

The Board of Education of the Beaver Local School District, Ohio, met in _____ session on _____, 2015, commencing at _____ p.m., at _____, with the following members present:

The Treasurer advised the Board that the notice requirements of Section 121.22 of the Revised Code and the implementing rules adopted by the Board pursuant thereto were complied with for the meeting.

_____ moved the adoption of the following resolution:

A RESOLUTION APPROVING AND AUTHORIZING A GROUND LEASE, LEASE-PURCHASE AGREEMENT AND RELATED DOCUMENTS PROVIDING FOR THE CONSTRUCTION, FURNISHING AND EQUIPPING AND THE LEASE AND ACQUISITION OF FACILITIES IMPROVEMENTS FOR SCHOOL DISTRICT PURPOSES, AND AUTHORIZING AND APPROVING OTHER RELATED MATTERS.

WHEREAS, this Board has determined to construct, furnish and equip and lease and acquire certain facilities improvements for school district purposes, together with all necessary appurtenances (the "Project Facilities"); and

WHEREAS, the Board has determined to enter into a ground lease and lease-purchase agreement with FirstMerit Bank, N.A. or designee thereof (the "Lessor"), in order to finance the cost of the Project Facilities; and

WHEREAS, in order to implement the financing arrangements with respect to the Project Facilities (the "Lease-Purchase Financing"), it will be necessary for the Board to take the following actions:

A. Sign and deliver a ground lease (the "Ground Lease") under which the Board will convey to the Lessor a leasehold interest in the real property and existing improvements thereon upon which all or a substantial portion of the Project Facilities are to be located (the "Project Site") for a term of not more that five years longer than the term of the Facilities Lease described below, subject to earlier termination upon payment in full of all Lease Payments as provide in the Facilities Lease;

B. Sign and deliver a lease-purchase agreement (the "Facilities Lease") under which the Board (a) will sublease the Project Site and lease the Project Facilities located on the Project Site (collectively, with the Project Site, the "Leased Property") from the Lessor for an Initial Term and for Renewal Terms (each a "Lease Term"), as defined in the Facilities Lease, upon appropriations

being made by this Board of funds sufficient to enable the District to pay the Base Rent, as defined in the Facilities Lease, during the Renewal Terms and (b) will have an obligation, which will constitute a “public obligation” as defined in Section 133.01 of the Revised Code, to pay Base Rent during each Lease Term subject to such appropriations; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Beaver Local School District, Ohio, that:

Section 1. Facilities Lease and Ground Lease. In connection with the Lease-Purchase Financing, the President of the Board or, in the absence of the President, the Vice President of the Board (herein referred to as the “President”) and the Treasurer of the Board (the “Treasurer”) is each authorized to negotiate, sign and deliver the Facilities Lease and the Ground Lease, in form and substance consistent with the provisions of this resolution and in the best interests of the District, all of which shall be conclusively evidenced by the signing of the Facilities Lease or the Ground Lease, as the case may be, or amendments thereto by those officers. The proceeds received by the District in exchange for the District entering into the Facilities Lease shall be paid into the proper fund or funds of this District, and those proceeds are appropriated and shall be used to pay Project Costs (as defined in the Facilities Lease), including financing costs.

Section 2. Project Facilities. This Board hereby determines that the Leased Property, including the Project Facilities, and the uses thereof as set forth in the preambles to this Resolution are essential to the District including but not limited to its proper, efficient and economic operation and the welfare of its students.

Section 3. Determination of Facilities Lease Terms. The terms of the Facilities Lease with respect to Base Rent and Renewal Terms shall be as follows:

(a) **Base Rent.** The aggregate principal component of Base Rent, as defined in the Facilities Lease, for the Initial Term and all Renewal Terms in aggregate shall not exceed \$1,600,000. The interest component of the Base Rent shall accrue at a rate not to exceed 4.00 % per year.

(b) **Final Renewal Term.** The final Renewal Term of the Facilities Lease shall not end more than 20 years after the Commencement Date and the term of the Ground Lease shall end not more than 5 years after the final Renewal Term of the Facilities Lease.

Section 4. Other Instruments. In connection with the Lease-Purchase Financing, the President, the Superintendent and the Treasurer are each hereby authorized to take any and all other actions and to sign and deliver any and all other instruments, agreements, certificates and documents, including escrow agreements relating to the investment and application of the proceeds of the Facilities Lease, as may in their judgment be necessary, desirable, advisable or appropriate in order to give effect to the transactions contemplated to be performed on the part of the District under the Facilities Lease.

Section 5. Tax Covenants. This Board covenants to use, and to restrict the use and investment of, the proceeds of the Facilities Lease in such manner and to such extent as may be necessary so that (a) the obligations of the District under the Facilities Lease will not (i) constitute

private activity bonds, arbitrage bonds or hedge bonds under Sections 141, 148 or 149 of the Internal Revenue Code of 1986, as amended (the “Code”) or (ii) be treated other than as obligations to which Section 103 of the Code applies, and (b) the interest components of the Base Rent will not be treated as an item of tax preference under Section 57 of the Code.

This Board further covenants (a) to take or cause to be taken such actions that may be required of it for the interest components of the Base Rent to be and to remain excluded from gross income for federal income tax purposes, (b) to take or authorize to be taken any actions that would adversely affect that exclusion, and (c) that it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Facilities Lease to the governmental purpose of the Facilities Lease, (ii) restrict the yield on investment property acquired with those proceeds, (iii) make timely and adequate payments to the federal government if required, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of those proceeds and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of the interest components under the Code.

The aggregate of the principal components of the Base Rent payable during all Lease Terms under the Facilities Lease (the “Obligations”) is hereby designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. In that connection, the District hereby represents and covenants that it, together with all its subordinate entities or entities that issue obligations on its behalf, or on behalf of which it issues obligations, in or during the calendar year in which the District delivers the Facilities Lease, (a) have not issued and will not issue tax-exempt obligations designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code, including the Obligations, in an aggregate amount in excess of \$10,000,000, and (b) have not issued, do not reasonably anticipate issuing, and will not issue, tax-exempt obligations (including the Obligations, but excluding obligations, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code, that are private activity bonds as defined in Section 141 of the Code and excluding refunding obligations that are not advance refunding obligations as defined in Section 149(d)(5) of the Code) in an aggregate amount exceeding \$10,000,000, unless the District first obtains a written opinion of nationally recognized bond counsel that such designation or issuance, as applicable, will not adversely affect the status of the Obligations as “qualified tax-exempt obligations”. Further, the District represents and covenants that, during any time or in any manner as might affect the status of the Obligations as “qualified tax-exempt obligations”, it has not formed or participated in the formation of, or benefited from or availed itself of, any entity in order to avoid the purposes of subparagraph (C) or (D) of Section 265(b)(3) of the Code, and will not form, participate in the formation of, or benefit from or avail itself of, any such entity. The District further represents that the Obligations are not being issued as part of a direct or indirect composite issue that combines issues or lots of tax-exempt obligations of different issuers.

The Treasurer, as the fiscal officer, or any other officer of this Board or the District having responsibility for signing the Facilities Lease is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval, or waiver on behalf of this Board or the District with respect to the Facilities Lease as this Board or the District is permitted to or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Facilities Lease or the interest components of the

Base Rent or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments or penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of this Board and the District, as may be appropriate to assure the exclusion of the interest components of the Base Rent from gross income and the intended tax status of the interest components of the Base Rent and (c) to give one or more appropriate certificates of this Board and the District, for inclusion in the transcript of proceedings relating to the Facilities Lease, setting forth the reasonable expectations of this Board and the District regarding the amount and use of all the proceeds of the Facilities Lease, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest components of the Base Rent and the tax status of the Facilities Lease.

Section 6. Retention of Bond Counsel. The legal services of Roetzel & Andress, LPA, as bond counsel, be and are hereby retained. The legal services shall be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the Transaction and the rendering of the necessary legal opinion upon the signing and delivery of the Facilities Lease and the Ground Lease. In rendering those legal services, as an independent contractor and in an attorney-client relationship, that firm shall not exercise any administrative discretion on behalf of the District in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, the District or any other political subdivision, or the execution of public trusts. That firm shall be paid just and reasonable compensation for those legal services and shall be reimbursed for the actual out-of-pocket expenses it incurs in rendering those legal services, whether or not the Transaction is completed. The Treasurer is authorized and directed to make appropriate certification as to the availability of funds for those fees and any reimbursement and to issue an appropriate order for their timely payment as written statements are submitted by that firm and in paying other financing costs in connection with the Transaction at the direction of this Board.

Section 7. Severability. Each section of this Resolution and each part of each section hereof is hereby declared to be independent, and the finding or holding of any section or part of any section hereof to be invalid or void shall not be deemed or held to affect the validity of any other section or part of any section of this Resolution.

Section 8. Compliance with Open Meeting Law. This Board finds and determines that all formal actions of this Board and of any of its committees concerning and relating to the adoption of this Resolution were taken in open meetings of this Board or of its committees, and that all deliberations of this Board and of any committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 9. Effective Date. This Resolution shall be in full force and effect immediately upon its adoption.

_____ seconded the motion.

Upon roll call on the adoption of the resolution, the vote was as follows:

TREASURER'S CERTIFICATION

The foregoing is a true and correct excerpt from the minutes of the meeting of the Board of Education of the Beaver Local School District, Ohio, held on September ____, 2015, showing the adoption of the Resolution hereinabove set forth.

September ____, 2015

Treasurer, Board of Education
Beaver Local School District, Ohio