Research Triangle High School

Finance Committee Meeting

Date and Time

Wednesday August 12, 2026 at 9:00 AM EDT

Location

Join Zoom Meeting
https://rtp-org.zoom.us/j/85230571593?pwd=KS3gaSaAcdi4b2yuRt4TDPf40sEzrH.1

Meeting ID: 852 3057 1593
Passcode: 897069

The RTHS Finance Committee meets on the second Wednesday of each month, except in December and July. Meetings are held virtually.

Agenda

		Purpose	Presenter	Time
I.	**Opening Items**			**9:00 AM**
	A. Record Attendance		Carolyn Coia	1 m
	B. Call the Meeting to Order		Carolyn Coia	1 m
	C. Approve Minutes	Approve Minutes	Carolyn Coia	3 m
II.	**Finance Committee Business**			**9:05 AM**

		Purpose	Presenter	Time
A.	Finance Committee	Discuss	Alex Drake	45 m
	• Review Prior Month Financials • Personnel Updates (as required) • Service Contracts			
B.	Review/Recommend Stifel Engagement	Vote	Carolyn Coia	10 m
III.	**Other Business**			**10:00 AM**
A.	Other Business	Discuss	Carolyn Coia	5 m
IV.	**Closing Items**			**10:05 AM**
A.	Adjourn Meeting	Vote	Carolyn Coia	5 m

Coversheet

Finance Committee

Section:	II. Finance Committee Business
Item:	A. Finance Committee
Purpose:	Discuss
Submitted by:	
Related Material:	RTHS FY 2025-26 Budget Update 6.30.26.pdf RTHS FY 2026-27 Budget Update 7.31.26.pdf

Research Triangle High School	FY 2025-2026 Board Approved Budget	FY 2025-2026 Board Approved Amended Budget	Variance	Actuals as of 6.30.26	% Received/ Expensed to Budget	Comments:
ADM	372	372	0%			
State Funding per ADM	$ 6,665.00	$ 6,665.18	1%			
EC ADM	29	42	45%			
State EC Funding per ADM	$ 5,245.28	$ 4,956.29	-5%			
Revenue						
State Funds - Revenue	3,778,060	3,821,888	1%	3,821,888	100%	
State Funds - Growth Funding	-			-		
State EC Funds	197,328	213,892	8%	213,892	100%	
State Funds - LI Adjustment	-					
State Funds - LEP Funds	-	63,669		63,669	100%	
State Funds - School Technology	-	6,742		6,742	100%	
State Funds - NCVPS	(8,138)	(10,844)	33%	(10,844)	100%	
State Funds - Fines & Forfeitures	-	-		-		
State Funds - COVID-19	-	-		-		
State Funds - Other Funds (non-recurring)	-	26,751		26,751	100%	
State Funds - Paid Parental Leave Reimbursement	-	-		-		
Total State Funding	**3,967,250**	**4,122,098**	4%	**4,122,098**	100%	
Alamance County Funds	2,160	8,456	291%	9,237	109%	
Brunswick County Funds						
Chapel Hill-Carrboro Funds	50,049	56,824	14%	61,005	107%	
Chatham County Funds	45,000	34,765	-23%	36,344	105%	
Cumberland County Funds	1,800	-	-100%	-		
Durham County Funds	1,534,752	1,719,312	12%	1,736,619	101%	
Franklin County Funds	-	2,709		2,753	102%	
Granville County Funds	2,313	2,475	7%	2,561	103%	
Guilford County Funds		3,627		3,648	101%	
Harnett County Funds	1,431	3,690		4,246	115%	
Johnston County Funds						
Orange County Funds	55,530	34,668	-38%	31,549	91%	
Wake County Funds	939,900	964,620	3%	969,931	101%	
Mecklenburg County Funds	-			-	0%	
Total County Funding	**2,632,935**	**2,831,146**	8%	**2,857,894**	101%	
Federal Funds - PRC 060 (EC)	106,437	145,632	37%	150,158	103%	
Federal Funds - PRC 050	-	-		-		
Federal Funds - PRC 103	21,069	21,578	2%	21,578	100%	
Federal Funds - PRC 108				-		
Federal Funds - PRC 118	1,100	-	-100%	-		
Federal Funds - COVID-19				-		
Grant Funds SRSA				-		
Total Federal Funding	**128,606**	**167,210**	30%	**171,736**	103%	
Sales & Use Tax Refund	25,000	30,000	20%	35,785	119%	
Corporate/Board/Private Donations	30,000	30,000	0%	26,999	90%	
Interest Income	50,000	40,000	-20%	41,480	104%	
Other	6,500	8,700		8,681	100%	
Total Revenue	**6,840,291**	**7,229,154**	6%	**7,264,673**	100%	
Expenses						
Principal	265,000	265,000	0%	265,000	100%	
Interest	511,425	511,425	0%	505,956	99%	
Bond Costs	8,600	8,600	0%	7,926	92%	
Repair and Replacement Fund Transfer	85,800	85,800	0%	85,800	100%	
Capitalized Improvements/Purchases	-	103,000		93,589	91%	
Building Expenses						
Utilities - elec, water and trash	115,000	110,000	-4%	108,311	98%	
Telephone/Communications	3,000	4,011	34%	2,543	63%	
Maintenance & Repair	53,000	53,000	0%	61,833	117%	
Custodial - Supplies/Materials	18,000	18,000	0%	15,633	87%	
Facility Contracted Services:				-		
Custodial Services	88,772	88,772	0%	88,394	100%	
Carpet - Tile Cleaning	12,450	12,450	0%	10,008	80%	
HVAC	24,856	24,856	0%	18,960	76%	
Grounds - Landscaping	16,000	20,238	26%	20,988	104%	
Total Building Expenses	**331,078**	**331,326**	0%	**326,668**	99%	
Personnel Costs						
Salaries	3,833,642	3,767,730	-2%	3,767,432	100%	
Substitutes	100,000	177,000	77%	177,750	100%	
Personal Leave				-		
Health Insurance - State Plan	416,510	416,510	0%	418,925	101%	
Retirement - State 457 Plan + Match	80,506	71,000	-12%	70,674	100%	
Payroll Taxes - 7.65%	295,810	296,644	0%	296,770	100%	
NC Flex Plan Fees	5,000	5,045	1%	5,049	100%	
SUTA	11,429	11,429	0%	10,645	93%	

Research Triangle High School	FY 2025-2026 Board Approved Budget	FY 2025-2026 Board Approved Amended Budget	Variance	Actuals as of 6.30.26	% Received/ Expensed to Budget	Comments:
Workers Comp Insurance	14,000	14,000	0%	13,841	99%	
Bonus		125,730		125,463	100%	
Total Personnel Costs	**4,756,898**	**4,885,088**	3%	**4,886,550**	100%	
Information Technology						
Technology	45,000	110,000	144%	113,327	103%	
Digital Resources & SW Licenses	58,394	56,000	-4%	74,155	132%	
Total Information Technology	**103,394**	**166,000**	61%	**187,481**	113%	
Instructional Services						
Staff Development	25,000	35,000	40%	37,353	107%	
Counseling - Staff Dev	1,000	1,000	0%	1,207	121%	
Travel & Mileage Reimbursement	5,000	20,000	300%	18,637	93%	
Staff Dev - PD Meals	12,000	17,500	46%	17,839	102%	
Staff Development - EC	2,000	2,000	0%	2,746	137%	
Educational Programs	17,000	17,000	0%	16,079	95%	
Edu Materials - Science Dept	7,000	5,000	-29%	4,790	96%	
Edu Materials - English Dept	4,000	4,000		3,021	76%	
Edu Materials - Languages Dept	3,000	3,000	0%	2,774	92%	
Edu Materials - History Dept	4,000	3,000	-25%	2,908	97%	
Edu Materials - Arts Dept	5,000	10,500	110%	9,688	92%	
Edu Materials - Math Dept	4,000	2,000	-50%	1,148	57%	
Edu Materials - PE Dept	3,000	2,500	-17%	2,399	96%	
Education Materials - EC Dept	3,000	3,000	0%	2,667	89%	
Testing (AP/PSAT)	7,566	7,566	0%	1,290	17%	
Textbooks/Assessment	5,000	11,000	120%	7,848	71%	
Social Service Fund	500	500	0%	-	0%	
Furniture & Fixtures	5,000	30,000	500%	15,772	53%	
Administrative Expenses	9,000	9,000	0%	12,504	139%	
EC Contracted Services: ($50,000 FY23)	-	-		-		
Visually Impared & Orientation	13,000	15,000	15%	15,499	103%	
Speech-Language Therapy	20,000	30,000	50%	30,176	101%	
Mental Health Service				-		
Web-based IEP Service	-			-		
Occupational Therapy	5,000	5,000	0%	4,950	99%	
Interpreting and Written Translation Service				-		
Psychoeducational Assessments	20,000	20,000	0%	13,750	69%	
Total Instructional Services	**180,066**	**253,566**	41%	**225,045**	89%	
Support Services						
Administration Contracted Services:				-		
Legal & Consulting	50,000	30,000	-40%	28,421	95%	
Contracted Financial Services	60,480	60,480	0%	60,480	100%	
LINQ Software Support	5,769	6,346	10%	6,346	100%	
Contracted HR Services	20,400	14,500	-29%	14,474	100%	
Student Information Management Services	21,000	21,000	0%	21,000	100%	
Contracted Printing Services	35,183	49,000	39%	49,027	100%	
Contracted Audit Services	25,000	26,150	5%	26,150	100%	
Background Checks	2,000	2,500	25%	780	31%	
General Insurance	40,645	43,185	6%	43,185	100%	
Board of Director Materials	12,495	13,195	6%	13,195	100%	
Fundraising/Development	5,000	5,000	0%	2,612	52%	
Marketing/Advertising	6,000	26,000	333%	25,936	100%	
Transportation Contracted Services:				-		
Daily Bus Services	48,000	48,000	0%	45,393	95%	
Special Event Transportation Services	4,000	3,000	-25%	2,465	82%	
Transportation - Fuel	7,000	5,000	-29%	4,650	93%	
Transportation Maintenance	4,000	4,000	0%	1,462	37%	
Food Services	22,000	11,500	-48%	10,990	96%	
Total Support Services	**368,972**	**368,856**	0%	**356,566**	97%	
Other Expenses						
Athletics	66,650	89,000	34%	94,568	106%	
Feminine Hygiene Grant				-		
Counseling/College Dept	5,000	5,000	0%	5,540	111%	
Graduation	11,000	15,000	36%	21,242	142%	
Senior Class Events	2,000	10,000	400%	9,563	96%	
Safety - Off Duty Officer	45,000	48,000	7%	47,850	100%	
Staff Snacks (Joy Room)	3,000	5,000	67%	4,824	96%	
Staff Appreciation		-		-		
Sales Tax	25,000	30,000	20%	35,877	120%	
Repayment to DPI						
Robotics	9,000	9,000	0%	9,241	103%	
Transfer to Raptorium	100	100	0%	100	100%	
Total Other Expenses	**166,750**	**211,100**	27%	**228,805**	108%	
Total Expenses	**6,777,982**	**7,189,762**		**7,169,385**	100%	

Research Triangle High School	FY 2025-2026 Board Approved Budget	FY 2025-2026 Board Approved Amended Budget	Variance	Actuals as of 6.30.26	% Received/ Expensed to Budget	Comments:
Surplus	**62,309**	**39,392**		**95,288**		
Interfund Transfer				150,245		
Surplus from Previous Years	2,202,066	2,202,066		2,202,066		
Ending Cash Balance	**2,264,375**	**2,241,458**		**2,447,599**		

Liquidity Requirement Calculation:

Total Expenses	7,169,385
Clubs, PTSO, Boosters Expenses (projected)	306,655
Less: Capitalized Purchases	(93,589)
Less: Principal Payments	(265,000)
Less: Repair and Replacement Fund Transfer	(85,800)
Total Operating Expenses	**7,031,652**
Divided by 365 days	365
Operating Expense per Day	**19,265**
Multiplied by 45 days	45
Minimum balance required for unrestricted cash and cash equivalents	**866,916**
Ending Cash Balance	2,447,599
Raptorium Cash	1,690
Clubs, PTSO, Boosters Cash	86,306
Total Unrestricted Cash and Cash Equivalents	**2,535,595**
Divided by Operating Expense per Day	19,265
Projected Days Cash on Hand	**132**

Liquidity Requirement for Days Cash on Hand **45**

Debt Service Coverage Ratio Calculation:

Surplus (cash basis)	95,288
Net Income - Raptorium	100
Net Income - Clubs, PTSO, Boosters	(18,627)
Net Income - US Bank	-
Add: Repair and Replacement Fund Trans	85,800
Add: Capitalized Items	93,589
Add: Principal Payments	265,000
Less: Amortization	(11,869)
Less: Depreciation	-
Change in Net Assets	**509,281**
Add: Interest	511,425
Add: Amortization	11,869
Add: Depreciation	-
Net Income Available for Debt Service	**1,032,575**
Maximum Annual Debt Service	762,144
Projected Debt Service Coverage Ratio	**1.35**

Excess of DSCR Requirement **118,002**
Required DSCR in Covenants **1.20**

Research Triangle High School	FY 2026-2027 Approved Budget	FY 2026-2027 Working Budget	Variance	Actuals as of 7.31.26	% Received/ Expensed to Budget	Comments:
ADM	*571*	*571*	*0%*			
State Funding per ADM	*$ 6,735.57*	*$ 7,296.14*	*8%*			
EC ADM	*42*	*51*	*21%*			
State EC Funding per ADM	*$ 4,996.25*	*$ 5,313.16*	*6%*			
Revenue						
State Funds - Revenue	3,846,010	4,166,096	8%	327,419	8%	
State Funds - Growth Funding				-		
State EC Funds	251,944	270,971	8%	22,581	8%	
State Funds - LI Adjustment						
State Funds - LEP Funds	67,135	26,100	-61%	-	0%	
State Funds - School Technology	6,809	6,812	0%	-	0%	
State Funds - NCVPS	(9,303)	(15,504)	67%	-	0%	
State Funds - Fines & Forfeitures				-		
State Funds - COVID-19				-		
State Funds - Other Funds (non-recurring)				-		
State Funds - Paid Parental Leave Reimbursement				-		
Total State Funding	**4,162,595**	**4,454,475**	7%	**350,000**	8%	Updated to actual allotment as of 8.11
Alamance County Funds	9,120	9,120	0%	-	0%	
Brunswick County Funds						
Chapel Hill-Carrboro Funds	56,824	56,824	0%	-	0%	
Chatham County Funds	34,765	34,765	0%	-	0%	
Cumberland County Funds	-	-		-		
Durham County Funds	1,770,891	1,770,891	0%	-	0%	
Franklin County Funds	2,610	2,610		-	0%	
Granville County Funds	2,592	2,592	0%	-		
Guilford County Funds	3,600	3,600		-		
Harnett County Funds	3,690	3,690		-	0%	
Johnston County Funds						
Orange County Funds	34,668	34,668	0%	-	0%	
Wake County Funds	993,559	993,559	0%	-	0%	
Mecklenburg County Funds	-	-		-		
Total County Funding	**2,912,319**	**2,912,319**	0%	-	0%	
Federal Funds - PRC 060 (EC)	106,000	106,000	0%	-	0%	
Federal Funds - PRC 050				-		
Federal Funds - PRC 103	20,000	20,000	0%	-	0%	
Federal Funds - PRC 108				-		
Federal Funds - PRC 118				-	#DIV/0!	
Federal Funds - COVID-19				-		
Grant Funds SRSA				-		
Total Federal Funding	**126,000**	**126,000**	0%	**-**	0%	
Sales & Use Tax Refund	25,000	25,000	0%	-	0%	
Corporate/Board/Private Donations	30,000	30,000	0%	350	1%	
Interest Income	40,000	40,000	0%	2,934	7%	
Other	9,000	9,000		1,125	13%	
Total Revenue	**7,304,914**	**7,596,794**	**4%**	**354,410**	5%	
Expenses						
Principal	280,000	280,000	0%	23,333	8%	
Interest	498,834	498,834	0%	31,072	6%	
Bond Costs	8,600	8,600	0%	-	0%	
Repair and Replacement Fund Transfer	85,800	85,800	0%	7,150	8%	
Capitalized Improvements/Purchases				12,968	#DIV/0!	
Building Expenses						
Utilities - elec, water and trash	110,000	110,000	0%	8,207	7%	
Telephone/Communications	3,000	3,000	0%	82	3%	
Maintenance & Repair	53,000	53,000	0%	823	2%	
Custodial - Supplies/Materials	18,000	18,000	0%	-	0%	
Facility Contracted Services:				-		
Custodial Services	100,000	100,000	0%	8,325	8%	
Carpet - Tile Cleaning	15,000	15,000	0%	-	0%	
HVAC	20,000	20,000	0%	2,587	13%	
Grounds - Landscaping	20,000	20,000	0%	1,000	5%	
Total Building Expenses	**339,000**	**339,000**	0%	**21,024**	6%	
Personnel Costs						
Salaries	4,079,757	3,999,465	-2%	295,141	7%	Updated to actual salaries plus placeholders
Substitutes	100,000	100,000	0%	-	0%	
Personal Leave				-		
Health Insurance - State Plan	467,374	454,128	-3%	35,899	8%	
Retirement - State 457 Plan + Match	85,675	79,989	-7%	5,338	7%	

Payroll Taxes - 7.65%	314,736	308,690	-2%	22,031	7%
NC Flex Plan Fees	5,340	5,340	0%	417	8%
SUTA	11,118	11,118	0%	-	0%
Workers Comp Insurance	15,000	15,000	0%	-	0%
Bonus				-	
Total Personnel Costs	**5,078,999**	**4,973,730**	-2%	**358,826**	7%
Information Technology					
Technology	50,000	50,000	0%	15,119	30%
Digital Resources & SW Licenses	60,000	60,000	0%	7,069	12%
Total Information Technology	**110,000**	**110,000**	0%	**22,188**	20%
Instructional Services					
Staff Development	25,000	25,000	0%	1,027	4%
Counseling - Staff Dev	1,000	1,000	0%	-	0%
Travel & Mileage Reimbursement	10,000	10,000	0%	87	1%
Staff Dev - PD Meals	15,000	15,000	0%	47	0%
Staff Development - EC	3,000	3,000	0%	-	0%
Educational Programs	17,000	17,000	0%	-	0%
Edu Materials - Science Dept	7,000	7,000	0%	-	0%
Edu Materials - English Dept	3,000	3,000		-	0%
Edu Materials - Languages Dept	2,000	2,000	0%	36	2%
Edu Materials - History Dept	3,000	3,000	0%	(26)	-1%
Edu Materials - Arts Dept	5,000	5,000	0%	-	0%
Edu Materials - Math Dept	3,000	3,000	0%	-	0%
Edu Materials - PE Dept	3,000	3,000	0%	(126)	-4%
Education Materials - EC Dept	3,000	3,000	0%	-	0%
Testing (AP/PSAT)	7,566	7,566	0%	-	0%
Textbooks/Assessment	8,000	8,000	0%	-	0%
Social Service Fund	500	500	0%	-	0%
Furniture & Fixtures	6,000	6,000	0%	108	2%
Administrative Expenses	9,000	9,000	0%	267	3%
EC Contracted Services: ($50,000 FY23)				-	
Visually Impared & Orientation	13,000	13,000	0%	-	0%
Speech-Language Therapy	25,000	25,000	0%	-	0%
Mental Health Service				-	
Web-based IEP Service	4,000	4,000		-	
Occupational Therapy	5,000	5,000	0%	-	0%
Interpreting and Written Translation Service				-	
Psychoeducational Assessments	20,000	20,000	0%	-	0%
Total Instructional Services	**198,066**	**198,066**	0%	**1,421**	1%
Support Services					
Administration Contracted Services:				-	
Legal & Consulting	50,000	50,000	0%	-	0%
Contracted Financial Services	63,504	63,504	0%	5,292	8%
LINQ Software Support	6,537	6,537	0%	-	0%
Contracted HR Services	20,000	20,000	0%	728	4%
Student Information Management Services	21,000	21,000	0%	1,750	8%
Contracted Printing Services	40,000	40,000	0%	3,496	9%
Contracted Audit Services	25,000	25,000	0%	-	0%
Background Checks	2,000	2,000	0%	357	18%
General Insurance	45,000	45,000	0%	25,029	56%
Board of Director Materials	13,195	13,195	0%	-	0%
Fundraising/Development	5,000	5,000	0%	-	0%
Marketing/Advertising	10,000	10,000	0%	(717)	-7%
Transportation Contracted Services:				-	
Daily Bus Services	48,000	48,000	0%	-	0%
Special Event Transportation Services	4,000	4,000	0%	-	0%
Transportation - Fuel	7,000	7,000	0%	-	0%
Transportation Maintenance	4,000	4,000	0%	-	0%
Food Services	15,000	15,000	0%	-	0%
Total Support Services	**379,236**	**379,236**	0%	**35,935**	9%
Other Expenses					
Athletics	75,000	75,000	0%	3,050	4%
Feminine Hygiene Grant				-	
Counseling/College Dept	5,000	5,000	0%	-	0%
Graduation	15,000	15,000	0%	741	5%
Senior Class Events	6,000	6,000	0%	-	0%
Safety - Off Duty Officer	45,000	45,000	0%	-	0%
Staff Snacks (Joy Room)	3,500	3,500	0%	60	2%
Staff Appreciation	5,000	5,000		-	0%
Sales Tax	25,000	25,000	0%	2,485	10%
Repayment to DPI	-	-			
Robotics	9,000	9,000	0%	-	0%

Transfer to Raptorium	100	100	0%	-	0%
Total Other Expenses	**188,600**	**188,600**	0%	**6,337**	3%
Total Expenses	**7,167,135**	**7,061,865**	**(0)**	**520,254**	7%
Surplus	**137,779**	**534,928**		**(165,845)**	
Interfund Transfer					
Surplus from Previous Years	2,447,599	2,447,599		2,447,599	
Ending Cash Balance	**2,585,378**	**2,982,527**		**2,281,754**	

Liquidity Requirement Calculation (FY 26-27):

Total Expenses	7,061,865
Clubs, PTSO, Boosters Expenses (projected)	450,000
Less: Capitalized Purchases	-
Less: Principal Payments	(280,000)
Less: Repair and Replacement Fund Transfer	(85,800)
Total Operating Expenses	**7,146,065**
Divided by 365 days	365
Operating Expense per Day	**19,578**
Multiplied by 45 days	45
Minimum balance required for unrestricted cash and cash equivalents	**881,022**
Ending Cash Balance	2,982,527
Raptorium Cash	1,790
Clubs, PTSO, Boosters Cash	86,306
Total Unrestricted Cash and Cash Equivalents	**3,070,623**
Divided by Operating Expense per Day	19,578
Projected Days Cash on Hand	**157**
Liquidity Requirement for Days Cash on Hand	**45**

Debt Service Coverage Ratio Calculation (FY 26-27):

Surplus (cash basis)	534,928
Net Income - Raptorium	100
Net Income - Clubs, PTSO, Boosters	-
Net Income - US Bank	-
Add: Repair and Replacement Fund Transfer	85,800
Add: Capitalized Items	-
Add: Principal Payments	280,000
Less: Amortization	(11,869)
Less: Depreciation	-
Change in Net Assets	**888,959**
Add: Interest	498,834
Add: Amortization	11,869
Add: Depreciation	-
Net Income Available for Debt Service	**1,399,662**
Maximum Annual Debt Service	762,144
Projected Debt Service Coverage Ratio	**1.84**
Excess of DSCR Requirement	**485,090**
Required DSCR in Covenants	**1.20**

Coversheet

Review/Recommend Stifel Engagement

Section: II. Finance Committee Business
Item: B. Review/Recommend Stifel Engagement
Purpose: Vote
Submitted by:
Related Material:
Stifel Prelim Engagement Letter - Research Triangle High School - July 2026.pdf

STIFEL

July 1, 2026

Mr. Alex Drake, M.Ed., CAA, CIC
Chief Operations Officer
3106 East NC Hwy. 54
Durham, NC 27713

Re: Underwriter/Placement Agent Engagement Relating to Potential Municipal Securities Transaction for Contemporary Science Center, Inc. (Research Triangle High School)

Dear Mr. Drake:

Contemporary Science Center, Inc (Research Triangle High School) ("Obligor") and Stifel, Nicolaus & Company, Incorporated ("Stifel") hereby confirm they are engaged in discussions related to a potential issue of (or series of issuances of) municipal securities related to the existing debt and potential new issuance of debt (the "Issue") and to formalize Stifel's role as underwriter or placement agent with respect to the Issue.

Engagement as Underwriter/Placement Agent

Obligor is aware of the "Municipal Advisor Rule" of the Securities and Exchange Commission ("SEC") and the underwriter exclusion from the definition of "municipal advisor" for a firm serving as an underwriter or placement agent for a particular issuance of municipal securities. Obligor hereby designates Stifel as an underwriter or placement agent for the Issue. Obligor expects that Stifel will provide advice to Obligor on the structure, timing, terms and other matters concerning the Issue.

If this engagement takes the form of a placement, at the closing of the placement, Obligor will be asked to sign a Placement Engagement Agreement substantially in the form of the model agreement (conduit) found here:https://www.sifma.org/resources/market-practices-model-documentation/municipal-securities-markets

Limitation of Engagement

It is Obligor's intent that Stifel serve as an underwriter or placement agent for the Issue, subject to satisfying applicable procurement laws or policies, formal approval of the conduit issuer of the securities ("Issuer"), finalizing the structure of the Issue and executing a bond purchase agreement or placement agent agreement, as applicable. While Obligor presently engages Stifel as the underwriter or placement agent for the Issue, this engagement letter is preliminary, nonbinding and may be terminated at any time by Obligor, without penalty or liability for any costs incurred by Stifel. Furthermore, this engagement letter does not restrict Obligor from selecting an underwriter/placement agent for the Issue other than Stifel or selecting an underwriting syndicate that does not include Stifel.

Confidentiality

Under the SEC's "Municipal Advisor Rule," Obligor might be classified as an "Obligated Person" if bonds are issued through a municipal conduit issuer. It is very important that Obligor keep confidential any information shared by Stifel until Stifel confirms our role with the Issuer.

Disclosures Required by MSRB Rule G-17 Concerning the Role of the Underwriter or Placement Agent

The Obligor confirms and acknowledges the following disclosures, as required to be delivered to issuers by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2019-20 (Nov. 8, 2019)[1]:

The following G-17 conflict of interest disclosures are broken down into three types, including: 1) dealer-specific conflicts of interest disclosures (if applicable); 2) transaction-specific disclosures (if applicable); and 3) standard disclosures.

1. **Dealer-Specific Conflicts of Interest Disclosures**

Stifel has identified the following actual or potential[2] material conflicts of interest:

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the Obligor and to persons and entities with relationships with the Obligor, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Obligor (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Obligor.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Obligor.

2. **Transaction-Specific Disclosures Concerning Complex Municipal Securities Financing:**

- Since we have not recommended a "complex municipal securities financing" to the Issuer or Obligor, additional disclosures regarding the financing structure for the Issue are not required under MSRB Rule G-17.

3. **Standard Disclosures**

A. Disclosures Concerning the Underwriter's or the Placement Agent's Role:

- MSRB Rule G-17 requires an underwriter and a placement agent to deal fairly at all times with issuers, obligated persons, and investors.

[1] Revised Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective Mar. 31, 2021).

[2] When we refer to *potential* material conflicts throughout this letter, we refer to ones that are reasonably likely to mature into *actual* material conflicts during the course of the transaction, which is the standard required by MSRB Rule G-17.

- The underwriter's primary role is to purchase the Issue with a view to distribution in an arm's-length commercial transaction with the Issuer. The placement agent's primary role in the transaction is to facilitate the sale and purchase of the securities between the issuer and one or more investors for which the placement agent will receive compensation in an arm's-length commercial transaction with the issuer. The underwriter/placement agent has financial and other interests that differ from those of the Issuer.

- Unlike a municipal advisor, the underwriter or the placement agent does not have a fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to our own financial or other interests.

- The Issuer or you may choose to engage the services of a municipal advisor with a fiduciary obligation to represent the Issuer's interest in this transaction.

- Under the federal securities laws, neither a municipal advisor, nor an underwriter, nor a placement agent has a fiduciary duty to Obligor.

- The underwriter has a duty to purchase the Issue from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Issue to investors at prices that are fair and reasonable.

- The placement agent has a duty to use its commercially reasonable efforts to arrange the purchase of securities from the Issuer at a fair and reasonable price, but must balance that duty with its duty to arrange the sale of securities to investors at prices that are fair and reasonable.

- The underwriter or the placement agent will review the official statement for the securities, if any, in accordance with, and a part of, its respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.[3]

B. Disclosures Concerning the Underwriter's or the Placement Agent's Compensation:

- The underwriter will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the Issue. The placement agent will be compensated by a fee agreed upon with the Issuer in connection with the private placement of the Issue. Payment or receipt of the underwriting/placement agent fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Issue. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriters may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

[3] Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriter or placement agent is solely for purposes of satisfying the underwriter's or placement agent's obligations under the federal securities laws and such review should not be construed by you as a guarantee of the accuracy or completeness of the information in the official statement.

Sincerely,

Stifel, Nicolaus & Company, Incorporated

By: 

Name: Nicholas Tripician

Title: Managing Director

Obligor accepts and acknowledges the foregoing.

Accepted and Executed

By: _____

Name: Mr. Alex Drake, M.Ed., CAA, CIC

Title: Chief Operations Officer

Date:

_____