

**DAKOTA VALLEY SCHOOL DISTRICT #61-8
REGULAR BOARD OF EDUCATION MEETING
MAY 12, 2008
APPROVED MINUTES
DAKOTA VALLEY ADMINISTRATION CENTER**

**SPECIAL SESSION – 5:30 PM
PUBLIC HEARING – 6:30 PM
REGULAR SESSION – 7:00 PM**

*** All motions are carried and unanimously approved unless otherwise indicated.**

The Regular Meeting of the Dakota Valley Board of Education was called to order by Chairperson Gunderson at 5:30 pm on May 12, 2008 at the Dakota Valley Administration Center. Roll Call indicated the following members present: Gunderson, Reiff, Sexton and White. Heeren was absent. Administrators Leber, Ashmore, Bietz, Hamm, King and Steckelberg were also in attendance along with Dick Billings of R.L. Billings & Co.

Leber led the Pledge of Allegiance.

Dick Billings led discussion regarding 403b plan administration.

The board recessed at 6:20 pm. Heeren joined the meeting at 6:25 pm.

Chairperson Gunderson called the Public Hearing on the proposed ES/MS/HS Additions and Renovations (and related financing) to order at 6:30 pm.

Superintendent Leber and Business Manager Bietz presented the scope of the project and financing plans.

By consensus of the board, administration will proceed with advertisement for bids as presented.

Chairperson Gunderson declared the public hearing closed at 7:07 pm.

The general business portion of the meeting was called to order at 7:08 pm. All board members and administrators above were still in attendance along with Administrators Clements, Halverson, Hummel, Nelson and Rasmussen. T. Morris of Northland Securities was also present along with D. Melstad (representing the DV Facilities Committee), D. Stich (School Board Candidate) and DV Staff Members A. Michaelson and M. Shuey and DV students.

#0214- Motion by Heeren, second by Reiff, to approve the agenda as presented.

“Spotlight on Education”- Anna Michaelson was introduced and acknowledged for being named VFW Teacher of the Year. Student Rich Michaelson was also recognized for his recent appointment to the US Air Force Academy. Staff Member Mary Shuey along with student Katie Purell presented a brief overview of HS Quiz Bowl and the Knowledge Master Open. Student Sierra Goeden presented a brief overview of her acceptance to the National Youth Science Camp.

#0215 – Motion by White, second by Heeren, to approve the minutes of the Regular April 14, 2008 and Special May 1, 2008 Board of Education Meetings as presented.

#0216 – Motion by Sexton, second by Reiff, to approve Payment Application #8 (FINAL) to HCI Construction in the amount of \$54,821.20 for construction of the Fitness Center and Outdoor Stadium Improvements.

#0217 – Motion by White, second by Reiff, to approve the current bills/claims as presented.

#0218 – Motion by Reiff, second by Heeren, to approve and file the financial statements dated April 30, 2008 as presented.

Administrative and board reports were reviewed.

Joe Twidell, representing the Knights of Columbus – Jefferson Council, presented a donation in the amount of \$242.00 for the Dakota Valley Special Education Fund. The board wished to thank the Knights for this generous donation.

#0219 – Motion by Reiff, second by Heeren, to approve an engagement agreement with Northland Securities, Inc to assist the school district with issuance of capital outlay certificates at a rate of 0.09% of the total par amount of bonds issued.

#0220 -

RESOLUTION

RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE AND PAYMENT OF LIMITED TAX GENERAL OBLIGATION CERTIFICATES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000.00) OF THE DAKOTA VALLEY SCHOOL DISTRICT 61-8 OF UNION COUNTY, SOUTH DAKOTA.

WHEREAS, the Dakota Valley School District 61-8 is authorized by the provisions of SDCL §13-16-6.2 to issue Limited Tax General Obligation Certificates to fund the acquisition or construction of real property, plant and equipment; and

WHEREAS, the School Board has determined that the issuance of Capital Outlay Certificates of the School District is in the best interests of School District; and

WHEREAS, the School Board has determined that is necessary and in the best interest of the School District to issue Limited Tax General Obligation Certificates of the School District for the purpose of providing funds to (i) finance additions and renovations to existing school facilities and furnishing and equipping the same, (ii) pay the costs of issuance of the Certificates described herein and (iii) such other expenditures authorized by the School Board.

NOW THEREFORE, BE IT RESOLVED BY THE SCHOOL BOARD OF THE DAKOTA VALLEY SCHOOL DISTRICT 61-8 OF UNION COUNTY, AS FOLLOWS:

ARTICLE I
DEFINITIONS

Section 1.1. Definition of Terms.

In addition to the words and terms elsewhere defined in this Certificate Resolution, the following words and terms as used herein, whether or not the words have initial capitals, shall have the following meanings, unless the context or use indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

"Act" means collectively SDCL Chapter 6-8B and Title 13, as amended.

"Authorized Officer of the School District" means the President of the School Board and the Business Manager, or, in the case of any act to be performed or duty to be discharged, any other member, officer, or employee of the School District then authorized to perform such act or discharge such duty.

"Bond Counsel" means Danforth & Meierhenry, LLP, a firm of attorneys recognized as having experience in matters relating to the issuance of state or local governmental obligations.

"Bond Insurer" means a municipal bond insurance company which has the highest rating for the rating agencies.

"Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical Certificates in fully registered form are issued to a Depository or to its nominee as Registered Owner, with the certificated Certificates being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the School District or the Registration Agent, constitute the written record that identifies, and records the transfer of the beneficial "book-entry" interests in those Certificates.

"Business Manager" means the Business Manager of the School District appointed pursuant to the provisions of South Dakota Codified Laws Title 13 or, in the absence of such appointment or in the event the person so appointed is unable or incapable of acting in such capacity, the person appointed by the School Board to perform the duties otherwise performed by the Business Manager, or his designee.

"Certificate Payment Date" means such dates as are set forth in the Certificate Purchase Agreement.

"Certificate Purchase Agreement" means the agreement between the School District and the Underwriter for the purchase of the Certificates.

"Certificate Resolution" means the within Resolution, duly adopted by the School Board on the date hereof, as it may be amended from time to time.

"Certificateholder", "Holder" and "Registered Owner" means the registered owner of a Certificate, including any nominee of a Depository.

"Certificates" means not to exceed \$4,500,000 in aggregate principal amount of Limited Tax General Obligation Certificates, Series 2008, dated Closing Date, or such other designation or date as shall be determined by the School Board pursuant to Section 8.1 hereof, authorized and issued under the Certificates Resolution.

"Closing Date" means the date the Certificates are exchanged for value.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Department of Treasury promulgated thereunder as in effect on the date of issuance of the Certificates.

"Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to DTC.

"District" means the School District.

"DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC system.

"DTC" means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

"Interest Payment Dates" means such dates as are set forth in the Certificate Purchase Agreement.

"Improvements" means the (i) financing of additions and renovations to existing school facilities and furnishing and equipping the same (ii) pay the costs of issuance of the Certificates described herein and (iii) such other expenditures authorized by the School Board.

"Letter of Representation" means the Issuer Letter of Representations or Blanket Issuer Letter of Representations to DTC of the School District.

"Official Statement" and "Preliminary Official Statement" means that Official Statement and Preliminary Official Statement described in Section 8.2 hereof pertaining to the sale of the Certificates.

"Original Issue Discount or O.I.D." means the difference between the issue price and the stated redemption price at maturity. The stated redemption price is determined without regard to optional call dates.

"Original Issue Premium or O.I.P." means the difference between the issue price and the stated redemption price at maturity. The stated redemption price is determined without regard to optional call dates.

"Outstanding," "Certificates Outstanding," or "Outstanding Certificates" means, as of a particular date all Certificates issued and delivered under this Certificate Resolution except: (1) any Certificates paid or redeemed or otherwise canceled by the School District at or before such date; (2) any Certificate for the payment of which cash, equal to the principal amount thereof with interest to date of maturity, shall have theretofore been deposited prior to maturity by the School District for the benefit of the Owner thereof; (3) any Certificate for the redemption of which cash, equal to the redemption price thereof with interest to the redemption date, shall have theretofore been deposited with the Registration Agent and for which notice of redemption shall have been mailed in accordance with this Certificate Resolution; (4) any Certificate in lieu of or in substitution for which another Certificate shall have been delivered pursuant to this Resolution, unless proof satisfactory to the School District is presented that any Certificate, for which a Certificate in lieu of or in substitution therefor shall have been delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State, as amended, in which case both the Certificate in lieu of or in substitution for which a new Certificate has been delivered and such new Certificate so delivered therefor shall be deemed Outstanding; and, (5) any Certificate deemed paid under the provisions of Article VII of this Resolution, except that any such Certificate shall be considered Outstanding until the maturity or redemption date thereof only for the purposes of being exchanged, transferred, or registered.

"Person" means an individual, partnership, corporation, trust, or unincorporated organization, or a governmental entity or agency or political subdivision thereof.

"President" means the president of the School Board elected pursuant to the provisions of SDCL Chapter 13-8.

"Purchase Agreement" means the Certificate Purchase Agreement authorized pursuant to and described in Section 8.1 hereof by and between the School District and the Underwriter.

"Rating Agency" means one or more of the following rating agencies: Standard & Poor's Credit Market Services, Moody's Investors Service Inc. and Fitch IBCA, Inc.

"Record Date" means such dates as set forth in the Certificate Purchase Agreement.

"Registration Agent" means the Registration Agent appointed by the Business Manager its successor or successors hereafter appointed in the manner provided in Article VI hereof.

"Resolution" means this Certificate Resolution.

"Schedule" the schedule which indicates the principal and interest payments on the Certificates.

"School Board" means the School Board of the School District elected pursuant to the provisions of the SDCL Title 13.

"School District" means the Dakota Valley School District 61-8.

"Underwriter" means the successful purchaser of the Certificates and such securities dealers as it may designate.

"Vice-President" means the Vice-President of the School Board who may act for the president in the absence of the President.

Section 1.2. References to Resolution.

The words "hereof", "herein", "hereunder", and other words of similar import refer to this Certificate Resolution as a whole.

Section 1.3. References to Articles, Sections, Etc.

References to Articles, Sections, and other subdivisions of this Certificate Resolution are to the designated Articles, Sections, and other subdivisions of this Certificate Resolution as originally adopted.

Section 1.4. Headings.

The headings of this Certificate Resolution are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II
FINDINGS

Section 2.1

It is hereby found and determined by the School Board as follows:

(a) The principal amount of the Certificates does not exceed one and one half percent (1½%) of the assessed valuation of the District;

(b) The District has developed and maintained a five-year plan on the annual projection revenues and annual projected expenditures for the capital outlay fund.

(b) The School District hereby determines that all limitations upon the issuance of Certificates have been met and the Certificates are being authorized, issued and sold in accordance with the provisions of the Act.

ARTICLE III
AUTHORITY, PLEDGE, AND LEVY

Section 3.1 Authority.

In order to (i) fund the acquisition and construction of the Improvements and (ii) pay costs incident to the sale and issuance of the Certificates, there shall be issued pursuant to, and in accordance with, the provisions of the Act, the Certificate Resolution, and other applicable provisions of law, Limited Tax General Obligation Certificates of the School District in the aggregate principal amount of not to exceed \$4,500,000 .

Section 3.2 Pledge.

The taxing powers, not to exceed three dollars per thousand of taxable valuation, of said School District shall be and they are hereby irrevocably pledged to the prompt and full payment of the principal of and interest on each and all of said Certificates as such principal and interest respectively become due. Pursuant to SDCL § 13-16-10, the School District does hereby pledge and provide for an annual tax sufficient to pay principal and interest on the Certificates when due.

Section 3.3. Levy of Taxes.

The District does hereby provide for an annual levy, not to exceed three dollars per thousand of the taxable valuation of the School District, to produce collected taxes, taking into consideration an amount necessary to provide for delinquencies, reasonable reserve and mandatory early redemption, to pay principal and interest on the Certificates when due. The Business Manager is directed to provide the County Auditor of Union County with the Schedule. The Schedule is made a part this resolution as if stated in full and shall be open to public inspection at the office of the Business Manager. Said levies shall be irrevocable so long as any of the Certificates of said issue or interest thereon

shall remain unpaid, except that the School Board of the District and the Auditor shall have the power to reduce the levy as provided by SDCL §13-16-11.

ARTICLE IV

FORM, TERMS, EXECUTION, AND TRANSFER OF CERTIFICATES

Section 4.1. Authorized Certificates.

The aggregate principal amount of Certificates that may be issued under the Certificates Resolution shall not exceed Four Million Five Hundred Thousand and No/100 Dollars (\$4,500,000).

Section 4.2. Form of Certificates; Execution.

(a) The Certificates are issuable only as fully registered Certificates, without coupons, in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof (but no single Certificate shall represent installments of principal maturing on more than one date). All Certificates issued under the Resolution shall be substantially in the form set forth in Exhibit A attached hereto, and by this reference incorporated herein as fully as though copied.

(b) The Certificates shall be executed in such manner as may be prescribed by applicable law in the name and on behalf of the School District with the manual or facsimile signature of the President of the School Board, attested by the manual or facsimile signature of the Business Manager, and approved as to form and countersigned by a Resident Attorney by his manual or facsimile signature.

(c) In the event any officer whose manual or facsimile signature shall appear on any Certificates shall cease to be such officer before the delivery of such Certificates, such manual or such facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until such delivery. Any Certificates may bear the facsimile signature of, or may be manually signed by, such individuals who, at the actual time of the execution of such Certificates, were the proper officers of the School District to sign such Certificates, although on the date of the adoption by the School District of this Resolution, such individuals may not have been such officers.

Section 4.3 Maturities, Interest Rates, and Certain Other Provisions of Certificates.

(a) The Certificates shall be in amounts, due and payable as set forth in the Certificate Purchase Agreement subject to the limitation that the average yield on the Certificates shall not exceed 5.00% and the maturity shall not exceed 20 years.

(b) The Certificates shall be designated "Limited Tax General Obligation Certificates, Series 2008," or such other designation as shall be determined by the School Board pursuant to Section 8.1 hereof. The Certificates shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Certificates is paid, such interest

(computed upon the basis of a 360-day year of twelve 30-day months) being payable on Interest Payment Dates. Interest on each Certificate shall be paid by wire transfer, check or draft of the Paying Agent, payable in lawful money of the United States of America, to the person in whose name such Certificates is registered at the close of business on the Record Date. The principal of the Certificates shall be payable in lawful money of the United States of America at the principal office of the Paying Agent on the Certificates Payment Date. Each Certificate shall state that it is issued pursuant to SDCL 6-8B.

(c) The Registration Agent shall make all interest payments with respect to the Certificates on each interest payment date directly to the registered owners as shown on the Certificate registration records maintained by the Registration Agent as of the close of business on the Record Date by wire transfer, check or draft mailed to such owners at their addresses shown on said Certificate registration records, without, except for final payment, the presentation or surrender of such registered Certificates, and all such payments shall discharge the obligations of the School District in respect of such Certificates to the extent of the payments so made. Payment of principal of and premium, if any, on the Certificates shall be made upon presentation and surrender of such Certificates to the Registration Agent as the same shall become due and payable.

Section 4.4 Negotiability of Certificates.

All Certificates issued under this Resolution shall be negotiable, subject to the provisions for registration and transfer contained in this Resolution and in the Certificates.

Section 4.5 Registration, Transfer and Exchange of Certificates.

(a) The Certificates are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Certificate(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Certificate(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Certificate(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Certificate or Certificates to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Certificate during the period commencing on a Record Date and ending on the corresponding interest payment date of such Certificate, nor to transfer or exchange any Certificate after the publication of notice calling such Certificate for redemption has been made, nor to transfer or exchange any Certificate during the period following the receipt of instructions from the School District to call such Certificate for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Certificates, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Certificate shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the School District nor the Registration Agent shall be affected by any notice to the contrary whether

or not any payments due on the Certificates shall be overdue. Certificates, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Certificates of the same maturity in any authorized denomination or denominations.

(b) Except as otherwise provided in this subsection, the Certificates shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Certificate. References in this Section to a Certificate or the Certificates shall be construed to mean the Certificate or the Certificates that are held under the Book-Entry System. One Certificate for each maturity shall be issued to DTC and immobilized in its custody. Unless otherwise provided herein, a Book-Entry System shall be employed, evidencing ownership of the Certificates in authorized denominations, with transfers of beneficial ownership affected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Certificates. Beneficial ownership interests in the Certificates may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are herein referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Certificates representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Certificates. Transfers of ownership interests in the Certificates shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE CERTIFICATES THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE CERTIFICATES FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE CERTIFICATES, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS CERTIFICATE RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Certificates, so long as DTC is the only owner of the Certificates, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. Neither the School District nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Certificates or (2) the School District determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Certificates would adversely affect their interests or the interests of the Beneficial Owners of the Certificates, the School

District may discontinue the Book-Entry System with DTC. If the School District fails to identify another qualified securities depository to replace DTC, the School District shall cause the Registration Agent to authenticate and deliver replacement Certificates in the form of fully registered Certificates to each Beneficial Owner.

NEITHER THE SCHOOL DISTRICT NOR THE REGISTRATION AGENT SHALL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE CERTIFICATES; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE CERTIFICATES; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS CERTIFICATE RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE CERTIFICATES; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

SO LONG AS A BOOK-ENTRY SYSTEM OF EVIDENCE OF TRANSFER OF OWNERSHIP OF ALL THE CERTIFICATES IS MAINTAINED IN ACCORDANCE HEREWITH, THE PROVISIONS OF THIS RESOLUTION RELATING TO THE DELIVERY OF PHYSICAL CERTIFICATES SHALL BE DEEMED INAPPLICABLE OR BE OTHERWISE SO CONSTRUED AS TO GIVE FULL EFFECT TO SUCH BOOK-ENTRY SYSTEM. IF THE PROVISIONS OF THE LETTER OF REPRESENTATION SHALL BE IN CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION AS SAID PROVISIONS RELATE TO DTC, THE PROVISIONS OF THE LETTER OF REPRESENTATION SHALL CONTROL.

Section 4.6 Mutilated, Lost, Stolen, or Destroyed Certificates.

(a) In the event any Certificate is mutilated, lost, stolen, or destroyed, the School District may execute, and upon the request of an Authorized Officer of the School District the Registration Agent shall authenticate and deliver, a new Certificate of like maturity, interest rate, and principal amount, and bearing the same number (but with appropriate designation indicating that such new Certificate is a replacement Certificate) as the mutilated, destroyed, lost, or stolen Certificate, in exchange for the mutilated Certificate or in substitution for the Certificate so destroyed, lost, or stolen. In every case of exchange or substitution, the Certificateholder shall furnish to the School District and the Registration Agent: (1) such security or indemnity as may be required by them to save each of them harmless from all risks, however remote; and, (2) evidence to their satisfaction of the mutilation, destruction, loss, or theft of the subject Certificate and the ownership thereof. Upon the issuance of any Certificate upon such exchange or substitution, the School District and the Registration Agent may require the Owner thereof to pay a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including printing costs and

counsel fees, of the School District and the Registration Agent. In the event any Certificate which has matured or is about to mature shall become mutilated or be destroyed, lost, or stolen, the School District may, instead of issuing a Certificate in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Certificate) if the Owner thereof shall pay all costs and expenses, including attorneys fees, incurred by the School District and the Registration Agent in connection herewith, as well as a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and shall furnish to the School District and the Registration Agent such security or indemnity as they may require to save them harmless and evidence to the satisfaction of the School District and the Registration Agent the mutilation, destruction, loss, or theft of such Certificate and of the ownership thereof.

(b) Every Certificate issued pursuant to the provisions of this section shall constitute an additional contractual obligation of the School District (whether or not the destroyed, lost, or stolen Certificate shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Certificate Resolution equally and proportionately with any and all other Certificates duly issued under this Certificate Resolution.

(c) All Certificates shall be held and owned upon the express condition that the provisions of this Section are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Certificates, and, to the maximum extent legally permissible, shall preclude all other rights or remedies, notwithstanding any law or statute now existing or hereafter enacted to the contrary.

Section 4.7 Authentication.

The Registration Agent is hereby authorized to authenticate and deliver the Certificates to the Underwriter or as it may designate upon receipt by the School District of the proceeds of the sale thereof, to authenticate and deliver Certificates in exchange for Certificates of the same principal amount delivered for transfer upon receipt of the Certificate(s) to be transferred in proper form with proper documentation as hereinabove described. The Certificates shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Certificate form.

Section 4.8 Qualification for DTC.

The Registration Agent is hereby authorized to take such actions as may be necessary from time to time to qualify and maintain the Certificates for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Certificates, utilization of electronic book entry data received from DTC in place of actual delivery of Certificates and provision of notices with respect to Certificates registered by the DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any

of the Owners of the Certificates, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

Section 4.9 Bond Insurance. The School District authorizes the Certificates to be insured by a Bond Insurer. Any terms or conditions required by bond insurer and agreed to by the District to by the Bond Insurer be included in this resolution shall be set forth in Exhibit B and be made a part of this Resolution as if included at passage. The Bond Insurer shall be designated in the Certificate Purchase Agreement.

ARTICLE V

REDEMPTION OF CERTIFICATES PRIOR TO MATURITY

Section 5.1 Redemption. The redemption provisions shall be set forth in the Certificate Purchase Agreement.

ARTICLE VI

REGISTRATION AGENT

Section 6.1. Appointment and Acceptance of Duties.

(a) The School District hereby authorizes the Business Manager to appoint the Registration Agent with respect to the Certificates and authorizes and directs the Registration Agent to maintain Certificate registration records with respect to the Certificates, to authenticate and deliver the Certificates as provided herein, either at original issuance, upon transfer, or as otherwise directed by the School District, to effect transfers of the Certificates, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Certificates as provided herein, to cancel and destroy Certificates which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the School District at least annually a certificate of destruction with respect to Certificates canceled and destroyed, and to furnish the School District at least annually an audit confirmation of Certificates paid, Certificates Outstanding and payments made with respect to interest on the Certificates. The President and the Business Manager, or either of them is hereby authorized to execute and the Business Manager is hereby authorized to attest such written agreement between the School District and the Registration Agent as they shall deem necessary or proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

Section 6.2. Permitted Acts and Functions.

The Registration Agent may become the Owner of any Certificates, with the same rights as it would have if it were not a Registration Agent. The Registration Agent may act as an underwriter or fiscal agent in connection with the sale of the Certificates or of any other securities offered or issued by the School District.

Section 6.3. Resignation or Removal of the Registration Agent and Appointment of Successors.

(a) The Registration Agent may at any time resign and be discharged of the duties and obligations created by the Certificate Resolution by giving at least sixty (60) calendar days' written notice to the Business Manager. The Registration Agent may be removed at any time by the Business Manager, provided that such removal does not constitute a breach of any contractual agreement with any such Registration Agent, by filing written notice of such removal with such Registration Agent. Any successor Registration Agent shall be appointed by the Business Manager and shall be a trust company or a bank having the powers of a trust company, having a combined capital, surplus, and undivided profits aggregating at least Forty Million Dollars (\$40,000,000), willing to accept the office of Registration Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Certificate Resolution.

(b) In the event of the resignation or removal of the Registration Agent, such Registration Agent shall pay over, assign and deliver any monies and securities held by it as Registration Agent, and all books and records and other properties held by it as Registration Agent, to its successor, or if there be no successor then appointed, to the Business Manager until such successor be appointed.

Section 6.4. Merger or Consolidation of Registration Agent.

Any corporation or association into which the Registration Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole, or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party shall be and become successor Registration Agent hereunder and shall be vested with all the trusts, powers, discretion, immunities, privileges, and other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein contained to the contrary notwithstanding. Upon any such conversion, merger, consolidation, sale or transfer, the Business Manager shall have the right and option, upon notice to such converted, merged, consolidated or acquiring entity, to remove such entity and appoint a successor thereto pursuant to the procedures and requirements set forth in Section 6.3 hereof.

ARTICLE VII *ADDITIONAL CERTIFICATES*

Nothing contained herein shall restrict the issuance of additional certificates on parity herewith. Any restrictions on the issuance of additional Certificates shall be set forth in the Certificate Purchase Agreement.

ARTICLE VIII *SALE OF CERTIFICATES AND DEPOSIT OF PROCEEDS*

Section 8.1. Sale of Certificates.

The Certificates shall be sold to the Underwriter at a price set forth in the Certificate Purchase Agreement. The President and the Business Manager, or either of them, in consultation with the Underwriter, is authorized to make such changes in the structuring of the terms and sale of the Certificates as they shall deem necessary. In this regard, they, or either of them, in consultation with the Underwriter, are authorized to cause to be sold an aggregate principal amount of the Certificates less than that authorized herein, to sell any or all of the Certificates as term Certificates with annual mandatory redemption requirements which will produce substantially the same annual principal reductions as authorized herein, to change the dated date of the Certificates, and to adjust principal and interest payment dates and redemption dates of the Certificates. The form of the Certificate set forth in Exhibit A attached hereto shall be conformed to reflect any changes, if any, as hereinbefore mentioned. The President and the Business Manager, or either of them, are hereby authorized to execute and the Business Manager is authorized to attest the Certificate Purchase Agreement with the Underwriter providing for the purchase and sale of the Certificates. The Certificate Purchase Agreement shall be in form and content acceptable to the President and Business Manager, the execution thereof by either of them to constitute conclusive evidence thereof, and approved as to form and legality by the District's attorney; provided the Certificate Purchase Agreement effects the sale of the Certificates in accordance with the provisions of this Resolution, and is not inconsistent with the terms hereof. The President and the Business Manager are authorized to cause the Certificates to be authenticated and delivered by the Registration Agent to the Underwriter and to execute, publish, and deliver all certificates and documents, including the Official Statement, and closing certificates and documents, as they shall deem necessary in connection with the sale and delivery of the Certificates.

Section 8.2. Official Statement.

The President, Business Manager, and the Underwriter are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Certificates in the form of the Preliminary Official Statement attached hereto and by this reference made a part hereof (the "Preliminary Official Statement"). After the Certificates have been sold, the President and Business Manager shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The President and Business Manager shall arrange for the delivery to the successful bidder on the Certificates of a reasonable number of copies of the Official Statement within seven business days after the Certificates have been sold for delivery by the Underwriter to each potential investor requesting a copy of the Official Statement.

The President and Business Manager are authorized, on behalf of the School District, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission

in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the School District except for the omission in the Preliminary Official Statement of such pricing and other information.

Section 8.3. Disposition of Certificate Proceeds.

The proceeds of the sale of the Certificates shall be deposited in the Capital Outlay Fund and shall be used to provide funds for various capital improvements in the School District. The cost shall include costs incident to the issuance and sale of the Certificates pursuant to SDCL 6-8B-20 and capitalized interest, if any.

Section 8.4. Tax Matters.

(a) The School District covenants and agrees with the registered owners from time to time of the Certificates 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 on the Certificates to become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the basic interest on the Certificates will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

(b) The President and the Business Manager, being the officers of the District charged with the responsibility for issuing the Certificates pursuant to this Resolution are hereby authorized and directed to execute and deliver to the Underwriter thereof a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Certificates, it is reasonably expected that the proceeds of the Certificates will be used in a manner that would not cause the Certificates to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations.

(c) The District shall file with the Secretary of the Treasury a statement concerning the Certificates containing the information required by Section 149(e) of the Code.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Failure to Present Certificates.

(a) Subject to the provisions of Section 4.7 hereof, in the event any Certificate shall not be presented for payment when the principal or redemption price hereof becomes due, either at maturity or at the date fixed for prior redemption thereof or otherwise, and in the

event monies sufficient to pay such Certificate shall be held by the Registration Agent for the benefit of the Owner thereof, all liability of the School District to such Owner for the payment of such Certificate shall forthwith cease, determine, and be completely discharged. Whereupon, the Registration Agent shall hold such monies, without liability for interest thereon, for the benefit of the Owner of such Certificate who shall thereafter be restricted exclusively to such monies for any claim under the Resolution or on, or with respect to, said Certificates.

(b) If any Certificate shall not be presented for payment within a period of five years following the date when such Certificate becomes due, whether by maturity or otherwise, the Registration Agent shall, subject to the provisions of any applicable escheat or other similar law, pay to the School District any monies then held by the Registration Agent for the payment of such Certificate and such Certificate shall (subject to the defense of any applicable statute of limitation) thereafter constitute an unsecured obligation of the School District.

Section 9.2. Payments Due on Saturdays, Sundays, and Holidays.

In any case where the date of maturity or interest on or principal of any Certificates, or the date fixed for redemption of any Certificates, shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions similar to the Registration Agent are authorized by law to close, then the payment of the interest on, or the principal, or the redemption price of, such Certificate need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions similar to the Registration Agent are authorized by law to close, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 9.3. Miscellaneous Acts.

The appropriate officers of the School District are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments, and certifications, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of the Certificate Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery by the School District of the Certificates.

Section 9.4. Amendment.

The School Board is hereby authorized to make such amendments to the Certificate Resolution as will not impair the rights of the Certificateholders.

Section 9.5. No Recourse Under Certificate Resolution or on Certificates.

All stipulations, promises, agreements, and obligations of the School District contained in the Initial Resolutions or the Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the School District and not of any officer, director, or employee of the School District in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Certificates or for any claim based thereon or on the Initial Resolution or the Resolution against any officer, director, or employee of the School District or against any official or individual executing the Certificates.

Section 9.6. Partial Invalidity.

If any one or more of the provisions of the Certificate Resolution, or of any exhibit or attachment thereto, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but the Certificate Resolution, and the exhibits and attachments thereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 9.7. Continuing Disclosure.

The School District hereby covenants and agrees that it will provide financial information and material event notices as required by Rule 15c2-12 of the Securities Exchange Commission for the Certificates. The President is authorized to execute at the Closing of the sale of the Certificates, an agreement for the benefit of and enforceable by the owners of the Certificates specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the School District to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Certificates to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the School District to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 9.8. Conflicting Resolutions Repealed.

All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 9.9. Effective Date.

This Certificate Resolution shall take effect from and after its adoption, the welfare of the School District requiring it.

Section 10. Reimbursement.

The District reasonably expects that capital or other expenditures made in connection with the Project, including any inter-fund loans which are hereby authorized, will be reimbursed with the proceeds of the Certificates, in accordance with Section 150 of the Code, up to the principal amount of the Certificates authorized herein.

Said motion was seconded by Member Heeren and upon vote being taken the following voted AYE: Gunderson, Heeren, Reiff, Sexton and White and the following voted NAY: None

Signed: Kathy Gunderson, Board President
Attest: Jason L. Bietz, Business Manager

#0221 – Motion by White, second by Reiff, to approve a proposal from Quam & Berglin, CPA's to conduct an audit of the school district's financial statements and activities for the fiscal year ending June 30, 2008 in the amount of \$8,350 (estimate).

#0222 – Motion by Sexton, second by White, to approve a one-year food service management contract extension with Lunchtime Solutions, Inc for the 2008-09 School Year as presented.

#0223 – Motion by White, second by Reiff, to approve renewal of catastrophic insurance with Student Assurance Services, Inc in the amount of \$1,320 for the 2008-09 School Year.

#0224 – Motion by Reiff, second by White, to accept a VISA Cashback to Schools Donation from Siouxland Federal Credit Union in the amount of \$934.38. The board wished to thank the donor for their generous donation.

#0225 – Motion by White, second by Sexton, to cast a "NO" vote on proposed SDHSAA Constitutional Amendment #1, and "YES" votes on Amendments #2, 3, 4 and 5.

#0226 – Motion by Reiff, second by White, to cast a district vote for Mark Hofer (West Central High School) as Division II Representative with the SDHSAA Board of Directors.

#0227 – Motion by Sexton, second by Heeren, to cast a district vote for Christopher Specht (Yankton High School) as Large Group Board of Education Representative for the SDHSAA Board of Directors.

#0228 – Motion by White, second by Reiff, to declare various computers and peripheral equipment (as presented) to be surplus property as it has exceeded its useful life.

#0229 – Motion by Reiff, second by White, to approve the Level II Application of Girls Softball for the 2008 Season with funding support of \$4,000 and duly authorizing a Contingency Transfer from General Fund to sponsor the program, pending a suitable coach is found.

The board conducted 1st Reading of the following policy files:

- Policy GBE: Staff Health and Safety
- Policy GBEB: Personnel Communicable Disease/Guidelines
- Policy JJHC: Student Communicable Disease/Guidelines
- Policy IICC: School Volunteers

#0230 – Motion by White, second by Heeren, to approve the following 2008-09 employment contracts:

- Amanda LaCroix as 2nd Grade Teacher in the amount of \$33,050 (MA, step 3)
- Sarah Shaffer as 3rd Grade Teacher in the amount of \$37,900 (MA+30, step 6)
- Corrine Rath as Title I/Reading Recovery Teacher in the amount \$38,250 (MA, step 11)
- Kim Bacon as HS Student Council Advisor in the amount of \$509.25 (1)
- Jeff Hamm as Curriculum (Math) Committee Chairperson in the amount of \$436.50 (1)
- Fonda Tott as Co-Cheer Advisor in the amount of \$1,455 (1)
- Kelli Taylor as Co-Cheer Advisor in the amount of \$1,455 (1)
- Leo Keiser as Summer 2008 Driver's Education Classroom Teacher in the amount of \$900 and Driving Instructor in the amount of \$3,240.

#0231 – Motion by Reiff, second by Sexton, to accept the following resignations upon conclusion of the 2007-08 contract term:

- Deb Farwell as 0.5 FTE School Nurse
- Staci Haag as Honor Society Advisor
- Suzanne Johnson as 6th/7th Language Arts Teacher

#0232 – Motion by Heeren, second by Reiff, to approve the long-term leave request (maternity) of Crissi Hall starting on or about August 13, 2008.

#0233 – Motion by Heeren, second by White, to approve the leave request (military) of Amber Gregg starting on or about August 12, 2008.

#0234 – Motion by Reiff, second by White, to move into executive session at 8:50 pm for personnel matters. Leber, Bietz, Hamm and Rasmussen were included in the session.

Executive session ended at 9:05 pm.

#0235 – Motion by Heeren, second by White, to approve a one-year (2008-09 contract year) leave of absence for Marcie Sidie as requested.

#0236 – Motion by White, second by Heeren, to authorize administration to issue contracts for Classified personnel for the 2008-09 School Year as presented.

#0237 – Motion by Heeren, second by Reiff, to move into executive session at 9:08 pm for discussion of personnel matters and administrative contract negotiations. Leber was included in the session.

Leber left the session at 9:10 pm and rejoined at 9:20 pm.

Executive session ended at 9:26 pm.

#0238 – Motion by Heeren, second by White, to adjourn at 9:28 pm.

Jason L. Bietz
Business Manager

Kathy Gunderson
Chairperson

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May 29, 2008

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