RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF SCHOOL TRUSTEES OF THE LAFAYETTE SCHOOL CORPORATION AUTHORIZING THE PARTICIPATION OF SAID SCHOOL CORPORATION IN THE MOTOR FUEL BUDGETING PROGRAM OF THE INDIANA BOND BANK, THE EXECUTION OF THE QUALIFIED ENTITY REIMBURSEMENT AGREEMENT IN CONNECTION THEREWITH AND OTHER RELATED MATTERS

WHEREAS, the Lafayette School Corporation (the "School Corporation") owns and operates a fleet of motor vehicles, including buses, which are essential to the ability of the School Corporation to provide transportation and educational services to the students of the School Corporation; and

WHEREAS, the Board of School Trustees of the School Corporation (the "Board"), the governing body of the School Corporation, finds that the availability of motor vehicle fuel, which includes both gasoline and diesel motor fuel (collectively, "Motor Fuel"), is therefore critical to the School Corporation in providing such services; and

WHEREAS, the market-driven volatility of Motor Fuel presents a substantial risk to the Motor Fuel budget of the School Corporation, which may require the appropriation of additional funds for the purchase of Motor Fuel should prices increase beyond the amount of funds which have been appropriated for such purpose; and

WHEREAS, current market conditions limit the ability of the School Corporation to secure Motor Fuel with qualified suppliers of Motor Fuel in a manner which minimizes the adverse impacts of the volatile Motor Fuel market on the budget for the School Corporation; and

WHEREAS, the School Corporation has been advised by representatives of the Indiana Bond Bank (the "Bond Bank"), including Crowe LLP, that the Bond Bank has established and continued a motor fuel budgeting program (the "Program") pursuant to which "qualified entities", as defined in Indiana Code 5-1.5-1-8, may participate for the purpose of managing and mitigating the volatility of Motor Fuel prices in order to achieve budget stability; and

WHEREAS, the Board finds that the School Corporation has participated in the Program in its previous budget years and is eligible to participate in the Program; and

WHEREAS, the Board, having considered the information presented to it, finds that (i) participation in the Program will allow the School Corporation to manage and mitigate the volatility of Motor Fuel prices in order to achieve stability in the School Corporation's Motor Fuel budget, (ii) participation in the Program will enhance the School Corporation's ability to continue to operate its motor vehicle fleet in an economical manner to assure the continued provision of transportation and educational services to the students of the School Corporation, and (iii) the School Corporation is authorized to participate in the Program pursuant to Indiana Code 5-1.5, 20-26-5 and 20-27-5; and

WHEREAS, the Bond Bank has caused to be prepared a Qualified Entity Reimbursement Agreement in connection with the Program, attached hereto as Exhibit A and incorporated herein by reference (the "Agreement"), for execution by and between the School Corporation and the Bond Bank; and

WHEREAS, the Bond Bank intends to enter into agreements substantially the same as the Agreement with other qualified entities in connection with the Program; and

WHEREAS, the Agreement has been reviewed by the Board, which has had an opportunity to obtain independent advice and counsel with respect thereto, and has also had the opportunity to review the Agreement with the Bond Bank and seek explanation of the provisions thereof from the Bond Bank; and

WHEREAS, the Agreement sets forth the obligations of the School Corporation with respect to its participation in the Program during the term of the Agreement; and

WHEREAS, based upon the foregoing, the Board finds and determines that the School Corporation should participate in the Program, that the Agreement should be approved and that any other actions necessary to be taken to assure the School Corporation's participation in the Program should be approved;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SCHOOL TRUSTEES OF THE LAFAYETTE SCHOOL CORPORATION, AS FOLLOWS:

Section 1. The findings and determinations set forth in the preambles to this Resolution are hereby made findings and determinations of the School Corporation.

Section 2. The School Corporation is hereby authorized to enter into the Program with the Bond Bank for the purpose of managing and mitigating the volatility of Motor Fuel prices in order to achieve budget stability.

Section 3. The Agreement, in the form attached hereto as Exhibit A, is hereby approved by the Board so that the School Corporation may participate in the Program. The President of the Board is hereby authorized and directed to execute and deliver, and the Secretary of the Board is hereby authorized and directed to attest, the Agreement, and to approve any such changes in form or substance thereto which are consistent with the terms of this Resolution, such changes to be conclusively evidenced by its execution. The President, Vice-President and Secretary of the Board, and the Superintendent and Treasurer of the School Corporation, are hereby further authorized and directed to take such other actions or deliver such other certificates as are necessary or desirable in connection with the School Corporation's participation in the Program and the other documents needed for the School Corporation's participation in the Program as they deem necessary or desirable in connection therewith.

Section 4. The obligations of the School Corporation under the Agreement shall be payable from and shall not exceed the amount appropriated by the School Corporation for Motor Fuel for any budget year during which the Agreement is in effect. The Treasurer is hereby

authorized and directed to make any payments necessary to the Bond Bank pursuant to the terms of the Agreement from funds budgeted by the School Corporation for Motor Fuel.

Section 5. All resolutions and parts of resolutions in conflict herewith are hereby repealed.

Section 6. This Resolution shall be in full force and effect upon its passage by the Board.

Passed this _____ day of _____, 2026.

BOARD OF SCHOOL TRUSTEES OF
LAFAYETTE SCHOOL CORPORATION

_____
President

_____
Vice-President

_____
Secretary

_____
Member

_____
Member

_____
Member

_____
Member

EXHIBIT A

Form of Qualified Entity Reimbursement Agreement

QUALIFIED ENTITY REIMBURSEMENT AGREEMENT

This QUALIFIED ENTITY REIMBURSEMENT AGREEMENT, dated as of the 1st day of December, 2026 (this "Agreement"), between the INDIANA BOND BANK, a body corporate and politic ("Bond Bank"), created and existing pursuant to the provisions of Indiana Code 5-1.5, as amended (the "Act"), having its principal place of business in the City of Indianapolis, Indiana, and LAFAYETTE SCHOOL CORPORATION, a political subdivision of the State of Indiana ("Qualified Entity");

WITNESSETH:

WHEREAS, pursuant to the Act, the Board of Directors of the Bond Bank has adopted a resolution (the "Bond Bank Resolution") establishing a motor fuel budgeting program (the "Fuel Budgeting Program, Series 2027") and authorizing the Bond Bank (i) to enter into certain transactions with the Qualified Entity for the purpose of hedging the price associated with the purchase of gasoline and/or diesel motor fuel (such gasoline and diesel motor fuel hereinafter referred to as "Motor Fuel") for use by the Qualified Entity, and (ii) to enter into one or more commodity index swap agreements with one or more commodity index swap counterparties that will allow the Qualified Entity to manage and mitigate the volatility of Motor Fuel prices in order to achieve budget stability for such Qualified Entity; and

WHEREAS, pursuant to its Resolution adopted on _____, 2026 (the "Qualified Entity Resolution") by the Board of School Trustees for the Lafayette School Corporation, acting as the governing body for the Qualified Entity, the Qualified Entity is authorized to enter into this Agreement for the purpose of allowing the Bond Bank to (i) solicit and select creditworthy swap counterparties, (ii) negotiate and manage one or more commodity index swap agreements, and (iii) to fund all or a portion of the costs and expenses associated with any such swap agreements and the Fuel Budgeting Program, Series 2027, in accordance with this Agreement; and

WHEREAS, pursuant to the Qualified Entity Resolution, the Qualified Entity is authorized to pay to the Bond Bank all or a portion of the funds budgeted for Motor Fuel by the Qualified Entity for the purpose of (i) reimbursing the Bond Bank for amounts advanced by the Bond Bank from the Reserve Account (as defined in the Bond Bank Resolution) necessary to make payments due by the Bond Bank, if any, with respect to a commodity index swap agreement, and (ii) to pay any and all expenses associated with or incurred by the Bond Bank in connection with the Fuel Budgeting Program, Series 2027, allocable to the Qualified Entity; and

WHEREAS, pursuant to the Bond Bank Resolution and in reliance, in part, on the adoption of the Qualified Entity Resolution and the execution and delivery of this Agreement by the Qualified Entity, the Bond Bank has entered into one or more commodity index swap agreements in the form of a Master Agreement, including one or more schedules thereto and/or credit support annexes thereto (collectively, the "ISDA Agreement"), and the confirmation or confirmations entered into thereunder (collectively, the "Confirmation" and, together with the "ISDA Agreement," the "Swap Agreement"), with the commodity index swap dealer or dealers named therein (collectively, the "Swap Dealers");

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein THE BOND BANK AND THE QUALIFIED ENTITY AGREE AS FOLLOWS:

1. Representations and Warranties.

(a) The Qualified Entity makes the following representations and warranties to the Bond Bank:

(i) The Qualified Entity has been duly organized and is validly existing under and pursuant to State law.

(ii) The Qualified Entity is entering into this Agreement in connection with the conduct of its governmental purpose and to manage the risk associated with the price of Motor Fuel. The Qualified Entity will not hedge more than 100% of its reasonably projected Motor Fuel consumption for any budget year, which projected Motor Fuel consumption shall be based on the Qualified Entity's consumption of Motor Fuel in prior years.

(iii) Under State law: (A) the Qualified Entity has full legal right, power and authority (I) to enter into, execute, deliver and perform its obligations under this Agreement, (II) to adopt and perform its obligations under the Qualified Entity Resolution and (III) to carry out and consummate the transactions contemplated by this Agreement and the Qualified Entity Resolution; and (B) the Qualified Entity has complied with and will be in compliance in all respects with the terms of State law in connection with the adoption of the Qualified Entity Resolution and the entering into of this Agreement.

(iv) By all necessary official action, the Qualified Entity has duly approved and adopted the Qualified Entity Resolution, authorized the execution and delivery of this Agreement. This Agreement, when executed and delivered by the parties hereto and the consideration therefor is received by the Qualified Entity, will constitute the legal, valid and binding obligation of the Qualified Entity, enforceable in accordance with its terms, except that its enforceability may be limited by laws relating to bankruptcy, reorganization or other similar laws affecting the rights of creditors, by the exercise of judicial discretion in accordance with general principles of equity and by matters of public policy.

(v) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not and will not conflict with or result in the creation or imposition of any liens, charges or encumbrances of any nature upon any of the property or assets of the Qualified Entity under: (A) any law, regulation, order or decree to which the Qualified Entity is subject; or (B) any agreement or instrument to which the Qualified Entity is a party or by which the Qualified Entity is bound (other than this).

(vi) The Qualified Entity is a "qualified entity," within the meaning of Indiana Code 5-1.5-1-8, as amended.

(vii) The Qualified Entity is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United

States, or any applicable judgment or decree of any court, regulatory body or other public body or any loan agreement, indenture, bond, note, resolution, agreement or other instrument (collectively, "Laws and Agreements") to which the Qualified Entity is a party or to which the Qualified Entity or any of its property or assets is otherwise subject, and no event has occurred and is continuing, which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument. The execution and delivery of this Agreement and the Qualified Entity's compliance with the provisions hereof will not conflict with or constitute a breach of or default under any Laws and Agreements.

(viii) The Qualified Entity will take such action as may be reasonably requested to facilitate the timely consummation of the transactions contemplated by this Agreement.

(ix) The Qualified Entity hereby covenants that it has taken all proceedings required by law to enable it to appropriate and transfer funds to the Bond Bank as provided in Section 2 hereof.

(x) Except as disclosed in writing to the Bond Bank, there is no action, suit, proceeding, inquiry or investigation of any nature at law or in equity, before or by any court, governmental agency, public board or body pending or, to the knowledge of the Qualified Entity, threatened, seeking to restrain or enjoin the performance of any of the covenants contained in this Agreement or in any way questioning or affecting (A) the transactions contemplated by this Agreement, (B) the right or authority of the Qualified Entity to carry out the terms and provisions of this Agreement, or (C) the power of the Qualified Entity to perform its obligations under this Agreement. Neither the existence of the Qualified Entity nor the right of the officials of the Qualified Entity to their offices nor the titles of the officers of the Qualified Entity to their respective offices are being contested, and no authority or proceeding in connection with or relating to the execution and delivery of this Agreement has been repealed, revoked or rescinded.

(xi) The Qualified Entity hereby covenants that it has duly, regularly and properly adopted or will adopt a budget for 2027 setting forth estimated revenues to be received and estimated expenditures for the fiscal year, including funds appropriated for the purchase of Motor Fuel to be used by the Qualified Entity; has complied with or will comply with all statutory and regulatory requirements with respect to the adoption of such budget; and will levy *ad valorem* property taxes in accordance with all statutory and regulatory requirements.

(xii) The Qualified Entity acknowledges and understands the risks associated with commodity swaps, including the risks attached hereto as Exhibit A.

(b) The Bond Bank makes the following representations and warranties:

(i) The Bond Bank is a separate body corporate and politic, constituting an instrumentality of the State, and duly organized and validly existing as such under the Act.

(ii) The Bond Bank has all necessary power and authority under the Act to enter into this Agreement and to consummate the transactions contemplated hereby and by proper corporate action has duly authorized the execution and delivery of this Agreement.

(iii) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not and will not conflict with or result in a breach of, and do not and will not constitute a default under, or result in the creation or imposition of any liens, charges or encumbrances of any nature upon any of the property or assets of the Bond Bank under: (A) any law, regulation, order or decree to which the Bond Bank is subject; or (B) any agreement or instrument to which the Bond Bank is a party or by which the Bond Bank is bound.

2. Execution of Swap Agreement; Advancements; Reimbursement by Qualified Entity.

(a) The Bond Bank hereby agrees to enter into the Swap Agreement with the Swap Dealers for the purpose of hedging the price associated with the purchase of Motor Fuel for use by the Qualified Entity, and to advance payments owed by the Bond Bank to the Swap Dealers, if any, with respect to the Swap Agreement from the Reserve Account.

(b) Subject to Section 9, the Qualified Entity hereby agrees to appropriate and pay funds to the Bond Bank: (i) to reimburse the Bond Bank for amounts advanced by the Bond Bank from the Reserve Account necessary to make payments due by the Bond Bank to the Swap Dealers, including any premiums owed, with respect to the Swap Agreement, which are allocable to the Qualified Entity; (ii) to pay any and all expenses associated with or incurred by Bond Bank in connection with the Fuel Budgeting Program, Series 2027, allocable to the Qualified Entity, including, but not limited to, the Swap Agreement, other agreements contemplated under this Agreement, and future agreements, amendments to this Agreement or the agreements contemplated herein, or transactions made pursuant to and consistent with this Agreement; and (iii) paying any other transaction or related costs contemplated hereunder, which are allocable to the Qualified Entity.

(c) Within five (5) business days following a Scheduled Payment Date (as defined in the Swap Agreement), the Bond Bank or its agent shall: (i) confirm and calculate any amounts owed under the Swap Agreement pursuant to this Agreement (A) by the Qualified Entity to the Bond Bank or (B) to the Qualified Entity by the Bond Bank; and (ii) prepare and send any bills or payments to the Qualified Entity for such purpose. In the event the Bond Bank receives payments from the Swap Dealers on a Scheduled Payment Date, the Bond Bank shall be entitled to retain any interest earned on such payments to cover administrative expenses of the

Fuel Budgeting Program, Series 2027, prior to disbursing such funds to the Qualified Entity as provided herein.

(d) Any payments to be sent to the Qualified Entity shall be wired in immediately available funds to the account of the City identified below:

_____
ABA # _____
Attention: _____
Account #_____– Lafayette School Corporation

(e) Upon receipt of a bill stating the amounts owed by the Qualified Entity under this Agreement, the Qualified Entity hereby agrees to pay to the Bond Bank or its agent any amounts due as stated in the bill within fifteen (15) business days following the receipt of such bill. In the event the Bond Bank does not receive payment from the Qualified Entity within fifteen (15) business days following the Qualified Entity's receipt of a bill stating the amounts due, the amount due shall accrue interest from the due date at a rate of eight percent (8.00%) per annum until payment is received by the Bond Bank. In the event that payment is received, such payment shall be used in the following order of priority: (i) to pay any accrued interest; and then (ii) to pay the principal of any amounts owed.

(f) The Qualified Entity agrees that the portion of the Swap Agreement allocated to the Qualified Entity, for which the Qualified Entity will be responsible pursuant to this Agreement, is set forth in Exhibit B attached hereto, commencing on the effective date of the Swap Agreement, as set forth in the Confirmation, and ending on December 31, 2027. The Qualified Entity approves the ISDA Agreement, attached as Exhibit C hereto. The Qualified Entity authorizes the Bond Bank to enter into the Confirmation on or after the date of the execution of this Agreement, so long as: (i) the Confirmation includes the purchase of a cap (call) option, and (ii) the cap price is no higher than $____, with respect to gasoline, and $____, with respect to diesel. Upon the execution and delivery of the Confirmation by the Bond Bank and the Swap Dealers, the Confirmation shall be attached to the ISDA Agreement, as part of the Swap Agreement, which is attached as Exhibit C hereto. The Bond Bank and the Qualified Entity agree that any amounts due by the Qualified Entity under the Swap Agreement pursuant to this Agreement will not exceed the current amount appropriated for Motor Fuel for use by the Qualified Entity.

(g) The terms and conditions for disbursement from the Reserve Account to the Swap Dealers shall be set forth in the Swap Agreement, attached as Exhibit C hereto, and otherwise as may be entered into by the Bond Bank from time to time pursuant hereto.

(h) For the purposes provided in this Section, the Bond Bank's agent shall be The Bank of New York Mellon Trust Company, N.A., until the Bond Bank provides the Qualified Entity notice otherwise.

3. Withholding of Funds Owed to the Qualified Entity. In the event the Qualified Entity fails to remit payment to the Bond Bank within thirty (30) days after payment is due as provided in Section 2(e) hereof, the Bond Bank shall be entitled to exercise the following rights:

(a) If the Qualified Entity would otherwise be entitled to an allocable portion of amounts owed by the Swap Dealers under the Swap Agreement pursuant to this Agreement, the Bond Bank shall be entitled to retain and apply such amounts against amounts owed by the Qualified Entity. Any amounts retained under this Section shall be used in the following order of priority: (i) to pay any accrued interest on amounts owed; then (ii) to pay the principal of any amounts owed.

(b) Pursuant to Indiana Code 5-1.5-8-5, to the extent that any department or agency of the State, including the treasurer of state, is the custodian of money payable to the Qualified Entity (other than for goods or services provided by the Qualified Entity), the Bond Bank may provide written notice to the department or agency head that the Qualified Entity is in default on the payment of any amounts owed arising from this Agreement, and the department or agency shall withhold the payment of that money from that Qualified Entity and pay over the money to the Bond Bank for the purpose of paying any amounts owed to the Swap Dealers pursuant to the Swap Agreement entered into by the Bond Bank on behalf of the Qualified Entity. Any amounts obtained under this Section shall be used in the following order of priority: (i) to pay any accrued interest on amounts owed; then (ii) to pay the principal of any amounts owed.

4. Term of Agreement; Renewal. The term of this Agreement shall commence on December ___, 2026, and, subject to Section 5 hereof, shall remain in full force and effect up to and including December 31, 2027. This Agreement may be extended beyond December 31, 2027, only if and when duly authorized and approved by the Qualified Entity and the Bond Bank, in writing, with the amended terms set forth therein.

5. Termination.

(a) In the event this Agreement is not extended beyond December 31, 2026, and any amount then remains owed and unpaid by one party to the other under this Agreement, this Agreement shall remain in full force and effect until all such amounts have been paid.

(b) In the event the Qualified Entity fails to remit payment to the Bond Bank within thirty (30) days after payment is due as provided in Section 2(e) hereof, the Bond Bank shall be entitled to terminate this agreement in its sole discretion. If the Bond Bank exercises its right to terminate this Agreement, the Bond Bank shall immediately terminate the notional amount of Motor Fuel allocable to the Qualified Entity in the Swap Agreement.

(i) If any termination payment is owed by the Bond Bank to the Swap Dealers in connection with the termination of the Swap Agreement pursuant to this Section, such amounts shall be immediately due by the Qualified Entity and shall accrue interest at the rate of eight percent (8.00%) per annum from the date of such termination until paid. The Bond Bank

shall send the Qualified Entity written notice of the termination payment stating that such termination payment: (A) is due within ten (10) business days following receipt of such notice; (B) shall accrue interest at the rate of eight percent (8.00%) per annum from the date of such termination until repaid; and (C) is in addition to any other amounts owed to the Bond Bank by the Qualified Entity pursuant to this Agreement.

(ii) If any termination payment is received by the Bond Bank from the Swap Dealers in connection with the termination of the Swap Agreement pursuant to this Section, the Bond Bank shall be entitled to retain and apply such amounts against amounts owed by the Qualified Entity. Any amounts retained under this Section shall be used in the following order of priority: (A) to pay any accrued interest on amounts owed; then (B) to pay the principal of any amounts owed. In the event that there are excess moneys after making the payment of interest and principal amounts due, the Bond Bank shall be entitled to retain all such excess moneys.

6. Verification of Qualified Entity Budget. Simultaneously with the execution of this Agreement, the Qualified Entity shall furnish to the Bond Bank any documentation as requested by the Bond Bank, as to, among other things, the funding and maintenance amounts budgeted for the purchase of Motor Fuel to be used by the Qualified Entity.

7. Pledge and Assignment of Payments. The Qualified Entity and the Bond Bank agree that this Agreement and any payments to be made hereunder may be pledged or assigned by the Bond Bank.

8. Annual Financial Information and Reports. The Qualified Entity agrees to furnish to the Bond Bank, so long as this Agreement or the Swap Agreement entered into by the Bond Bank on behalf of the Qualified Entity pursuant to this Agreement remains in effect, annual financial reports, audit reports and such other financial information as is reasonably requested by the Bond Bank.

9. Severability. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement and this Agreement shall be construed and in force as if such invalid or unenforceable provision had not been contained herein.

10. Indemnification. To the extent permitted by law, the Qualified Entity releases the Bond Bank from, agrees that the Bond Bank shall not be liable for, and to the extent permitted by law agrees to indemnify and hold the Bond Bank harmless from, any liability for, or expense resulting from (including, but not limited to, reasonable attorneys' fees and expenses), or any loss or damage that may be occasioned by, any cause whatsoever pertaining to the execution and delivery of the Swap Agreement entered into by the Bond Bank on behalf of the Qualified Entity, or the actions taken or to be taken by the Bond Bank under this Agreement, except for the willful misconduct of the Bond Bank or the Trustee.

11. Counterparts. This Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. The Bond Bank and the Qualified Entity each agree that they will execute any and all documents or other instruments, and take such other actions as may be necessary to give effect to the terms of this Agreement.

12. Waiver. No waiver by either the Bond Bank or the Qualified Entity of any term or condition of this Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Agreement.

13. Entire Agreement. This Agreement, together with the Qualified Entity Resolution, merges and supersedes all prior negotiations, representations and agreements between the Bond Bank and the Qualified Entity relating to the subject matter hereof and constitutes the entire agreement between the Bond Bank and the Qualified Entity in respect hereof and thereof.

14. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed and enforced in accordance with the laws of the State of Indiana.

[*Remainder of Page Intentionally Blank*]

IN WITNESS WHEREOF, the Bond Bank and the Qualified Entity have caused this Agreement to be executed in their respective names, by their duly authorized officers, under the authority of resolutions adopted by each prior to the date hereof, all as of the day and year first above written.

INDIANA BOND BANK

By: _____
Daniel Elliott, Chairperson Ex Officio

Attest:

_____
Jacob Blasdel, Executive Director

LAFAYETTE SCHOOL CORPORATION

By: _____
Julie Peretin, President,
Board of School Trustees

Attest:

_____
Ebony Barrett, Secretary, Board of School Trustees

EXHIBIT A

RISK FACTORS

Market Risk: The risk that commodity prices stay low such that the QEs and the Bond Bank would have been better off by not hedging. However, because the program's goal is to minimize large budget variances resulting from the volatility of fuel prices, this should be an acceptable risk as the hedges provide protection against a certain rise in prices.

Basis Risk: The risk that there is a mismatch between the spot prices the QEs pay at the local market and the index prices referenced under the hedge agreements. Such basis risk should be mitigated by ensuring that there is a strong correlation between the hedge index prices and the prices in the local market.

Counterparty Risk: The risk that the hedge provider fails to perform under the hedge agreement, which could leave the QEs exposed to higher prices. Counterparty risk is smaller for shorter-term transactions and greater for longer-term transactions. Counterparty risk can be mitigated by using highly rated hedge providers.

Termination Risk: The risk that there is an early termination of the hedging agreement, which could result in the Bond Bank either receiving or making an early termination payment. Early terminations are usually caused by an event of default or bankruptcy. Termination risk can be mitigated by choosing highly rated hedge providers that have an established record of performance in the relevant hedging market. (Note that the Bond Bank could never owe an early termination payment in a cap transaction, since all obligations are paid for upfront and the cap can never have a negative value.)

Consumption Demand Risk: The risk that the actual consumption of fuel is different than the planned amount specified under the hedge agreement. If actual consumption is less than the hedged quantities, the QEs and the Bond Bank could be in an "over-hedged" position. Likewise, if actual consumption is far greater than the quantities specified in hedge, the Bond Bank would have exposure on those excess amounts. Generally speaking, we believe it is prudent to hedge less than 100% of expected consumption.

EXHIBIT B

PORTION OF THE SWAP AGREEMENT ALLOCATED TO THE QUALIFIED ENTITY

(Lafayette School Corporation)

Month/Year	Gasoline (in Gallons)	Diesel (in Gallons)
January 2027		
February 2027		
March 2027		
April 2027		
May 2027		
June 2027		
July 2027		
August 2027		
September 2027		
October 2027		
November 2027		
December 2027		
TOTAL:		

EXHIBIT C

SWAP AGREEMENT

[To be attached following execution of transaction]