness of the District or any agency thereof within the meaning of any constitutional or statutory limitation and shall not constitute a liability of or a lien or charge upon moneys or property of the District or any agency thereof, except those lawfully available moneys which the Board has budgeted and appropriated therefor during any annual fiscal period, as provided by such Lease Agreement.

**Section 11.** The District hereby authorizes the Authorized Officers, or any individually, to designate a Lease Agreement as a “qualified tax-exempt obligation” as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”). In addition, the District hereby represents that:

(a) the aggregate face amount of all tax-exempt obligations (other than private activity bonds that are not “qualified 501(c)(3) bonds” and certain refunding bonds) which will be issued by the District and all subordinate entities thereof during any single calendar year is not reasonably expected to exceed \$10,000,000; and

(b) the District and all subordinate entities thereof will not issue an aggregate principal amount of tax-exempt obligations (other than private activity bonds that are not “qualified 501(c)(3) bonds” and certain refunding bonds) during any single calendar year, including the Lease Agreements, in excess of \$10,000,000, without first obtaining an opinion of nationally recognized counsel in the area of municipal finance that the designation of the Lease Agreements as “qualified tax-exempt obligations” will not be adversely affected by such issuance.

The Authorized Officers, or any individually, is authorized to take such other action as may be necessary to make effective the designation in this Section 11.

**Section 12.** (a) The District (i) shall comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, and all related Regulations, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest portion of the Lease Payments and (ii) will not use or permit the use of any proceeds of each Lease

Agreement or any other funds of the District nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest portion of the Lease Payments.

(b) The District hereby adopts the Post-Issuance Tax Compliance Procedures attached to this Resolution as Exhibit A to ensure that all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt status of each Lease Agreement are met. The District reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as it may determine. The District also reserves the right to change such policies and procedures from time to time, without notice.

**Section 13.** The provisions of this Resolution are hereby declared to be separable and, if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions.

**Section 14.** All resolutions, orders and other instruments, or parts thereof, in conflict with this Resolution are hereby repealed only to the extent of such conflict.

**Section 15.** This Resolution shall be in force and take effect from and after its passage as provided by law.

DATED THIS 20<sup>th</sup> day of November, 2017.

ATTEST:

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President, Board of Education

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Secretary, Board of Education

## EXHIBIT A

### POST-ISSUANCE TAX COMPLIANCE PROCEDURES

#### **General**

In connection with the execution and delivery of each Lease Agreement, the District will execute a tax compliance certificate (the “**Tax Certificate**”) that describes the requirements and provisions of the Code that must be followed in order to maintain the tax exempt status of interest portion of the Lease Payments. In addition, the Tax Certificate will contain the reasonable expectations of the District at the time of execution and delivery of the Lease Agreement with respect to the use of the gross proceeds of such Lease Agreement and the assets to be financed or refinanced with the proceeds thereof. These Procedures supplement and support the covenants and representations made by the District in the Tax Certificate related to specific issues of tax-exempt obligations. In order to comply with the covenants and representations set forth in the Lease Agreement documents and in the Tax Certificate, the District tracks and monitors the actual use of the proceeds of the Lease Agreement, the investment and expenditure of the proceeds and the assets financed or refinanced with the proceeds of such Lease Agreement over the life of the Lease Agreement.

#### **Designation of Responsible Person**

The Superintendent of the District shall maintain an inventory of the assets financed which contains the pertinent data to satisfy the District’s monitoring responsibilities. Any transfer, sale or other disposition of Lease Agreement-financed assets must be reviewed and approved by the Superintendent.

#### **Post-Issuance Compliance Requirements**

##### External Advisors/Documentation

The District shall consult with bond and/or tax counsel and other legal counsel and advisors, as needed, throughout the Lease Agreement execution process to identify requirements and to establish procedures necessary or appropriate so that the Lease Agreement will continue to qualify for tax-exempt status. Those requirements and procedures shall be documented in the Tax Certificate and/or other documents finalized at or before execution of the Lease Agreement. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Lease Agreement.

The District also shall consult with bond and/or tax counsel and other legal counsel and advisors, as needed, following execution of the Lease Agreement to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with future contracts with respect to the use of Lease Agreement-financed or refinanced assets.

The District shall train and employ or otherwise engage expert advisors (a “**Rebate Analyst**”) to assist in the calculation of arbitrage rebate payable in respect of the investment of proceeds, unless the Tax Certificate documents that arbitrage rebate will not be applicable to the Lease Agreement.

Unless otherwise provided by the resolution or other authorizing documents relating to the Lease Agreement, unexpended proceeds shall be held in a segregated account by a trustee, and the investment of proceeds shall be managed by the District. The District shall prepare (or cause the trustee to prepare) regular, periodic statements regarding the investments and transactions involving proceeds.

### Arbitrage Rebate and Yield

Unless the Tax Certificate documents that arbitrage rebate will not be applicable to the Lease Agreement, the District shall be responsible for:

- engaging the services of a Rebate Analyst and, prior to each rebate calculation date, causing the trustee or other account holder to deliver periodic statements concerning the investment of proceeds to the Rebate Analyst;
- providing to the Rebate Analyst additional documents and information reasonably requested by the Rebate Analyst;
- monitoring efforts of the Rebate Analyst;
- assuring payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Lease Agreement, and no later than 60 days after the last installment payment is paid;
- during the construction period of each capital project financed in whole or in part by bonds, monitoring the investment and expenditure of proceeds and consulting with the Rebate Analyst to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Lease Agreement; and
- retaining copies of all arbitrage reports and account statements as described below under “Record Keeping Requirements”.

The District, in the Tax Certificate and/or other documents finalized at or before the execution of the Lease Agreement, has agreed to undertake the tasks listed above (unless the Tax Certificate documents that arbitrage rebate will not be applicable to the Lease Agreement).

### Use of Proceeds and Lease Agreement-Financed or Refinanced Assets:

The District shall be responsible for:

- monitoring the use of proceeds and the use of Lease Agreement-financed or refinanced assets (*e.g.*, facilities, furnishings or equipment) throughout the term of the Lease Agreement to ensure compliance with covenants and restrictions set forth in the Tax Certificate;
- maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of the Lease Agreement, including a final allocation of proceeds as described below under “Record Keeping Requirements”;
- consulting with bond and/or tax counsel and other legal counsel and advisers in the review of any contracts or arrangements involving use of Lease Agreement-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Tax Certificate;
- maintaining records for any contracts or arrangements involving the use of Lease Agreement-financed or refinanced assets as described below under “Record Keeping Requirements”;
- conferring at least annually with personnel responsible for Lease Agreement-financed or refinanced assets to identify and discuss any existing or planned use of Lease Agreement-financed or

refinanced assets, to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Certificate; and

- to the extent that the District discovers that any applicable tax restrictions regarding use of proceeds and Lease Agreement-financed or refinanced assets will or may be violated, consulting promptly with bond and/or tax counsel and other legal counsel and advisers to determine a course of action to remediate all nonqualified Lease Agreement, if such counsel advises that a remedial action is necessary.

The District, in the Tax Certificate and/or other documents finalized at or before the execution of the Lease Agreement, has agreed to undertake the tasks listed above.

All relevant records and contracts shall be maintained as described below.

### Record Keeping Requirements

The District shall be responsible for maintaining the following documents for the term of the Lease Agreement (including refunding obligations, if any) plus at least three years:

- a copy of the Lease Agreement closing transcript(s) and other relevant documentation delivered to the District at or in connection with closing of the Lease Agreement, including any elections made by the District in connection therewith;
- a copy of all material documents relating to capital expenditures financed or refinanced by proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, draw requests for proceeds and evidence as to the amount and date for each draw down of proceeds, as well as documents relating to costs paid or reimbursed with proceeds and records identifying the assets or portion of assets that are financed or refinanced with proceeds, including a final allocation of proceeds;
- a copy of all contracts and arrangements involving the use of Lease Agreement-financed or refinanced assets;
- copies of all trustee statements and reports, including arbitrage reports, prepared with respect to the Lease Agreement; and
- a copy of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements, in connection with any investment agreements, and copies of all bidding documents, if any.

**EXHIBIT B**