

OFFICIAL MINUTES
SCHOOL BOARD, I.S.D. #227
NOVEMBER 19, 2007~ REGULAR MEETING
HIGH SCHOOL MEDIA CENTER

Pursuant to due call and notice thereof, the regular meeting of the School Board of Independent School District No. 227, Olmsted, Fillmore and Winona Counties was held on Monday, November 19, 2007. The meeting was called to order at 7:00 p.m. Roll call was taken by Tom Duxbury in the absence of Matt McMahon, with these members present: Hare, Schellhammer, Duxbury, Chase, and LaPlante. McMahon was absent. Administrators present, Superintendent-Don Hainlen, Elementary Principal-Craig Ihrke, and High School Principal-Randy Paulson. Also present Business Manager-Karyl Lyon, Administrative Assistant-LuAnn Hare and Lisa Brainerd with the Chatfield News.

Chair, Lyman Hare called the meeting to order at 7:00 p.m. in the Media Center. The board and members present said the Pledge of Allegiance. The following changes were made to the agenda: Add 8.2 g.-Approve maternity leave elementary para professional-Angie Brogan, 8.2 h.-Approve hire of long term sub elementary, 10.4-Resolution Authorizing Issuance of Individual Procurement Cards, 11.3-Discussion on Potter Auditorium Repairs, 11.4-Closed Session to discuss CEA negotiation strategies. Schellhammer/LaPlante to approve the amendments to the agenda. Motion carried 5-0.

Hare introduced Megan Burfield and Nichole Clemens as the Student Senate Representatives. Both are in 9th grade. They informed the board of the activities they are involved in at Chatfield Public Schools.

Barbara Upton spoke at district patron time about the following three items; (1) concerns over the use of ACQ –treated wood in the new playground which the elementary students use on a daily basis, (2) the school lunch program and hidden dangers of genetically modified foods, (3) reaching a common goal for our children's best interests.

Robin Irish, Dianne Merrick and Rick Irish all spoke on the wrestling room use and how they are receiving mixed messages on the use of the space. They all expressed their desire to make sure that the wrestling room will be available to the program during their season. The input from coaches they felt was vital and wanted the board to be aware of their concerns.

LaPlante/Duxbury to approve the Claims and Accounts as presented. Motion carried 5-0.

Superintendent Hainlen presented a plaque to former athletic director Connie Walker noting her induction in the Section 1-A Athletic Directors Hall of Fame. He commended her on her dedication to the Chatfield Public Schools and its students over the years.

Hare moved 6.b-to later in the agenda until Mr. Ihrke and Mrs. Brockway could be present.

LaPlante reported on the capitol outlay worksheet that the board had received from Dr. Hainlen, stating what has been completed and where they are for future facility needs. He had attended the meetings for the new building project and reported that the district had always intended the Wrestling Room/Multi-Purpose Room to be used for wrestling during their season. They felt that the mats should only be removed when absolutely necessary and for sanitary purposes should be cleaned on a regular basis. Leaving them down will be beneficial to this process. Their meeting with Coaches Viss and Bartels brought many of the concerns forward that they had spoken about at district patron time. The participants in the meeting felt that they had worked many of these issues out.

Dr. Hainlen informed the board of the situation at the elementary and the steps being taken by the custodians to secure the pipes etc., in Potter that have become a hazard. The space was closed down for a

week to remove the weak portions and replace them. The board asked that they be kept up to date on costs. He also stated that the attorneys are looking into the legal contract to be used with the firm R.A. Morton who had been hired as the construction managers for the new project. He received the updated draft of the job descriptions from Springsted and will complete a final review of them.

Karyl Lyon introduced Alan Anderson and Julie Wright from the Anderson Accounting Firms who had just completed the district audit. His message to the board was that the district is in good financial shape. The board asked questions of the auditors and discussion followed. The complete audit is on file in the district office.

McMahon arrived at 7:45 p.m.

LaPlante/Duxbury to approve the following consent items:

- Approve regular meeting minutes of October 15, 2007
- Approve special meeting minutes of October 18, 2007 and November 1, 2007
- Approve the hire of Jay Harstad as 9th grade girls basketball coach for SY 2007-2008
- Approve the hire of Adam Hurley as 7th grade girls basketball coach for SY 2007-2008
- Approve hire of Jeanie Narveson, long term sub elementary
- Approve hire of Dawn Nelson, Elementary Secretary/Progress Monitoring Coordinator
- Approval of student activity fund raisers SY 2007-2008
- Approval of elementary part-time para professional, Deb Bothun
- Approval of maternity leave request, Angie Brogan, Elem. Para Professional
- Approval of hire of long term sub elementary

Motion carried 6-0.

The board received the first reading of the following district policies:

- 9.1 1st reading, policy #401-Equal Employment Opportunity
- 9.2 1st reading policy #402-Disability Nondiscrimination Policy
- 9.3 1st reading policy #403-Discipline, Suspension and Dismissal of School District Employees
- 9.4 1st reading policy #404-Employment Background Checks
- 9.5 1st reading policy #405-Veteran's Preference

Dr. Hainlen updated the board on the building project. They are anticipating letting the bids out by the end of February and accepting bids by end of March into April.

LaPlante/McMahon to approve the additional course offering for SY 2008-2009. Discussion followed. Motion carried 6-0.

Principal Ihrke and Reading Specialist Judith Brockway gave a presentation on RTI (Response to Intervention)/Aims Web, which is a program that is being implemented in the elementary. This program will take up to 3-5 years to achieve the results they are looking for. The program will be a supplement to the reading program already in place. Funding is coming from Hiawatha Valley Ed District.

McMahon acknowledged the donation to the Park Partners and felt that as the project had met its goals he would like to see the possible donation to them dropped.

Member Schellhammer introduced the following resolution and moved its adoption:

RESOLUTION A UTHORIZING ISSUANCE OF INDIVIDUAL PROCUREMENT CARDS

WHEREAS, the School Board has authority to authorize the purchase of goods and services by use of Procurement Cards; and

WHEREAS, the Minnesota Association of School Administrators ("MASA") has entered into an Administration Agreement with PFM Financial Services LLC, to administer, on behalf of participating school districts in the State of Minnesota, a Procurement Card system. The Procurement Cards will be issued to individual authorized employees of the district, by Harris Bank, at 115 South LaSalle Street, Chicago, IL 60603, with established limits and purpose; and

WHEREAS, it is the desire of the School Board to enable each authorized individual employee to procure authorized supplies for School District purposes in order to facilitate creative pedagogical processes and efficient School District operations; and

WHEREAS, it is the desire of the School Board to reduce the economic burden on the resources of the School District by increasing efficiency and reducing the administrative costs of the School District and to respond to the exigencies of the day-to-day operations in accordance with the procurement process as established by Minnesota Statutes; and

WHEREAS, the School Board recognizes that the Procurement Card is neither a substitute for public bidding nor the School District's existing procurement program, and that the Procurement Card Program is not being implemented for the purpose of bid splitting and for the avoidance of the statutorily mandated public bidding process; and

WHEREAS, the School Board recognizes the economic and financial savings and benefits to be gained by establishing an electronic Procurement Card system and sponsors and endorses the Corporate MasterCard Procurement Card Program;

NOW, THEREFORE, BE IT RESOLVED by the School Board of Independent School District No. 0227 State of Minnesota, as follows:

1. The Chair and Clerk are authorized to enter into an Agreement with Harris Bank to secure Procurement Cards for each authorized employee of the School District under such terms and conditions as approved by its legal counsel and the School Board.
2. As a condition precedent to receiving the Procurement Card, each authorized employee shall execute a Procurement Card Use Agreement.
3. As a condition precedent to receiving the Procurement Card, [the School Board/School Board Treasurer/Business Manager or designee] shall establish a monetary limit of authority for each employee's use of the Procurement Card.
4. As a condition precedent to issuance of a Procurement Card, [the School Board/School Board Treasurer/Business Manager or designee] shall establish in writing purchasing parameters in accordance with the law including but not limited to: (a) a listing of goods and services which may be procured using the Card; (b) authorized vendors; (c) daily/weekly/monthly/annual monetary Procurement Card limits for each employee recipient of the Procurement Card. Employee recipients shall submit a list of School District goods and services to be annually purchased with the card, which shall be approved in writing by [the School Board/School Board Treasurer/Business Manager or designee].
5. As a condition precedent to receiving the Procurement Card, each employee recipient shall sign an Agreement of Indemnity, which is included in the Procurement Card Use Agreement.
6. The School Board hereby expressly authorizes the Chair and Clerk to execute the Procurement Card Use Agreement on its behalf.
7. Upon receipt and use of a Procurement Card, the cardholder shall submit receipts and such information as periodically requested by [the School Board/School Board Treasurer/Business Manager or designee].

8. The Superintendent shall establish procedures and internal controls to implement this program, to ensure that Procurement Cards are being used only for authorized school district business purposes and in compliance with applicable law, and to allow for easily verifiable audits of their use. These procedures and internal controls and any changes thereto shall be submitted to the School Board at least annually for its review and input.

The motion for the adoption of the foregoing resolution was duly seconded by Duxbury and upon vote being taken thereon the following voted in favor thereof: McMahon, LaPlante, Schellhammer, Duxbury, Chase and Hare.

whereupon said resolution was declared duly passed and adopted. Motion carried 6-0.

Schellhammer/Duxbury to approve the Certificate of Organization of Independent School District 227 (Chatfield). Dr. Hainlen clarified that the document was needed as part of the information requests by Springsted. Motion carried 6-0.

Jim Schmid from Springsted reviewed with the board the process that took place for bidding on the bonds. There were four bidders, with Merrill Lynch receiving the low bid at 4.6118% interest rate. The district should see a considerable savings due to the lower interest rate than anticipated.

Member Matt McMahon introduced the following resolution and moved its adoption:

RESOLUTION AWARDING THE SALE DETERMINING THE EXECUTION, DELIVERY AND REGISTRATION, AND PROVIDING FOR THE PAYMENT OF \$19,650,000 GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2007A.

**CERTIFICATION OF MINUTES RELATING
TO**

**\$19,650,000 GENERAL OBLIGATION
SCHOOL BUILDING BONDS, SERIES 2007A**

**ISSUER: INDEPENDENT SCHOOL DISTRICT NO. 227
(CHATFIELD PUBLIC SCHOOLS)
CHATFIELD, MINNESOTA**

BODY: SCHOOL BOARD

KIND, DATE, TIME AND PLACE OF MEETING: A regular meeting, held on November 19, 2007, at 7:00 o'clock p.m., in the District.

MEMBERS PRESENT: Matt McMahon, Greg LaPlante, Tom Duxbury, Kathy Schellhammer, Jerry Chase, Lyman Hare

MEMBERS ABSENT: None

Documents Attached: Extract of Minutes of said meeting.

**RESOLUTION AWARDING THE SALE, DETERMINING
THE FORM AND DETAILS, AUTHORIZING
THE EXECUTION, DELIVERY, AND REGISTRATION, AND PROVIDING
FOR THE PAYMENT OF \$19,650,000 GENERAL OBLIGATION
SCHOOL BUILDING BONDS, SERIES 2007A**

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the obligations referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said obligations; and that said meeting was duly held by the

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SCHOOL BUILDING BONDS, SERIES 2007A**

BE IT RESOLVED by the School Board of Independent School District No. 227, State of Minnesota, as follows:

Section 1. Authorization and Sale.

1.01 Authorization. At a meeting held October 15, 2007, this Board determined to sell and issue general obligation bonds of Independent School District No. 227 (the "Issuer" or the "District") in the total aggregate principal amount of \$19,650,000 (the "Bonds"), which were authorized by the voters of the District at the special election held September 25, 2007, for the acquisition and betterment of school sites and facilities. In the Terms of Proposal, the District reserved the right, after proposals were opened and prior to award, to increase or decrease the principal amount of the individual maturity values of the Bonds offered for sale, with the increase or decrease to occur in multiples of \$5,000 in any of the maturities.

1.02 Sale. The Board, having been advised by SPRINGSTED Incorporated, its independent financial advisor, has determined that this issue shall be privately sold after receipt of written proposals, as authorized pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, as amended. The Board has publicly received and considered all proposals presented in conformity with the Terms of Proposal contained in the Official Statement, which are hereby ratified and confirmed in all respects and are incorporated herein by reference as though fully specified in this paragraph. The most favorable of such proposals is ascertained to be that of Merrill Lynch & Co., New York, New York (the "Purchaser") to purchase the Bonds at a price of \$19,345,425.00, plus interest accrued to settlement, and upon the further terms and conditions set forth in the Terms of Proposal contained in the Official Statement and this resolution. Said proposal is hereby accepted and the sale of the Bonds is hereby awarded to said Purchaser.

1.03 Execution of Documents; Return of Good Faith Deposits. The Chair and Clerk are authorized and directed to endorse an acceptance on both copies of the most favorable proposal and to send one copy to the Purchaser. The Treasurer is directed to deposit the good faith deposit of the Purchaser pending delivery of the Bonds and payment therefore, and the good faith deposits of other proposal makers shall forthwith be returned to them.

1.04 Compliance with Law. All acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed precedent to the issuance of the Bonds having been done, having happened and having been performed in regular and due form, time and manner as required by law, it is necessary for this Board to establish the form and terms of the Bonds, to provide for the security thereof, and to provide for the issuance of the Bonds forthwith.

1.05 Minnesota School District Credit Enhancement Program. (a) The District hereby covenants and obligates itself to notify the Commissioner of Education of a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the Bonds when due. The District further covenants to deposit with the Bond Registrar or any successor paying agent three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner of Education that it will be unable to make all or a portion of that payment. The Bond Registrar for the Bonds is authorized and directed to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal or interest on the Bonds or if, on the day two (2) business days prior to the date a payment is due on the Bonds, there are insufficient funds to make that payment on deposit with the Bond Registrar. The District understands that as a result of its covenant to be bound by the provisions of Minnesota Statutes, Section 126C.55, the provisions of that section shall be binding as long as any Bonds of this issue remain outstanding.

(b) The District further covenants to comply with all procedures now or hereafter established by the Departments of Finance and Education of the State of Minnesota pursuant to Minnesota Statutes, Section 126C.55, subdivision 2(c) and otherwise to take such actions as necessary to comply with that section.

Section 2. Bond Terms.

2.01 Designation; Registration; Denomination; Maturities. The \$19,650,000 aggregate principal amount of general obligation bonds sold on this date shall be designated General Obligation School Building Bonds, Series 2007A, shall be dated December 1, 2007, as the date of original issue, and shall be issued forthwith on or after such date using a global book-entry system. The Bonds shall be issued as fully registered bonds and shall be numbered R-1 upward, in the denomination of \$5,000 each or any integral multiple thereof of a single maturity. The Bonds shall mature on February 1 in the years and amounts set forth below, and shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue until paid or duly called for redemption at the rates per annum set forth below opposite such years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2009	\$195,000	4.00%	2022	\$595,000	4.375%
2010	\$360,000	4.00	2023	\$625,000	4.50
2011	\$375,000	4.00	2024	\$655,000	4.50
2012	\$390,000	4.00	2025	\$685,000	4.50
2013	\$405,000	4.00	2026	\$720,000	4.50
2014	\$420,000	4.00	2027	\$755,000	4.50
2015	\$440,000	4.00	2028	\$790,000	4.50
2016	\$460,000	4.00	2029	\$830,000	4.625
2017	\$480,000	4.00	2030	\$870,000	4.625
2018	\$500,000	4.00	2031	\$915,000	4.625
2019	\$520,000	4.125	2032	\$960,000	4.625
2020	\$545,000	4.125	2033	\$1,010,000	4.625
2021	\$570,000	4.25	2037	\$4,580,000	4.625

In the Terms of Proposal, the District reserved the right, after proposals were opened and prior to award, to increase or decrease the principal amount of the individual maturity values of the Bonds offered for sale, with the increase or decrease to occur in multiples of \$5,000 in any of the maturities. The amounts specified above are hereby adopted and approved as so adjusted. The Bonds maturing in the years 2037 are term bonds subject to mandatory redemption in the years and principal amounts as specified in paragraph 2.04(b).

These maturities, together with the maturities of all other outstanding general obligation bonds of the Issuer, meet the requirements of Minnesota Statutes, Section 475.54.

2.02 Interest Payments. Interest shall be payable semiannually on each February 1 and August 1 to maturity (each an "Interest Payment Date"), commencing August 1, 2008. Interest will be calculated on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the MSRB. Interest will be payable in the manner set forth in the form of Global Certificate or Replacement Bond and Paragraph 4.06 of this resolution.

2.03 Use of Global Book-Entry System.

(a) **Description of System.** In order to issue obligations in "global book-entry form", the obligations are issued in certificated form in large denominations, are registered on the books of the Issuer in the name of a depository or its nominee, and are immobilized and held in safekeeping by the depository. The depository, as part of the computerized National Securities Clearance and Settlement System (the "National System"), registers transfers of ownership interests in the obligations by making computerized book entries on its own books and distributing payments on the obligations to its participants shown on its books as the owners of such interests. These participants, which include financial institutions for whom the depository effects book-entry transfers of securities deposited and immobilized with the depository, and other banks, brokers and dealers participating in the National System will do likewise if not the beneficial owners of the obligations.

(b) **Designation of Depository; Approval of Blanket Issuer Letter of Representations.** Depository Trust Company ("DTC") of New York, New York, a Securities and Exchange Commission designated depository, a limited purpose New York trust company, a member of the Federal Reserve System, and a "clearing corporation" within the meaning of the New York Uniform Commercial Code, is hereby designated as the depository (the "Depository") with respect to the Bonds issued hereunder in global book-entry form. There has been submitted to this Board a form of letter of representations (the "Blanket Issuer Letter of Representations") between the Issuer and the Depository setting forth various matters relating to the Depository and its role with respect to the Bonds. This Blanket Issuer Letter of Representations is hereby approved. The Chair or the Clerk is hereby authorized and directed to execute the Blanket Issuer Letter of Representations in substantially the form attached hereto as EXHIBIT C, if such a letter of representations has not already been executed, with only such variations therein as may be required to complete the Blanket Issuer Letter of Representations, or which are not, in the opinion of

Bond Counsel, materially adverse to the interests of the Issuer. Execution of the Blanket Issuer Letter of Representations by such official shall be conclusive evidence as to the necessity and propriety of such changes and their approval by Bond Counsel. So long as DTC is the Depository or it or its nominee is the Holder of any Global Certificate, the District shall comply with the provisions of the Blanket Issuer Letter of Representations, as it may be amended or supplemented by the District from time to time with the agreement or consent of DTC.

(c) **Global Certificates.** Upon their original issuance, the Bonds will be issued in the form of a single Global Certificate for each maturity which shall represent the aggregate principal amount of the Bonds due on a particular maturity date (the "Global Certificates"). The Global Certificates will be originally issued and fully registered as to principal and interest in the name of Cede & Co., as nominee of DTC. The Global Certificates will be deposited with the Depository by the Purchaser and will be immobilized as further provided herein. No beneficial owners of interest in the Bonds will receive certificates representing their respective interests in the Bonds except as provided below in clause (e) of this Paragraph 2.03. Except as so provided, during the term of the Bonds, beneficial ownership (and subsequent transfers of beneficial ownership) of interests in the Global Certificates will be reflected by book entries made on the records of the Depository and its participants and other banks, brokers, and dealers participating in the National System. The Depository's book entries of beneficial ownership interest are authorized to be in integral increments of \$5,000, despite the larger authorized denominations of the Global Certificates. Payment of principal of, premium, if any, and interest on the Global Certificates will be made to the Bond Registrar as paying agent, and in turn by the Bond Registrar to the Depository or its nominee as registered owner of the Global Certificates. The Depository, according to the laws and rules governing it, will receive and forward such payments on behalf of the beneficial owners of the Global Certificates.

(d) **Immobilization of Global Certificates by the Depository.** Pursuant to the request of the Purchaser to the Depository, immediately upon the original delivery of the Bonds the Purchaser will deposit the Global Certificates representing all of the Bonds with the Depository. The Global Certificates shall be in typewritten form or otherwise as acceptable to the Depository, shall be registered in the name of the Depository or its nominee and shall be held immobilized from circulation at the offices of the Depository on behalf of the Purchaser and subsequent Bondholders. The Depository or its nominee will be the sole Holder of record of the Global Certificates and no investor or other party purchasing, selling or otherwise transferring ownership of interests in any Bond is to receive, hold or deliver any Global Certificates so long as the Depository holds the Global Certificates immobilized from circulation, except as provided below in clause (e) of this Paragraph 2.03.

(e) **Transfer or Exchange of Global Certificates; Substitute Depository; Replacement Bonds.**

Global Certificates evidencing the Bonds may not, after their original delivery, be transferred or exchanged except:

(i) Upon exchange of a Global Certificate after a partial redemption, if authorized in Paragraph 2.04 of this resolution;

(ii) To any successor of the Depository (or its nominee) or any substitute depository (a "Substitute Depository") designated pursuant to subclause (iii) of this clause (e); provided that any successor of the Depository or any Substitute Depository must be both a "clearing corporation" as defined in the Minnesota Uniform Commercial Code, Minnesota Statutes, Section 336.8-102, and a qualified and registered "clearing agency" as provided in Section 17A of the Securities Exchange Act of 1934, as amended;

(iii) To a Substitute Depository designated by and acceptable to the Issuer upon (a) the determination by the Depository that the Bonds shall no longer be eligible for its depository services or (b) a determination by the Issuer that the Depository is no longer able to carry out its functions; provided that any Substitute Depository must be qualified to act as such, as provided in subclause (ii) of this clause (e); or

(iv) In the event that (a) the Depository shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to locate a Substitute

Depository within two (2) months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described herein might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, then the Issuer shall notify the Holders of its determination and of the availability of Replacement Bonds to Holders. The Issuer, the Bond Registrar and the Depository shall cooperate in providing Replacement Bonds to Holders requesting the same and the registration, transfer and exchange of such Bonds shall thereafter be conducted as provided in Paragraph 4.04 of this resolution.

In the event of the designation of a Substitute Depository as authorized by this clause (e), the Bond Registrar, upon presentation of the Global Certificates, shall register their transfer to the Substitute Depository, and the Substitute Depository shall be treated as the Depository for all purposes and functions under this resolution. The Blanket Issuer Letter of Representations shall not apply to the Substitute Depository unless the Issuer and the Substitute Depository so agree, and the execution of a similar agreement is hereby authorized.

2.04 Redemption. (a) Optional Redemption. The Issuer may elect on February 1, 2018, and on any date thereafter, to prepay Bonds due on or after February 1, 2019, at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the Issuer shall determine the order of redemption of Bonds; and if only part of the Bonds having a common maturity date are called for prepayment, the Global Certificates to be prepaid may be prepaid in \$5,000 increments of principal and, if applicable, the specific Replacement Bonds to be prepaid shall be chosen by lot by the Bond Registrar as provided below. Bonds or portions thereof called for redemption shall be due and payable on the designated redemption date, and interest thereon shall cease to accrue from and after the redemption date.

(b) Mandatory Redemption. (1) The Bonds maturing in the year 2037 shall be subject to mandatory redemption at a redemption price equal to the principal amount of the Bonds to be so redeemed plus interest accrued thereon to the date fixed for redemption, on February 1 in the years and principal amounts set forth below:

<u>Year</u>	<u>Amount</u>
2034	\$ 1,060,000
2035	\$1,115,000
2036	\$1,170,000
2037	\$1,235,000

The procedures for such mandatory redemption shall be the same as specified in this Paragraph 2.04 for optional redemption.

In the event that any Bonds maturing in the year 2037 are optionally redeemed pursuant to Paragraph 2.04(a) above and cancelled by the Bond Registrar and not reissued, the Bonds maturing in the year 2037 so redeemed and cancelled may be applied by the Issuer as a credit against the Bonds to be mandatorily redeemed pursuant to this Paragraph 2.04(b), such credit to be equal to the principal amount of the Bonds maturing in the year 2037 so optionally redeemed or cancelled. The Issuer may apply these Bonds so optionally redeemed and cancelled as a credit against the Bonds to be mandatorily redeemed pursuant to this Paragraph 2.04 only if it has notified the Bond Registrar not less than thirty-five (35) days prior to the applicable mandatory redemption date of its election to apply such Bonds as a credit and designating the redemption date to which it is to apply.

(c) Redemption of Global Certificates. Upon a partial redemption in the aggregate principal amount of a Global Certificate which results in the stated amount thereof being reduced, the Holder may in its discretion make a notation of such redemption on the panel provided on the Global Certificate stating the amount so redeemed, or may return the Global Certificate to the Bond Registrar in exchange for a new Global Certificate authenticated by the Bond Registrar, in proper principal amount. Such notation of redemption, if made by the Holder, shall be for reference only, and may not be relied upon by any other person as being in any way determinative of the principal amount of such Global Certificate outstanding, unless the Bond Registrar has signed the appropriate column of the panel.

(d) **Redemption of Replacement Bonds.** To effect a partial redemption of Replacement Bonds having a common maturity date, the Bond Registrar, prior to giving a notice of redemption, shall assign to each Replacement Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Replacement Bond. The Bond Registrar shall then select by lot from the numbers so assigned to such Replacement Bonds, using such method of selection as it shall deem proper in its discretion, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Replacement Bonds to be redeemed. The Replacement Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Replacement Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 of principal amount for each number assigned to it and so selected. If a Replacement Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or the Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and the Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of such Replacement Bond, without service charge, a new Replacement Bond or Bonds of the same series having the same stated maturity and interest rate and of any authorized denomination or denominations, as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Replacement Bond so surrendered.

(e) **Notice of Redemption of Global Certificates and Replacement Bonds.** The Bond Registrar shall call Bonds for redemption and payment as herein provided upon receipt by the Bond Registrar at least forty-five (45) days prior to the redemption date of a request of the Issuer. The request shall be in written form. The request shall specify the principal amount of Bonds to be called for redemption, the redemption date and the redemption price.

Published notice of redemption shall in each case be given in accordance with law, and mailed notice of redemption shall be given to the paying agent and to each affected Holder. If and when the Issuer shall call any of the Bonds for redemption and payment prior to the stated maturity thereof, the Bond Registrar shall give written notice in the name of the Issuer of its intention to redeem and pay such Bonds at the office of the Bond Registrar. The Notice of Redemption shall be given by first class mail, postage prepaid, mailed not less than thirty (30) days prior to the redemption date, to each Holder of Bonds to be redeemed, at the address appearing in the records of the Bond Registrar. For the purpose of giving notice of the redemption of Global Certificates, the Holder of the Global Certificates shall be the Depository or its nominee. In connection with any such notice, the "CUSIP" numbers assigned to the Bonds shall be used. All notices of redemption shall state:

- (i) The redemption date;
- (ii) The redemption price;
- (iii) If less than all outstanding Bonds are to be redeemed, the identification (and, if the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (iv) That on the redemption date, the redemption price will become due and payable upon each such Bond, and that interest thereon shall cease to accrue from and after said date; and
- (v) The place where such Bonds are to be surrendered for payment of the redemption price (which shall be the office of the Bond Registrar).

Section 3. Form of Bonds.

The Bonds to be issued hereunder shall be in the form of Global Certificates unless and until Replacement Bonds are made available as provided herein.

3.01 Global Certificates. The Global Certificates to be issued hereunder, together with the Bond Registrar's Certificate of Authentication, the Register of Partial Payments, the form of Assignment, and the registration information thereon, shall be in substantially the form set forth in EXHIBIT A hereto, which exhibit is incorporated herein by reference as though fully specified in this paragraph, and may be typewritten rather than printed.

3.02 Replacement Bonds. If the Issuer has notified Holders that Replacement Bonds have been made available as provided in Paragraph 2.03(e) of this resolution, then for every Bond thereafter

transferred or exchanged (including an exchange to reflect the partial prepayment of a Global Certificate not previously exchanged for Replacement Bonds), the Bond Registrar shall deliver a bond in the form of a Replacement Bond rather than a Global Certificate, but the Holder of a Global Certificate shall not otherwise be required to exchange the Global Certificate for one or more Replacement Bonds since the Issuer recognizes that some Holders may prefer the convenience of the Depository's registered ownership of the Bonds even though the entire issue is no longer required to be in global book-entry form. The Replacement Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereto, shall be in substantially the form set forth in EXHIBIT B hereto, which exhibit is incorporated herein by reference as though fully specified in this paragraph.

Section 4. Execution; Delivery; Registration.

4.01 Appointment of Registrar. U.S. Bank National Association, Minnesota, is appointed to act as the bond registrar and transfer agent (the "Bond Registrar") and shall do so until a successor Bond Registrar is duly appointed, all pursuant to a contract the Issuer and the Bond Registrar shall execute which is consistent herewith and which the chair and clerk are hereby authorized to execute and deliver. A successor Bond Registrar shall be a bank or trust company eligible for designation as bond registrar pursuant to Minnesota Statutes, Chapter 475. The terms of the appointment of the successor Bond Registrar and its duties shall be specified in a contract between the Issuer and such successor Bond Registrar that is consistent herewith and that the Chair and Clerk are hereby authorized to execute and deliver. The Bond Registrar, which may act through an agent, shall also serve as paying agent until and unless a successor paying agent is duly appointed. The Bond Registrar shall pay principal and interest on the Bonds to the registered Holders (or record Holder) of the Bonds in the manner set forth in the form of Global Certificate or Replacement Bond, as applicable, and Paragraph 4.06 of this resolution. The Issuer agrees to pay the reasonable and customary charges for the services of such Bond Registrar.

4.02 Execution of Bonds. The Bonds shall be executed on behalf of the Issuer by the manual signatures of the Chair and Clerk of the School Board; provided, however that both of such signatures may be printed facsimiles, in which event the Bonds shall also be executed manually by the authenticating agent as provided in Minnesota Statutes, Section 475.55. In the event of disability or resignation or other absence of either such officer, the Bonds may be signed by the manual or facsimile signature of that officer who may act on behalf of such absent or disabled officer. In case either such officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if that officer had remained in office until delivery. If the Issuer has adopted a corporate seal, it shall be omitted on the Bonds as permitted by law.

4.03 Authentication; Date of Registration. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless and until a Certificate of Authentication on such Bond, substantially in the form set forth in the form of Global Certificate or Replacement Bond, shall have been duly executed by the manual signature of an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate each Bond by execution of the Certificate of Authentication on the Bond and shall date each Bond in the space provided as of the date on which the Bond is registered. For purposes of delivering the original Bonds (Global Certificates) to the Purchaser, the Bond Registrar shall insert as the date of registration the date of original issue; and the executed Certificate of Authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

4.04 Transfer or Exchange. The Issuer will cause to be kept at the principal office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged as herein provided.

A Global Certificate shall be registered in the name of the payee on the books of the Bond Registrar by presenting the Global Certificate for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the

certificate of registration on the Global Certificate. Thereafter a Global Certificate may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until a Global Certificate is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted thereon by the Bond Registrar, all subject to the terms and conditions provided in this resolution and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the Issuer shall execute (if necessary), and the Bond Registrar shall authenticate, date (in the space designated Date of Registration) and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any authorized denomination or denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

When any Bond is presented to the Bond Registrar for transfer, the Bond Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Bond Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

At the option of the Holder of a Replacement Bond, Replacement Bonds may be exchanged for Replacement Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Replacement Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Replacement Bonds are so surrendered for exchange, the Issuer shall execute (if necessary), and the Bond Registrar shall authenticate, date (in the space designated Date of Registration) and deliver the Replacement Bonds which the Holder making the exchange is entitled to receive. Global Certificates may not be exchanged for Global Certificates of smaller denominations.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the Issuer.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the Issuer evidencing the same debt, shall be entitled to the same benefits under this resolution as the Bonds surrendered for such exchange or transfer, and shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bonds.

Transfer of a Bond may be made on the Issuer's books by the registered owner in person or by the registered owner's attorney duly authorized in writing. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the registered owner thereof, with signature guaranteed, or by the registered owner's attorney duly authorized in writing, and shall include written instructions as to the details of the transfer of the Bond.

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost bonds.

Transfers shall also be subject to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates.

4.05 Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be lost, stolen or destroyed, the Bond Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond lost, stolen or destroyed, upon payment of the reasonable expenses and charges of the Bond Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Bond Registrar of

an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the Issuer and the Bond Registrar shall be named as obligees. All Bonds so surrendered to the Bond Registrar shall be canceled by it and evidence of such cancellation shall be given to the District. If the mutilated, lost, stolen or destroyed Bond has already matured, it shall not be necessary to issue a new Bond prior to payment.

4.06 Interest Payments; Record Dates. Interest on any Global Certificate shall be paid as provided in the first paragraph thereof and interest on any Replacement Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the Issuer maintained by the Bond Registrar and in each case at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The term "Holder" shall also include those lawfully entitled to take actions on behalf of the beneficial owners of the Bonds for purposes of any consent or approvals given by Holders.

If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

4.07 Persons Deemed Owners. The Issuer and the Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in Paragraph 4.06 above), on such Bond and for all other purposes whatsoever, whether or not such Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

For the purposes of all actions, consents and other matters affecting Holders of Bonds issued under this Resolution as from time to time supplemented, other than payments, redemptions, and purchases, the Issuer may (but shall not be obligated to) treat as the Holder of a Bond the beneficial owner of the Bond instead of the person in whose name the Bond is registered. For that purpose, the Issuer may ascertain the identity of the beneficial owner of the Bond by such means as the Bond Registrar in its sole discretion deems appropriate, including but not limited to a certificate from the Depository or other person in whose name the Bond is registered identifying such beneficial owner.

4.08 Delivery. The Bonds when so prepared and executed shall be delivered by the Treasurer of the Issuer to the Purchaser thereof upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

Section 5. Debt Redemption Fund and Tax Levies.

5.01 Debt Redemption Fund. The Bonds and the interest thereon shall be payable from the Debt Redemption Fund of the Issuer, which shall be maintained by the Treasurer separate and apart from all other funds of the Issuer so long as any Bonds issued hereunder may be outstanding and unpaid. Money in the Debt Redemption Fund shall be used for no purpose other than payment of principal and interest on obligations of the Issuer, including Bonds issued pursuant to this resolution. If any payment of principal or interest on the Bonds shall become due when there is not sufficient money in the Debt Redemption Fund to make such payment, the Treasurer shall pay the same from the General Fund of the Issuer, and the General Fund shall be reimbursed for such advances out of the proceeds of the taxes levied for the payment of such Bonds. The proceeds of all taxes levied pursuant to this resolution, any amount in excess of \$19,345,425 received from the Purchaser of the Bonds, and all moneys received for or

appropriated to the payment of the Bonds and interest thereon shall be paid into the Debt Redemption Fund.

5.02 Pledge of Full Faith and Credit; Tax Levies. For the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due, the full faith and credit and taxing powers of the Issuer shall be and are hereby irrevocably pledged. In order to provide the moneys for the payment thereof required by Minnesota Statutes, Section 475.61, there is hereby levied upon all of the taxable property in the Issuer a direct annual ad valorem tax which shall be spread upon the tax rolls, as a part of other general taxes of the Issuer, for collection in the years and in the amounts as specified on the levy computation sheet attached hereto as EXHIBIT D and incorporated herein by reference as though fully specified in this paragraph. The tax levies provided in this paragraph are such that, if collected in full they, together with estimated collections of other revenues pledged for the payment of the Bonds, will produce at least five percent (5%) in excess of the amounts needed to meet when due the principal and interest payments on the Bonds.

Said tax levies shall be irrevocable as long as any of said Bonds are outstanding and unpaid, provided that the Issuer reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61.

5.03 Investment Restrictions. No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent (5%) of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Construction Fund or Debt Redemption Fund (or any other District account which will be used to pay principal or interest to become due on the Bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage restrictions may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in those funds shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

5.04 Construction Fund. The proceeds of the bonds not appropriated to the Debt Redemption Fund as provided in Paragraph 5.01 shall be credited to the Issuer's Construction Fund and be used to pay costs incurred in the acquisition and betterment of the school sites and facilities authorized by the electors.

Section 6. Exemption from Rebate Requirements.

6.01 Declaration of Exemption. For purposes of compliance with the requirements of Section 148(f)(4)(C) of the Code, the Board hereby determines and declares that:

- (a) The Issuer is a governmental unit with general taxing powers;
- (b) The Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (c) Ninety-five percent of the net proceeds of the Bonds are to be used for the local government purposes of the Issuer; and
- (d) The Issuer will expend the Bond proceeds in such a manner and at such times as necessary to qualify for an exemption from the rebate requirements of the Code pursuant to Section 148(f)(4)(C) of the Code, as amended.
- (e) The Issuer reserves the right to treat the acquisition expenditures and the construction expenditures or portions thereof as separate issues for purposes of Section 148(f)(4)(C) of the Code. If it does so, it shall specify the expenditure limitations for each issue in greater detail in the arbitrage certification executed by the Chair and Clerk.

In order to account for the expenditure of the proceeds of the Bonds, all proceeds credited to the Construction Fund shall be maintained in one or more separate Construction Fund bookkeeping accounts

in the financial records of the Issuer. All proceeds of the Bonds shall be expended from said accounts prior to any other moneys of the Issuer on hand and legally available for said expenditures. The books and accounts of the Issuer shall be maintained in such a manner as to demonstrate compliance with the expenditure requirements of Section 148(f)(4)(C) of the Code, as amended.

6.02 Payment of Rebate. Notwithstanding the intention of the Issuer to expend the Bond proceeds to meet the expenditure requirements of Section 148(f)(4)(C) of the Code, as amended, if the Issuer fails to meet the expenditure requirements specified in that amended provision, the Issuer agrees to make such calculations and to make such rebate payments to the United States as and when required by said Section 148 and the regulations promulgated thereunder. In construing this Section 6, all terms used herein shall have the meanings provided in Section 148 of the Code and the regulations promulgated thereunder.

6.03 Opinion of Counsel. Notwithstanding any other provision of this Section 6, any requirement imposed hereunder or under Paragraph 5.03 hereof may be deemed inapplicable and of no force or effect if an opinion of Counsel is rendered to the Issuer by nationally recognized bond counsel to the effect that the failure to impose such requirement will not adversely effect the tax-exempt status of interest on the Bonds.

Section 7. Certifications, Designations, Defeasance, Arbitrage, Reporting.

7.01 Filing of Resolution; County Auditor Certificate. The Clerk is hereby authorized and directed to file with the County Auditor of each county in which the Issuer is located in whole or in part a certified copy of this resolution, together with such other information as said County Auditor shall require, and to obtain from said County Auditor a certificate that the tax required by law for the payment of said Bonds has been levied, and that said Bonds have been entered upon the County Auditor's Bond Register.

7.02 Defeasance. When all of the Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution shall cease. The Issuer may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The Issuer may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with the Bond Registrar, for the purpose of paying all principal and interest due on such Bonds to maturity, or if prepayable, to an earlier date on which they may be called for redemption, a sum of cash or securities of the types described in Minnesota Statutes, Section 475.67, as amended, in such aggregate amount, bearing interest at such rates and maturing or callable at the Issuer's option on such dates as shall be required to provide funds sufficient for this purpose.

7.03 Nondesignation as Qualified Tax-Exempt Obligations. The Board finds that the reasonably anticipated amount of qualified tax-exempt obligations (other than private activity bonds) which will be issued by the Issuer during calendar year 2007 will exceed \$10,000,000. Thus, the Bonds of this issue are NOT designated as "Qualified Tax-Exempt Obligations" for the purposes of Section 265 of the Code relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

7.04 Authentication of Transcript. The officers of the Issuer and each said County Auditor are hereby authorized and requested to prepare and furnish to the Purchaser of said Bonds, and to the attorneys approving legality of the issuance thereof, certified copies of all proceedings and records of the Issuer relating to said Bonds and to the financial condition and affairs of the Issuer, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of said Bonds as they appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the Issuer as to the facts recited therein.

7.05 Covenant to Continue Tax Exemption. The Issuer covenants and agrees with the Holders from time to time of the Bonds herein authorized, that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause the interest payable on the Bonds to become subject to taxation under the United States Internal Revenue Code, the regulations promulgated thereunder, or any other applicable federal tax law or regulation; and that it will take, or it will cause its officers, employees or agents to take, all affirmative actions within its powers which may be necessary to ensure that such interest will not become subject to taxation under the Internal Revenue Code. The term

"Internal Revenue Code" or "Code" as used herein includes the Internal Revenue Code of 1986, as amended, and all regulations, amended regulations and proposed regulations issued thereunder, as now existing or as hereafter amended or proposed.

7.06 Arbitrage Certification. The Chair and School District Clerk, being the officers of the Issuer charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser an arbitrage certification in order to satisfy the provisions of the Code and the regulations promulgated thereunder.

7.07 Official Statement. The Official Statement relating to the Bonds, on file with the Clerk and presented to this meeting, is hereby approved and deemed final, and the furnishing thereof to prospective purchasers of the Bonds is hereby ratified and confirmed, insofar as the same relates to the Bonds and the sale thereof.

7.08 Information Reporting. For purposes of compliance with the provisions of Section 149(e) of the Code, the Issuer shall submit to the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, a statement concerning the Bond issue which meets the requirements of Section 149(e) (2).

7.09 Continuing Disclosure. The Chair and the School District Clerk are authorized and directed to execute and deliver a Continuing Disclosure Certificate to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5) for full disclosure (The "Rule"). The Continuing Disclosure Certificate shall be entered into for the benefit of the Holders of the Bonds and shall constitute an undertaking to provide or cause to be provided the annual financial information specified therein and to give notice of the occurrence of the Listed Events specified therein, each in the manner specified therein, as required by the Rule. The provisions of the Continuing Disclosure Certificate are incorporated herein as though fully specified in this paragraph.

The motion for the adoption of the foregoing resolution was duly seconded by Member Jerry Chase, and upon vote being taken thereon, the following voted in favor thereof: Matt McMahon, Greg LaPlante, Tom Duxbury, Kathy Schellhammer, Jerry Chase, Lyman Hare and the following voted against the same: none whereupon said resolution was declared duly passed and adopted. Motion passed 6-0.

Exhibit A-D are on file in the district office.

Hare recessed the meeting at 8:57 p.m. Hare reconvened the meeting at 9:07 and went into a closed session for the purpose of discussing strategies for negotiations with the CEA. Present were: Matt McMahon, Greg LaPlante, Kathy Schellhammer, Jerry Chase, Lyman Hare, Dr. Hainlen, LuAnn Hare and Karyl Lyon.

The board came out of closed session at 10:18 p.m. The board had discussed the strategies to be used in the negotiations with the CEA.

LaPlante asked how the situation is with the request to have the drug dogs at the high school. Dr. Hainlen stated that he is working with law enforcement to get this in place.

McMahon/Schellhammer to adjourn at 10:23 p.m. Motion carried 6-0.

Respectfully submitted,


Matt McMahon, Clerk