

Board of Education Special Meeting
Thursday, March 2, 2023 7:00 PM
Notice of the meeting was posted in the Henderson News on
February 23, 2023.

Conference Room
1501 Front St
Henderson, NE 68371-8929

Our Mission: Heartland Community School strives to provide challenging educational opportunities for ALL students to reach their highest level of excellence.

Agenda

1. **Preliminary Procedures**

1.1. **Call to Order**

1.2. **Public Notice of the Meeting**

1.3. **Roll Call**

2. **Public Comments on Agenda Items**

Nebraska Revised Statute 84-1412 requires members of the public desiring to provide comments to the board to identify himself or herself, including an address, and the name of any organization represented by such person. A form is provided at the meeting for individuals to complete and to submit to the superintendent prior to speaking for the purposes of efficiently providing this information.

3. **Discussion Items**

3.1. **Lease-Purchase Financings For The Acquisition, Construction, Improvement, and Equipping Of Certain Educational Facilities**

4. **Action Items**

4.1. **Adopt Resolution To Ratify Heartland Educational Facilities Leasing Corporation & To Authorize One Or More Lease-Purchase Financings For The Acquisition, Construction, Improvement, and Equipping Of Certain Educational Facilities**

5. **Adjournment**

HEARTLAND COMMUNITY SCHOOLS 2022 BOND CONSTRUCTION PROJECT

TABLE 25d(ii): SCOPE ADJUSTMENT ANALYSIS

BASIS: Analysis Of Probable Construction Costs; December 20, 2022 Bids (Midpoint of Average Bid & Highest Bid)

Original Scope: December 20, 2022 Scope

Adjustments To Scope: [Detach Daycare From Existing Building] AND [Shift & Expand 4-Room Addition]

ASSUMES FUNGIBLE PROCEEDS (ENTIRE PROJECT COMBINED)		Weight Room & Locker Room	Gym Improvements	Activities Entrance	Main Entrance / Office / Lobby	4-Classroom Addition	Daycare	Existing Building	Misc. Sitework	Q1: General	Q2: General	Total
DIRECT-CONSTRUCTION COSTS (ORIGINAL):	Total	\$3,888,129	\$750,000	\$710,630	\$668,046	\$2,038,983	\$2,157,651	\$1,540,510	\$30,000	\$398,520	\$76,474	\$12,258,943
NET-TOTAL DIRECT-CONSTRUCTION ADJUSTMENTS:	Total	\$0	\$0	\$0	\$0	\$507,501	-\$150,000	\$0	\$0	\$0	\$0	\$357,501
<i>\$12,616,445</i>												
TOTAL DIRECT-CONSTRUCTION COSTS (NET-ADJUSTED):	Total	\$3,605,230	\$750,000	\$685,940	\$647,784	\$2,486,650	\$1,943,617	\$1,540,510	\$30,000	\$0	\$0	\$11,689,731
TOTAL DIRECT-OWNER COSTS (NET-ADJUSTED):	Total	\$282,898	\$0	\$24,691	\$20,262	\$59,834	\$64,034	\$0	\$0	\$398,520	\$76,474	\$926,714
TOTAL DIRECT-CONSTRUCTION & DIRECT-OWNER COSTS (NET-ADJUSTED):	Total	\$3,888,129	\$750,000	\$710,630	\$668,046	\$2,546,484	\$2,007,651	\$1,540,510	\$30,000	\$398,520	\$76,474	\$12,616,445
GAP: \$5,542,445												
ASSUMES NON-FUNGIBLE PROCEEDS (QUESTION 1: NON-DAYCARE)		Weight Room & Locker Room	Gym Improvements	Activities Entrance	Main Entrance / Office / Lobby	4-Classroom Addition	Daycare	Existing Building	Misc. Sitework	Q1: General	Q2: General	Total
DIRECT-CONSTRUCTION COSTS (ORIGINAL):	Total	\$3,888,129	\$750,000	\$710,630	\$668,046	\$2,038,983		\$1,540,510	\$30,000	\$398,520		\$10,024,818
NET-TOTAL DIRECT-CONSTRUCTION ADJUSTMENTS:	Total	\$0	\$0	\$0	\$0	\$507,501		\$0	\$0	\$0		\$507,501
<i>\$10,532,319</i>												
TOTAL DIRECT-CONSTRUCTION COSTS (NET-ADJUSTED):	Total	\$3,605,230	\$750,000	\$685,940	\$647,784	\$2,486,650		\$1,540,510	\$30,000	\$0		\$9,746,114
TOTAL DIRECT-OWNER COSTS (NET-ADJUSTED):	Total	\$282,898	\$0	\$24,691	\$20,262	\$59,834		\$0	\$0	\$398,520		\$786,205
TOTAL DIRECT-CONSTRUCTION & DIRECT-OWNER COSTS (NET-ADJUSTED):	Total	\$3,888,129	\$750,000	\$710,630	\$668,046	\$2,546,484		\$1,540,510	\$30,000	\$398,520		\$10,532,319
GAP: \$4,828,319												
ASSUMES NON-FUNGIBLE PROCEEDS (QUESTION 2: DAYCARE)		Weight Room & Locker Room	Gym Improvements	Activities Entrance	Main Entrance / Office / Lobby	4-Classroom Addition	Daycare	Existing Building	Misc. Sitework	Q1: General	Q2: General	Total
DIRECT-CONSTRUCTION COSTS (ORIGINAL):	Total						\$2,157,651				\$76,474	\$2,234,125
NET-TOTAL DIRECT-CONSTRUCTION ADJUSTMENTS:	Total						-\$150,000				\$0	-\$150,000
<i>\$2,084,125</i>												
TOTAL DIRECT-CONSTRUCTION COSTS (NET-ADJUSTED):	Total						\$1,943,617				\$0	\$1,943,617
TOTAL DIRECT-OWNER COSTS (NET-ADJUSTED):	Total						\$64,034				\$76,474	\$140,508
TOTAL DIRECT-CONSTRUCTION & DIRECT-OWNER COSTS (NET-ADJUSTED):	Total						\$2,007,651				\$76,474	\$2,084,125
GAP: \$714,125												

HEARTLAND COMMUNITY SCHOOLS 2022 BOND CONSTRUCTION PROJECT
TABLE 26d(i): Lease-Purchase Approx. Expenditure Schedule
Basis: Table 25d Total Cost Estimates (Midpoint of Average & Highest Bid)

Interval	Estimated Construction Schedule Interval	Interval Payout (construction & owner's)	Estimated Construction Schedule Aggregate	Construction & Owner Aggregate	L-P Dollars Interval		L-P Dollars Aggregate	L-P Dollars Balance
<u>May 8 - Nov 8</u>	50.00%	\$6,319,860	50.00%	\$6,319,860	Nov 8, 2023	\$0	\$0	\$5,522,125
Dec 8	5.83%	\$681,901	55.83%	\$7,001,760	Dec 8, 2023	\$0	\$0	\$5,522,125
Jan 8	5.83%	\$681,901	61.67%	\$7,683,661	Jan 8, 2024	\$609,661	\$609,661	\$4,912,464
Feb 8	5.83%	\$681,901	67.50%	\$8,365,562	Feb 8, 2024	\$681,901	\$1,291,562	\$4,230,563
Mar 8	5.83%	\$681,901	73.33%	\$9,047,463	Mar 8, 2024	\$681,901	\$1,973,463	\$3,548,662
Apr 8	5.83%	\$681,901	79.17%	\$9,729,364	Apr 8, 2024	\$681,901	\$2,655,364	\$2,866,761
May 8	5.83%	\$681,901	85.00%	\$10,411,265	May 8, 2024	\$681,901	\$3,337,265	\$2,184,860
Jun 8	1.00%	\$116,897	86.00%	\$10,528,163	Jun 8, 2024	\$116,897	\$3,454,163	\$2,067,962
<u>Jul 8</u>	1.00%	\$207,241	87.00%	\$10,735,404	Jul 8, 2024	\$207,241	\$3,661,404	\$1,860,721
<u>Aug 8</u>	1.00%	\$207,241	88.00%	\$10,942,645	Aug 8, 2024	\$207,241	\$3,868,645	\$1,653,480
<u>Sept</u>	1.00%	\$207,241	89.00%	\$11,149,887	Sep 8, 2024	\$207,241	\$4,075,887	\$1,446,238
<u>Oct 8</u>	1.00%	\$207,241	90.00%	\$11,357,128	Oct 8, 2024	\$207,241	\$4,283,128	\$1,238,997
<u>Nov 8</u>	10.00%	\$1,259,317	100.00%	\$12,616,445	Nov 8, 2024	\$1,238,998	\$5,522,126	-\$1
	100.00%	\$12,616,445				\$5,522,126	<u>\$5,522,125</u>	
		\$20,320					-\$1	
							\$20,319	

HEARTLAND COMMUNITY SCHOOLS 2022 BOND CONSTRUCTION PROJECT
TABLE 21d(ii): Tax Request Estimates @ 5.250% Coupon
Basis: Table 25d

FINAL-NET SBF Tax Request (Including County Treasurer's Commission)			
22 - 23	<u>\$63,636</u>	<u>\$0.00784</u>	22 - 23
23 - 24	<u>\$1,117,787</u>	<u>\$0.13763</u>	23 - 24
24 - 25	<u>\$1,117,787</u>	<u>\$0.13763</u>	24 - 25
25 - 26	<u>\$1,117,787</u>	<u>\$0.13763</u>	25 - 26
26 - 27	<u>\$1,117,787</u>	<u>\$0.13763</u>	26 - 27
27 - 28	<u>\$1,117,787</u>	<u>\$0.13763</u>	27 - 28
28 - 29	<u>\$1,117,787</u>	<u>\$0.13763</u>	28 - 29
29 - 30	<u>\$587,179</u>	<u>\$0.07230</u>	29 - 30

TABLE 22: 2022-2023 Levies & Valuations

SCHOOL DISTRICT	Levies: Per \$100 of Valuation					Valuation	Fall Membership		
	Total	General	Bond	Building	Qualified		PK	K-12	TOTAL
CLAY									
SUTTON PUBLIC SCHOOLS	0.7194	0.6428	0.0000	0.0766	0.0000	790,746,805	16	404	420
HARVARD PUBLIC SCHOOLS	0.9855	0.9855	0.0000	0.0000	0.0000	369,006,026	11	196	207
FILLMORE									
EXETER-MILLIGAN PUBLIC SCHOOLS	0.6179	0.5608	0.0000	0.0571	0.0000	707,778,171	20	145	165
FILLMORE CENTRAL PUBLIC SCHS	0.6806	0.6278	0.0000	0.0528	0.0000	1,177,834,267	61	548	609
SHICKLEY PUBLIC SCHOOLS	0.8232	0.7220	0.0000	0.0504	0.0508	500,897,943	34	130	164
HAMILTON									
GILTNER PUBLIC SCHOOLS	0.8495	0.7853	0.0000	0.0290	0.0352	348,315,138	31	215	246
HAMPTON PUBLIC SCHOOL	0.8952	0.6963	0.1611	0.0000	0.0378	350,817,262	14	177	191
AURORA PUBLIC SCHOOLS	0.8881	0.8482	0.0228	0.0171	0.0000	1,774,393,691	70	1156	1226
POLK									
CROSS COUNTY COMMUNITY SCHOOLS	0.7901	0.6662	0.1146	0.0093	0.0000	814,926,427	33	334	367
OSCEOLA PUBLIC SCHOOLS	0.8584	0.7303	0.1014	0.0267	0.0000	528,899,076	27	217	244
SHELBY - RISING CITY PUBLIC SCHOOLS	0.7698	0.6500	0.1148	0.0050	0.0000	791,431,154	35	376	411
HIGH PLAINS COMMUNITY SCHOOLS	0.6508	0.5157	0.0000	0.1351	0.0000	860,048,961	13	210	223
SEWARD									
MILFORD PUBLIC SCHOOLS	0.9810	0.9158	0.0000	0.0652	0.0000	717,692,480	33	786	819
SEWARD PUBLIC SCHOOLS	0.9451	0.8472	0.0801	0.0101	0.0077	1,764,502,611	94	1402	1496
CENTENNIAL PUBLIC SCHOOLS	0.5908	0.4997	0.0521	0.0390	0.0000	1,560,642,235	57	439	496
THAYER									
DESLER PUBLIC SCHOOLS	0.7953	0.7661	0.0000	0.0292	0.0000	470,185,758	20	222	242
THAYER CENTRAL COMMUNITY SCHS	0.7402	0.6627	0.0477	0.0298	0.0000	846,218,888	47	393	440
BRUNING-DAVENPORT UNIFIED SYS	0.5000	0.4900	0.0000	0.0100	0.0000	854,565,362	15	163	178
YORK									
YORK PUBLIC SCHOOLS	1.1986	1.0048	0.1271	0.0442	0.0225	1,231,440,969	189	1,431	1,620
MC COOL JUNCTION PUBLIC SCHS	0.8501	0.8110	0.0111	0.0280	0.0000	361,190,197	5	235	240
HEARTLAND COMMUNITY SCHOOLS	0.6137	0.5170	0.0889	0.0078	0.0000	812,140,998	30	323	353
SCHOOL DISTRICT	Total	General	Bond	Building	Qualified	Valuation	PK	K-12	TOTAL
	Levies: Per \$100 of Valuation						Fall Membership		

SOURCES AND USES OF FUNDS**Heartland Community Schools
Heartland Educational Facilities Leasing Corp., Tax Exempt Note, Series 2023A****Sources:**

Bond Proceeds:	
Par Amount	4,870,000.00
	<hr/>
	4,870,000.00

Uses:

Project Fund Deposits:	
Project Fund	4,808,000.00
Delivery Date Expenses:	
Cost of Issuance	25,350.00
Underwriter's Discount	<hr/>
	36,525.00
	61,875.00
Other Uses of Funds:	
Additional Proceeds	125.00
	<hr/>
	4,870,000.00

COST OF ISSUANCE

**Heartland Community Schools
Heartland Educational Facilities Leasing Corp., Tax Exempt Note, Series 2023A**

<i>Cost of Issuance</i>	<i>\$/1000</i>	<i>Amount</i>
Bond Attorney	5.00000	24,350.00
Trustee	0.20534	1,000.00
	5.20534	25,350.00

BOND DEBT SERVICE**Heartland Community Schools
Heartland Educational Facilities Leasing Corp., Tax Exempt Note, Series 2023A**

Dated Date 04/18/2023
 Delivery Date 04/18/2023

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
10/15/2023			125,706.88	125,706.88	
04/15/2024	320,000	5.250%	127,837.50	447,837.50	573,544.38
10/15/2024	325,000	5.250%	119,437.50	444,437.50	
04/15/2025	335,000	5.250%	110,906.25	445,906.25	890,343.75
10/15/2025	345,000	5.250%	102,112.50	447,112.50	
04/15/2026	355,000	5.250%	93,056.25	448,056.25	895,168.75
10/15/2026	365,000	5.250%	83,737.50	448,737.50	
04/15/2027	375,000	5.250%	74,156.25	449,156.25	897,893.75
10/15/2027	380,000	5.250%	64,312.50	444,312.50	
04/15/2028	390,000	5.250%	54,337.50	444,337.50	888,650.00
10/15/2028	405,000	5.250%	44,100.00	449,100.00	
04/15/2029	415,000	5.250%	33,468.75	448,468.75	897,568.75
10/15/2029	425,000	5.250%	22,575.00	447,575.00	
04/15/2030	435,000	5.250%	11,418.75	446,418.75	893,993.75
	4,870,000		1,067,163.13	5,937,163.13	5,937,163.13

SOURCES AND USES OF FUNDS**Heartland Community Schools
Heartland Educational Facilities Leasing Corp., Tax Exempt Note, Series 2023B****Sources:**

Bond Proceeds:	
Par Amount	730,000.00
	<hr/>
	730,000.00
	<hr/> <hr/>

Uses:

Project Fund Deposits:	
Project Fund	714,125.00
Delivery Date Expenses:	
Cost of Issuance	6,000.00
Underwriter's Discount	<hr/> 5,475.00
	11,475.00
Other Uses of Funds:	
Additional Proceeds	4,400.00
	<hr/>
	730,000.00
	<hr/> <hr/>

COST OF ISSUANCE

**Heartland Community Schools
Heartland Educational Facilities Leasing Corp., Tax Exempt Note, Series 2023B**

<i>Cost of Issuance</i>	<i>\$/1000</i>	<i>Amount</i>
Bond Attorney	6.84932	5,000.00
Trustee	1.36986	1,000.00
	8.21918	6,000.00

BOND DEBT SERVICE**Heartland Community Schools
Heartland Educational Facilities Leasing Corp., Tax Exempt Note, Series 2023B**

Dated Date 04/18/2023
 Delivery Date 04/18/2023

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
10/15/2023			18,843.13	18,843.13	
04/15/2024	50,000	5.250%	19,162.50	69,162.50	88,005.63
10/15/2024	50,000	5.250%	17,850.00	67,850.00	
04/15/2025	50,000	5.250%	16,537.50	66,537.50	134,387.50
10/15/2025	50,000	5.250%	15,225.00	65,225.00	
04/15/2026	55,000	5.250%	13,912.50	68,912.50	134,137.50
10/15/2026	55,000	5.250%	12,468.75	67,468.75	
04/15/2027	55,000	5.250%	11,025.00	66,025.00	133,493.75
10/15/2027	55,000	5.250%	9,581.25	64,581.25	
04/15/2028	60,000	5.250%	8,137.50	68,137.50	132,718.75
10/15/2028	60,000	5.250%	6,562.50	66,562.50	
04/15/2029	60,000	5.250%	4,987.50	64,987.50	131,550.00
10/15/2029	65,000	5.250%	3,412.50	68,412.50	
04/15/2030	65,000	5.250%	1,706.25	66,706.25	135,118.75
	730,000		159,411.88	889,411.88	889,411.88

A RESOLUTION RATIFYING, CONFIRMING AND APPROVING THE FORMATION OF THE HEARTLAND EDUCATIONAL FACILITIES LEASING CORPORATION AND THE ASSISTANCE OF SUCH CORPORATION IN PROVIDING FOR THE FINANCING OF EDUCATIONAL FACILITIES FOR USE BY THE DISTRICT; AUTHORIZING THE DISTRICT TO UNDERTAKE ONE OR MORE LEASE OR LEASE-PURCHASE FINANCINGS FOR THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF CERTAIN EDUCATIONAL FACILITIES FOR USE BY YORK COUNTY SCHOOL DISTRICT 0096 (HEARTLAND COMMUNITY SCHOOLS) IN THE STATE OF NEBRASKA; AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT AND THE CORPORATION OF DOCUMENTS RELATING TO SUCH FINANCINGS; AUTHORIZING DISTRICT OFFICERS AND CORPORATION OFFICERS TO DETERMINE THE AMOUNT, PAYMENTS AND DATES, EFFECTIVE INTEREST RATES, PREPAYMENT PROVISIONS AND OTHER TERMS AND DETAILS OF SUCH FINANCINGS, ALL SUBJECT TO THE PARAMETERS SET FORTH HEREIN; DESIGNATING THE FINANCINGS AS QUALIFIED TAX-EXEMPT OBLIGATIONS; ADOPTING CERTAIN POST-ISSUANCE TAX 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 YORK COUNTY SCHOOL DISTRICT 0096 (HEARTLAND COMMUNITY SCHOOLS) IN THE STATE OF NEBRASKA:

Section 1. The Board of Education (the “**Board**”) of York County School District 0096 (Heartland Community 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 pursuant to 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 not more than one hundred fifty thousand inhabitants, including such adjacent territory as may be included therein for school purposes.

(b) The District presently has need to improve its educational facilities and to utilize additional educational facilities, all for use by the District.

(c) 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.

(d) It is necessary, desirable, advisable and in the best interest of the District to (i) construct an addition to the District's existing school building to provide space for pre-kindergarten and a community daycare, (ii) construct an addition to the District's existing school building that will include additional classrooms and other ancillary spaces, (iii) construct an addition to the District's existing school building that will include certain training facilities, a weight room and other ancillary spaces, (iv) perform the related site work associated therewith and to acquire the land necessary for such projects, if necessary (each, a "**Project**" and collectively, the "**Projects**"), and (v) acquire and install the necessary equipment, furniture and other apparatus relating to the Projects (collectively, the "**Equipment**"), all for use by the District.

(e) The Heartland Educational Facilities Leasing Corporation (the "**Leasing Corporation**"), a nonprofit corporation duly organized and existing under the Nebraska Nonprofit Corporation Act, Chapter 21, Article 19, Reissue Revised Statutes of Nebraska, as amended (the "**Nonprofit Act**"), has been organized to benefit and carry out the purposes of the District by providing for the acquisition, construction, improvement, repair, renovation and financing of public sites, buildings, facilities, furnishings and equipment for use by the District, including the Projects.

(f) Under applicable Internal Revenue Code of 1986, as amended (the "**Code**"), and related regulations and rulings thereunder, and under the statutes of the State of Nebraska (the "**State**") relating to sales taxation and real property taxation, approval by the Board of the formation of the Leasing Corporation and to enter into the financings described herein is required in order that (i) the interest on such financings be exempt from federal income taxes, which exemption will reduce the Leasing Corporation's interest costs and thereby reduce the lease payments to be made by the District pursuant to a hereinafter-described Lease Agreement, (ii) the purchase of any building materials and equipment will be exempt from State sales taxation and (iii) those portions of the Projects consisting of real property will not be subject to State real property taxation.

(g) The Code further provides that in order for the interest on any financing described herein to be exempt from federal income taxes, the Board must agree that the District will accept delivery of full legal and unencumbered title to each Project upon the final maturity of the financing (or sooner, upon the exercise of the purchase option set forth in each lease or lease-purchase agreement).

(h) To finance one or more of the Projects, it is in the best interest of the District to (i) enter into one or more lease or lease-purchase agreements with the Leasing Corporation or, if determined by the Board President, Vice President, Secretary and Treasurer, and the Superintendent (each, including any person authorized to act on his or her behalf, an "**Authorized Officer**"), or each individually, to be in the best interest of the District, one or more banks or other financial institutions (each, including the Leasing Corporation, a "**Lessor**"), pursuant to which such Lessor will acquire, construct, furnish and equip one or more Projects and lease said Projects to the District in exchange for lease or lease-purchase payments to be made by the District, all in accordance with the Act, (ii) enter into one or more lease or lease-purchase financings with one or more Lessors, pursuant to which such Lessor or Lessors will issue certificates of participation (the "**Certificates**"), representing proportionate interests in the lease or lease-purchase

payments to be made by the District pursuant to a lease or lease-purchase agreement, and will acquire the Equipment relating to any Project using the proceeds from the sale of the Certificates, and/or (iii) enter into one or more lease or lease-purchase agreements with the Leasing Corporation, pursuant to which the Leasing Corporation shall obtain a loan or other financing from one or more banks or other financial institutions (each, a “**Lender**”) in order to acquire, construct, equip and improve one or more of the Projects, shall acquire the Equipment relating any Project and shall lease said Projects and Equipment to the District, but subject to the terms, parameters and conditions set forth herein. Such lease or lease-purchase agreements are referred to herein as a “**Lease Agreement**” or “**Lease Agreements**”.

(i) Pursuant to each Lease Agreement, the District shall make payments to each Lessor (the “**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. If for any fiscal year the District fails to appropriate moneys to make Lease Payments in connection with a Lease Agreement, such Lease Agreement will terminate and the District will lose the right to operate and occupy such Project and/or to use such Equipment.

(j) 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 Agreements.

(k) 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 ratifies, confirms and approves all actions previously taken with respect to the financing of the Projects, including the Equipment. The Board further authorizes the District to undertake the financing of one or more of the Projects, subject to the parameters set forth herein.

Section 3. The Board ratifies, confirms and approves the formation of the Leasing Corporation, including all action previously taken with respect thereto, and delegates to the Authorized Officers, or each individually, the authority to take any and all additional actions necessary relating to such formation. The Leasing Corporation will engage in activities that are essentially public in nature; the purposes and activities of the Leasing Corporation are those permitted under the Nonprofit Act; and any Project financed by the Leasing Corporation will be located within the geographic limits of the District. The District will have a beneficial interest in the Leasing Corporation and will have exclusive beneficial possession and use of each Project so long as any Lease Agreement relating thereto is unpaid and/or outstanding. The Leasing Corporation will perform activities which otherwise would be the responsibility of the District.

Section 4. The Authorized Officers, or each individually, are hereby authorized, empowered and directed to (i) execute and deliver one or more Lease Agreements, one or more Site Leases, License and Easements or similar agreements, pursuant to which the District may lease to the Lessor or Lessors the real property on which the Project or Projects will reside, or grant to the Lessor or Lessors a license and easement with respect to such real property, one or more

Federal Tax Certificates, pursuant to which the District will make certain representations and covenants related to the exclusion of the interest portion 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 each individually, but subject to the terms, parameters and conditions set forth herein and (ii) approve the form and content of any request from a Lessor of the terms and parameters associated with the lease-purchase financing of the Project or Projects and or any offering document relating to the offering of Certificates to finance any Equipment, if applicable. The Authorized Officers, or each individually, are 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 5. The Board hereby authorizes and directs the Authorized Officers, or each individually, to determine (a) the description of each Project, (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 \$5,600,000, (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 thereunder, (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 6.50%, (f) the prepayment provisions, if any, (g) the terms and provisions of the Lease Documents, (h) the identity of the Lessor or Lessors, if other than the Leasing Corporation, and the Lender, if applicable (i) the terms and provisions of any Certificates and (j) such other terms and provisions relating to the Lease Agreement; provided that the 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 the particular Lease Agreement.

Section 6. With respect to any Lease Agreement to which the Lessor is the Leasing Corporation, for the purpose of providing funds to acquire, construct, equip and furnish the Projects, the Board does hereby approve the Leasing Corporation entering into one or more loans with one or more Lenders and/or issuing Certificates, as applicable, and one or more Lease Agreements with the District and the execution by the officers of the Leasing Corporation of all documents relating to such loans and/or Certificates, but subject to the parameters set forth in Section 5 hereof.

Section 7. Payment by the District to the Lessors of the Lease Payments due from time to time pursuant to each 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 8. Each Lessor, Lender and any participant shall be a financial institution authorized to exercise trust powers within the State, a commercial leasing entity authorized to transact business in the State or the Leasing Corporation or other State nonprofit leasing corporation created under the Nonprofit Act. As necessary, the Lessors and/or Lenders shall accept the assignment from the District of all construction contracts, design/builder 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 Project or Projects and/or Equipment, as applicable, provided that the District shall retain the authority to supervise the construction and equipping of the Project or Projects to the extent that such functions are to be performed by the “Owner” under any such contracts.

Section 9. The Board hereby agrees that the District will accept delivery of full legal and unencumbered title to the Projects upon the payment in full or earlier redemption of the Lease Agreements.

Section 10. Piper Sandler & Co., whether acting in the capacity of a placement agent in connection with a private placement of each Lease Agreement or 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 Piper Sandler & Co., which amount shall not exceed 2.00% of the face or par amount of any Lease Agreement.

Section 11. The Authorized Officers, or each individually, and, if applicable, each officer of the Leasing Corporation, 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, only to the extent as permitted by State law 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 and any related documents 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 12. The obligations of the District under any 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 each such Lease Agreement.

Section 13. The District hereby designates the Lease Agreements as “qualified tax-exempt obligations” as defined in Section 265(b)(3) of 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, including the Leasing Corporation, during any single calendar year is not reasonably expected to exceed \$10,000,000; and

(b) the District and all subordinate entities thereof, including the Leasing Corporation, 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 each individually, are authorized to take such other action as may be necessary to make effective the designation in this Section 13.

Section 14. (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 each of the Lease Payments and (ii) will not use or permit the use of any proceeds of any of the Lease Agreements 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 any 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 of the Lease Agreements 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 15. 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 16. 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 17. This Resolution shall be in force and take effect from and after its passage as provided by law.

DATED February 27, 2023.

ATTEST:

President, Board of Education

Secretary, Board of Education

EXHIBIT A

POST-ISSUANCE TAX COMPLIANCE PROCEDURES

General

In connection with the execution and delivery of each of the Lease Agreements, York County School District 0096 (Heartland Community Schools) (the “**District**”) will execute a tax compliance certificate (the “**Tax Certificate**”) that describes the requirements and provisions of the Internal Revenue Code of 1986, as amended (the “**Code**”) that must be followed in order to maintain the tax exempt status of interest portion of each 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 each of the Lease Agreements 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 each of the Lease Agreement documents and in the Tax Certificate, the District tracks and monitors the actual use of the proceeds of each of the Lease Agreements, the investment and expenditure of the proceeds and the assets financed or refinanced with the proceeds of each such Lease Agreement over its life.

Designation of Responsible Person

The Superintendent of Schools (the “**Superintendent**”) 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 each of the Lease Agreements 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 each of the Lease Agreements. 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 each of the Lease Agreements.

The District also shall consult with bond and/or tax counsel and other legal counsel and advisors, as needed, following execution of each 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 each 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 provide that arbitrage rebate will not be applicable to the Lease Agreement.

Unless otherwise provided by the resolution or other authorizing documents relating to each 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 provide 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 each of the Lease Agreements; 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 each Lease Agreement, has agreed to undertake the tasks listed above (unless the Tax Certificate documents provide 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 each Lease Agreement-financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of each

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 each 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 each 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 each Lease Agreement-financed or refinanced assets as described below under “Record Keeping Requirements”;
- conferring at least annually with personnel responsible for each Lease Agreement-financed or refinanced assets to identify and discuss any existing or planned use of each 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 each 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 Agreements, 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 each 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 each 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 each 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 each Lease Agreement-financed or refinanced assets;
- copies of all trustee statements and reports, including arbitrage reports, prepared with respect to each 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.

A RESOLUTION RATIFYING, CONFIRMING AND APPROVING THE FORMATION OF THE HEARTLAND EDUCATIONAL FACILITIES LEASING CORPORATION AND THE ASSISTANCE OF SUCH CORPORATION IN PROVIDING FOR THE FINANCING OF EDUCATIONAL FACILITIES FOR USE BY THE DISTRICT; AUTHORIZING THE DISTRICT TO UNDERTAKE ONE OR MORE LEASE OR LEASE-PURCHASE FINANCINGS FOR THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF CERTAIN EDUCATIONAL FACILITIES FOR USE BY YORK COUNTY SCHOOL DISTRICT 0096 (HEARTLAND COMMUNITY SCHOOLS) IN THE STATE OF NEBRASKA; AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT AND THE CORPORATION OF DOCUMENTS RELATING TO SUCH FINANCINGS; AUTHORIZING DISTRICT OFFICERS AND CORPORATION OFFICERS TO DETERMINE THE AMOUNT, PAYMENTS AND DATES, EFFECTIVE INTEREST RATES, PREPAYMENT PROVISIONS AND OTHER TERMS AND DETAILS OF SUCH FINANCINGS, ALL SUBJECT TO THE PARAMETERS SET FORTH HEREIN; DESIGNATING THE FINANCINGS AS QUALIFIED TAX-EXEMPT OBLIGATIONS; ADOPTING CERTAIN POST-ISSUANCE TAX 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 YORK COUNTY SCHOOL DISTRICT 0096 (HEARTLAND COMMUNITY SCHOOLS) IN THE STATE OF NEBRASKA:

Section 1. The Board of Education (the “**Board**”) of York County School District 0096 (Heartland Community 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 pursuant to 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 not more than one hundred fifty thousand inhabitants, including such adjacent territory as may be included therein for school purposes.

(b) The District presently has need to improve its educational facilities and to utilize additional educational facilities, all for use by the District.

(c) 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.

(d) It is necessary, desirable, advisable and in the best interest of the District to (i) construct an addition to the District's existing school building to provide space for pre-kindergarten and a community daycare, (ii) construct an addition to the District's existing school building that will include additional classrooms and other ancillary spaces, (iii) construct an addition to the District's existing school building that will include certain training facilities, a weight room and other ancillary spaces, (iv) perform the related site work associated therewith and to acquire the land necessary for such projects, if necessary (each, a "**Project**" and collectively, the "**Projects**"), and (v) acquire and install the necessary equipment, furniture and other apparatus relating to the Projects (collectively, the "**Equipment**"), all for use by the District.

(e) The Heartland Educational Facilities Leasing Corporation (the "**Leasing Corporation**"), a nonprofit corporation duly organized and existing under the Nebraska Nonprofit Corporation Act, Chapter 21, Article 19, Reissue Revised Statutes of Nebraska, as amended (the "**Nonprofit Act**"), has been organized to benefit and carry out the purposes of the District by providing for the acquisition, construction, improvement, repair, renovation and financing of public sites, buildings, facilities, furnishings and equipment for use by the District, including the Projects.

(f) Under applicable Internal Revenue Code of 1986, as amended (the "**Code**"), and related regulations and rulings thereunder, and under the statutes of the State of Nebraska (the "**State**") relating to sales taxation and real property taxation, approval by the Board of the formation of the Leasing Corporation and to enter into the financings described herein is required in order that (i) the interest on such financings be exempt from federal income taxes, which exemption will reduce the Leasing Corporation's interest costs and thereby reduce the lease payments to be made by the District pursuant to a hereinafter-described Lease Agreement, (ii) the purchase of any building materials and equipment will be exempt from State sales taxation and (iii) those portions of the Projects consisting of real property will not be subject to State real property taxation.

(g) The Code further provides that in order for the interest on any financing described herein to be exempt from federal income taxes, the Board must agree that the District will accept delivery of full legal and unencumbered title to each Project upon the final maturity of the financing (or sooner, upon the exercise of the purchase option set forth in each lease or lease-purchase agreement).

(h) To finance one or more of the Projects, it is in the best interest of the District to (i) enter into one or more lease or lease-purchase agreements with the Leasing Corporation or, if determined by the Board President, Vice President, Secretary and Treasurer, and the Superintendent (each, including any person authorized to act on his or her behalf, an "**Authorized Officer**"), or each individually, to be in the best interest of the District, one or more banks or other financial institutions (each, including the Leasing Corporation, a "**Lessor**"), pursuant to which such Lessor will acquire, construct, furnish and equip one or more Projects and lease said Projects to the District in exchange for lease or lease-purchase payments to be made by the District, all in accordance with the Act, (ii) enter into one or more lease or lease-purchase financings with one or more Lessors, pursuant to which such Lessor or Lessors will issue certificates of participation (the "**Certificates**"), representing proportionate interests in the lease or lease-purchase

payments to be made by the District pursuant to a lease or lease-purchase agreement, and will acquire the Equipment relating to any Project using the proceeds from the sale of the Certificates, and/or (iii) enter into one or more lease or lease-purchase agreements with the Leasing Corporation, pursuant to which the Leasing Corporation shall obtain a loan or other financing from one or more banks or other financial institutions (each, a “**Lender**”) in order to acquire, construct, equip and improve one or more of the Projects, shall acquire the Equipment relating any Project and shall lease said Projects and Equipment to the District, but subject to the terms, parameters and conditions set forth herein. Such lease or lease-purchase agreements are referred to herein as a “**Lease Agreement**” or “**Lease Agreements**”.

(i) Pursuant to each Lease Agreement, the District shall make payments to each Lessor (the “**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. If for any fiscal year the District fails to appropriate moneys to make Lease Payments in connection with a Lease Agreement, such Lease Agreement will terminate and the District will lose the right to operate and occupy such Project and/or to use such Equipment.

(j) 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 Agreements.

(k) 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 ratifies, confirms and approves all actions previously taken with respect to the financing of the Projects, including the Equipment. The Board further authorizes the District to undertake the financing of one or more of the Projects, subject to the parameters set forth herein.

Section 3. The Board ratifies, confirms and approves the formation of the Leasing Corporation, including all action previously taken with respect thereto, and delegates to the Authorized Officers, or each individually, the authority to take any and all additional actions necessary relating to such formation. The Leasing Corporation will engage in activities that are essentially public in nature; the purposes and activities of the Leasing Corporation are those permitted under the Nonprofit Act; and any Project financed by the Leasing Corporation will be located within the geographic limits of the District. The District will have a beneficial interest in the Leasing Corporation and will have exclusive beneficial possession and use of each Project so long as any Lease Agreement relating thereto is unpaid and/or outstanding. The Leasing Corporation will perform activities which otherwise would be the responsibility of the District.

Section 4. The Authorized Officers, or each individually, are hereby authorized, empowered and directed to (i) execute and deliver one or more Lease Agreements, one or more Site Leases, License and Easements or similar agreements, pursuant to which the District may lease to the Lessor or Lessors the real property on which the Project or Projects will reside, or grant to the Lessor or Lessors a license and easement with respect to such real property, one or more

Federal Tax Certificates, pursuant to which the District will make certain representations and covenants related to the exclusion of the interest portion 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 each individually, but subject to the terms, parameters and conditions set forth herein and (ii) approve the form and content of any request from a Lessor of the terms and parameters associated with the lease-purchase financing of the Project or Projects and or any offering document relating to the offering of Certificates to finance any Equipment, if applicable. The Authorized Officers, or each individually, are 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 5. The Board hereby authorizes and directs the Authorized Officers, or each individually, to determine (a) the description of each Project, (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 \$5,600,000, (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 thereunder, (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 6.50%, (f) the prepayment provisions, if any, (g) the terms and provisions of the Lease Documents, (h) the identity of the Lessor or Lessors, if other than the Leasing Corporation, and the Lender, if applicable (i) the terms and provisions of any Certificates and (j) such other terms and provisions relating to the Lease Agreement; provided that the 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 the particular Lease Agreement.

Section 6. With respect to any Lease Agreement to which the Lessor is the Leasing Corporation, for the purpose of providing funds to acquire, construct, equip and furnish the Projects, the Board does hereby approve the Leasing Corporation entering into one or more loans with one or more Lenders and/or issuing Certificates, as applicable, and one or more Lease Agreements with the District and the execution by the officers of the Leasing Corporation of all documents relating to such loans and/or Certificates, but subject to the parameters set forth in Section 5 hereof.

Section 7. Payment by the District to the Lessors of the Lease Payments due from time to time pursuant to each 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 8. Each Lessor, Lender and any participant shall be a financial institution authorized to exercise trust powers within the State, a commercial leasing entity authorized to transact business in the State or the Leasing Corporation or other State nonprofit leasing corporation created under the Nonprofit Act. As necessary, the Lessors and/or Lenders shall accept the assignment from the District of all construction contracts, design/builder 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 Project or Projects and/or Equipment, as applicable, provided that the District shall retain the authority to supervise the construction and equipping of the Project or Projects to the extent that such functions are to be performed by the “Owner” under any such contracts.

Section 9. The Board hereby agrees that the District will accept delivery of full legal and unencumbered title to the Projects upon the payment in full or earlier redemption of the Lease Agreements.

Section 10. Piper Sandler & Co., whether acting in the capacity of a placement agent in connection with a private placement of each Lease Agreement or 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 Piper Sandler & Co., which amount shall not exceed 2.00% of the face or par amount of any Lease Agreement.

Section 11. The Authorized Officers, or each individually, and, if applicable, each officer of the Leasing Corporation, 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, only to the extent as permitted by State law 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 and any related documents 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 12. The obligations of the District under any 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 each such Lease Agreement.

Section 13. The District hereby designates the Lease Agreements as “qualified tax-exempt obligations” as defined in Section 265(b)(3) of 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, including the Leasing Corporation, during any single calendar year is not reasonably expected to exceed \$10,000,000; and

(b) the District and all subordinate entities thereof, including the Leasing Corporation, 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 each individually, are authorized to take such other action as may be necessary to make effective the designation in this Section 13.

Section 14. (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 each of the Lease Payments and (ii) will not use or permit the use of any proceeds of any of the Lease Agreements 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 any 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 of the Lease Agreements 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 15. 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 16. 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 17. This Resolution shall be in force and take effect from and after its passage as provided by law.

DATED February 27, 2023.

ATTEST:

President, Board of Education

Secretary, Board of Education

EXHIBIT A

POST-ISSUANCE TAX COMPLIANCE PROCEDURES

General

In connection with the execution and delivery of each of the Lease Agreements, York County School District 0096 (Heartland Community Schools) (the “**District**”) will execute a tax compliance certificate (the “**Tax Certificate**”) that describes the requirements and provisions of the Internal Revenue Code of 1986, as amended (the “**Code**”) that must be followed in order to maintain the tax exempt status of interest portion of each 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 each of the Lease Agreements 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 each of the Lease Agreement documents and in the Tax Certificate, the District tracks and monitors the actual use of the proceeds of each of the Lease Agreements, the investment and expenditure of the proceeds and the assets financed or refinanced with the proceeds of each such Lease Agreement over its life.

Designation of Responsible Person

The Superintendent of Schools (the “**Superintendent**”) 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 each of the Lease Agreements 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 each of the Lease Agreements. 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 each of the Lease Agreements.

The District also shall consult with bond and/or tax counsel and other legal counsel and advisors, as needed, following execution of each 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 each 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 provide that arbitrage rebate will not be applicable to the Lease Agreement.

Unless otherwise provided by the resolution or other authorizing documents relating to each 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 provide 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 each of the Lease Agreements; 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 each Lease Agreement, has agreed to undertake the tasks listed above (unless the Tax Certificate documents provide 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 each Lease Agreement-financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of each

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 each 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 each 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 each Lease Agreement-financed or refinanced assets as described below under “Record Keeping Requirements”;
- conferring at least annually with personnel responsible for each Lease Agreement-financed or refinanced assets to identify and discuss any existing or planned use of each 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 each 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 Agreements, 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 each 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 each 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 each 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 each Lease Agreement-financed or refinanced assets;
- copies of all trustee statements and reports, including arbitrage reports, prepared with respect to each 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.