

Haakon School District 27-1
 Board of Education Regular Meeting Minutes
 September 12, 2016

The Board of Education of the Haakon School District 27-1 met in regular session for its regular meeting on September 12, 2016 at 7:00 p.m. at the Philip Armory, Room A-1. President Mark Radway called the meeting to order with the following members present: Paulette Ramsey, Anita Peterson, Mark Radway, Doug Thorson, Scott Brech and Brad Kuchenbecker. Absent: Jake Fitzgerald. Also present: Superintendent Keven Morehart, Principal Mandie Menzel, Business Manager Britni Ross, Lisa Schofield, Vonda Hamill, Madyson Morehart, and Del Bartels.

The meeting was opened with the Pledge of Allegiance.

All action taken in the following minutes was by unanimous vote unless otherwise specified.

17-39 Communications from the audience: None

17-40 Motion by Peterson, second by Kuchenbecker to approve the agenda as presented.

17-41 Motion by Brech, second by Kuchenbecker to approve the following items on the consent calendar. Approved the minutes of the August 1st Special Meeting, the August 8th Regular Meeting, and the August 24th Special Meeting.

Approved the unaudited financial report of August 31, 2016 as follows:

	General Fund	Capital Outlay	Special Education	Pension	Scholarships	Food Service	Trust & Agency
Beg Bal	1,606,803.97	1,124,795.45	975,638.41	99,005.71	289,572.19	32,527.40	136,747.59
Taxes	1,858.70	926.38	309.10	92.71			
Interest	600.48	354.83	368.48	40.94	60.06		28.94
Sales						10,341.50	510.00
Pupil Act	396.00						2,594.00
Donations							
Rentals	50.00						
Misc							
Other	73,898.05	2,100.00					638.96
State Funds	63,851.00						
Fed Funds	610.86		70.00				
Total Rec	141,265.09	3,381.21	747.58	133.65	60.06	10,341.50	3,771.90
Transfer					-3,825.00		3,825.00
Payments	176,480.46	215,267.92	17,621.78			5,931.59	10,742.22
Ending Bal	1,571,588.60	912,908.74	958,764.21	99,139.36	285,807.25	36,937.31	133,602.27

Capital Outlay CDs at August 31, 2016 = \$596,141.54

General Fund Claims Payable September 12, 2016 A&B Welding Supply - VoAg Supplies - 376.09, A&B Welding Supply - Cylinder Deposit - 27.00, AFLAC - AFLAC Premiums - 791.39, Ainslie, Kay - Election Worker - 187.50, Amazon - Election Supplies - 13.98, Apple, Inc - Ipads (Title) - 3139.75, ASBSD - Joint Convention Registration Fees - 740.00, Avesis - Vision Insurance Premiums - 288.38, Best Western Plus - Lodging - ASBSD Convention - 1039.92, BHSU Stock Market Game - Registration - Finance Class (11 Teams) - 110.00, BMI Educational - Title Supplies - 138.02, Brant's Electric - Repair Fuse - 67.33, Casey Peterson & Associates - Fiscal Year 2016 Audit - 11890.54, Cenex Harvest States - Weed Killer - 35.00, Century Business Products - Copier Maintenance - 450.00, City of Philip - Water/Pool House Lease - 1154.00, Classroom Direct - Classroom Supplies - 415.26, Coyle's SuperValu - Science Supplies/FACS Supplies - 98.72, D&T Auto Parts - Bus Repairs - 26.78, Delta Dental - Dental Insurance Premiums - 1085.40, EcoLab - Pest Control - 135.74, Fitch, Dani - Reimburse First Aid Class - 35.00, Fitzgerald Oil - Propane/Fuel Oil - Town - 701.21, Frog Street Press - Classroom Supplies - 114.93, GoldenWest - Telephone - 545.19, Grimm's Pump - Pump Repairs - 181.02, Hometown Computer Services - Technology Services - 180.00, Hometown Computer Services - Technology Services - 140.00, Houghton Mifflin - Title Supplies - 1571.85, J&S Restore - Bus Repairs - 812.23, Kennedy Implement - Tractor Repairs - 35.48, McDaniel, Kelsey - Isolation Mileage - 260.40, McLeod's Office Supply - Election Supplies - 64.04, Menzel, Mandie - Mileage - Meeting in Rapid - 68.88, Menzel, Mandie - Mileage - Technology at Milesville - 27.72, Moses Building Center - Maintenance Supplies - 103.83, Oriental Trading - Classroom Supplies - 120.92, Parquet, Tom - Reimburse First Aid Class - 35.00, Petty Cash - Postage - 83.83, Philip Hardware - Maintenance Supplies - 1057.86, Philip Pit Stop - Maintenance Fuel - 128.86, Philip Standard Service - Maintenance Fuel - 134.15, Philip Trust & Agency - Imprest Reimbursement - 788.04, Pocketful of Posies - Flowers for Science Experiments - 37.28, Puhlman, Lacy - Isolation Mileage - 223.76, Quill - Office/Classroom Supplies - 706.01, Ravellette Publications - Publications - 416.29, Rockafellow, Richard - Reimburse Supplies - 45.00, Rush, Gayle - Election Worker - 187.50, Rush, Margaret - Election Worker - 187.50, SDHSAA - Press Fee/Federation News - 31.00, Sheraton - Lodging - Peterson, ASBSD Convention - 124.00, Training Room - Athletic Supplies - 414.76, Wellmark - Health Insurance Premiums - 8492.29, West Central Electric - Electricity - 3461.89, West Central Electric - Electricity - 2334.69, West River Lyman Jones - Rural Water - 87.50, Wex Bank - Bus Fuel - 87.00, TOTAL 46237.71; **Capital Outlay Claims Payable September 12, 2016** Banner Engineering - Engineering - Geothermal - 8976.86, Century Business Products - Copier Lease - 410.34, First National Bank - Sioux Falls - Escrow Agent Fee - 325.00, Hillyard - Vacuum Cleaner - 823.00, Junior Library Guild - Library Books - 189.60, KnowBuddy Resources - Library Books - 216.68, Quinn Construction - Progress Payment - Geothermal Ponds - 81712.08, Sitework Specialists - Repair Geothermal Line - Sidewalk Install - 6300.00, TOTAL 98953.56; **SPED Claims Payable September 12, 2016** AFLAC - AFLAC Premiums - 69.55, Avesis - Vision Insurance Premiums - 40.58, Children's Therapy Services - Speech/Occupational Therapy - 2243.75, Delta Dental - Dental Insurance Premiums - 422.46, Department of Human Services - Residential Tuition Match - 5804.13, Department of Human Services - Residential Tuition Match - July - 5502.39, Lifescape - Residential Tuition/Therapy - 4522.00, McDaniel, Theresa - Isolation Mileage - 193.20, Parent - Parent Mileage - 438.48, Parent - Parent Mileage - 138.60, TOTAL 19375.44; **Food Service Claims Payable September 12, 2016** AFLAC - AFLAC Premiums - 133.12, Amazon - Lunch Machine Supplies - 125.38, Coyle's SuperValu - Purchased Foods - 183.83, Dean Foods - Milk Purchases - 297.40, Earthgrain Baking Co - Purchased Foods - 192.08, Petersen's Variety - Kitchen Supplies - 5.07, Philip Hardware - Kitchen Supplies - 12.98, Reinhardt Foods - Purchased Foods - 772.29, Servall - Linen Care - 54.29, US Foods - Purchased Foods - 3887.47, TOTAL 5,663.91

Hourly wages for Month of August 2016 – 20,404.61 **Gross Salaries/Fringe for August 2016**– FUND 10: Instructional – 93,050.17, Administration – 24,917.18, Support Services – 3,633.88, Extra Curricular – 1,713.12; FUND 22: SPED Gross Salaries/Fringe – 6,246.35.

17-42 Motion by Thorson, second by Ramsey to approve the following personnel action: Joe Carley, Assistant Wrestling - \$2760.00; Patrick Seager, Assistant Girls Basketball - \$2760.00.

- 17-43 Received homeschool exemption for HSA 73-17 (2nd Grade), HSA74-17 (1st Grade), HSA75-17 (Kindergarten), and HSA76-17 (10th Grade).
- 17-44 Motion by Brech, second by Thorson to approve the following open enrollment request: OEA124-17 (8th Grade from Kadoka Area), OEA125-17 (7th Grade from Kadoka Area), OEA126-17 (6th Grade from Kadoka Area), OEA127-17 (2nd Grade from Kadoka Area), OEA128-17 (5th Grade from Kadoka Area) and OEA129-17 (9th Grade from Kadoka Area.)
- 17-45 Motion by Peterson, second by Thorson to reassign the following students due to the closure of Deep Creek School: OEC33-16 (8th Grade from Deep Creek to Milesville) and OEC34-16 (Kindergarten from Deep Creek to Milesville)
- 17-46 Motion by Thorson, second by Kuchenbecker to approve the following School To Work assignments: Mandy Burns – ginny’s (Jenny Terkildsen); Molly Coyle – Philip Health Services Radiology (Kayla Eymer); Tia Guptill – Dakota Country Pharmacy (Courtney Kjerstad); Megan Hindman Hopkins – Philip Elementary 5th Grade (Ms. Lauren Adrian); Cheyenne Pinney – Philip Elementary 2nd Grade (Mrs. Ella Smith); Kaylor Pinney – Hansen’s Hide & Fur (Marty Hansen); Samantha Schofield – Philip School Physical Education (Mr. Matt Donnelly); and Elise Wheeler – Philip Elementary 6th Grade (Ms. Lissa Papousek).
- 17-47 Toby Morris with Dougherty & Company discussed the upcoming process for selling bonds now that the bond issue has passed. The next step would be for the Board to pass a resolution that allows Toby to go to market for the bonds. In order to meet the deadlines of submitting tax levy requests to the county, the Board would need to do so by October 1st. Morris explained the sophistication of how the bond market operates. The District received an A+ Stable rating from the Standard & Poor’s, which opens a broad market. Without this rating, interest would be at least ½ percent higher. Bonds are opened up for sale locally at first, and then broadened to other investors. Publicly invested funds come with special requirements that some banks don’t wish to adhere to. If passed, the bond proceeds would be invested at the South Dakota Public Funds Investment Trust. Morris answered some questions from the board regarding timing and rates. Morris then went on to discuss the CMAR process involved with building.
- 17-48 Motion by Brech, second by Thorson to approve the following Resolution:

RESOLUTION NO. 0092017

RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE AND PAYMENT OF GENERAL OBLIGATION BONDS, SERIES 2016, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED NINE MILLION DOLLARS (\$9,000,000) OF THE HAAKON SCHOOL DISTRICT 27-1 OF HAAKON AND JACKSON COUNTIES, SOUTH DAKOTA.

WHEREAS, the voters of the Haakon School District 27-1 authorized the issuance of general obligation bonds at a special election held August 23, 2016. Approximately 66.6% of the voters voted in favor of authorizing the Bonds to finance (1) the construction of a new K-12 facility, (2) furnishing and equipping the same, and (3) paying the costs of issuance including, but not limited to, Underwriter's discount and rating agency fees; and

WHEREAS, the School Board has determined that the issuance of general obligation bonds of the School District is in the best interests of School District; and

WHEREAS, the School Board has determined that it is necessary and in the best interest of the School District to issue General Obligation Bonds, Series 2016 of the School District.

NOW THEREFORE, BE IT RESOLVED BY THE SCHOOL BOARD OF THE HAAKON SCHOOL DISTRICT 27-1 OF HAAKON AND JACKSON COUNTIES, AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.1. Definition of Terms.

In addition to the words and terms elsewhere defined in this Bond 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.

"Bonds" means not to exceed \$9,000,000 in aggregate principal amount of General Obligation Bonds, Series 2016, authorized and issued under this Bond Resolution.

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

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

"Bond Purchase Agreement" means the agreement or agreements between the School District and the Underwriter for the purchase of the Bonds.

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

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

"Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical Bonds in fully registered form are issued to a Depository or to its nominee as Registered Owner, with the certificated Bonds 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 Registrar and Paying Agent, constitute the written record that identifies, and records the transfer of the beneficial "book-entry" interests in those Bonds.

"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.

"Closing Date" means the date the Bonds 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 Bonds.

"County Auditor" means the County Auditors of Haakon and Jackson Counties, South Dakota.

"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 Haakon School District 27-1.

"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.

"Improvements" mean the (1) construction a new K-12 facility, (2) furnishing and equipping the same and, (3) financing costs of issuance, but not limited to, Underwriter's discount and rating agency fees.

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

"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 Bonds.

"Original Issue Discount or OID" means an amount by which the par value of a security exceeds its public offering price at the time of its original issuance.

"Original Issue Premium or OIP" means the amount by which the public offering price of a security at the time of its original issuance exceeds its par value.

"Outstanding." "Bonds Outstanding." or "Outstanding Bonds" means, as of a particular date, all Bonds issued and delivered under this Bond Resolution except: (1) any Bonds paid or redeemed or otherwise canceled by the School District at or before such date; (2) any Bond 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 Bond 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 Registrar and Paying Agent and for which notice of redemption shall have been mailed in accordance with this Bond Resolution; (4) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to this Resolution, unless proof satisfactory to the School District is presented that any Bond, for which a Bond 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 Bond in lieu of or in substitution for which a new Bond has been delivered and such new Bond so delivered therefor shall be deemed Outstanding; and, (5) any Bond deemed paid under the provisions of Article VII of this Resolution, except that any such Bond shall be considered Outstanding until the maturity or redemption date thereof only for the purposes of being exchanged, transferred, or registered.

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

"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 13-8 or his or her designee acting on his or her behalf.

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

"Rating Agency" means the following rating agencies: S&P Global Ratings, Moody's Investors Service Inc. and Fitch IBCA, Inc.

"Record Date" means such date as set forth in the Bond Purchase Agreement.

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

"Resolution" means this Bond Resolution.

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

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

"School District" means the Haakon School District 27-1.

"Underwriter" means Dougherty & Company LLC, Sioux Falls, South Dakota acting for and on behalf of itself 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 Bond Resolution as a whole.

Section 1.3. References to Articles, Sections, Etc.

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

Section 1.4. Headings.

The headings of this Bond 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 Bonds has been authorized by voters of the District;

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

ARTICLE III

AUTHORITY, PLEDGE, AND LEVY

Section 3.1. Authority.

It is declared necessary for the District (1) to construct a new K-12 facility, (2) furnish and equip the same, and (3) pay for the costs of issuance of the Bonds described herein, there shall be issued pursuant to, and in accordance with, the provisions of the Act, the Bond Resolution, and other applicable provisions of law, General Obligation Bonds, Series 2016 of the School District in the aggregate principal amount of not to exceed \$9,000,000.

Section 3.2. Pledge.

Pursuant to Article XIII § 5 of the State of South Dakota Constitution, the District does hereby provide for an annual tax sufficient to pay principal, premium if any, and interest when due on the Bonds. The full faith, credit and unlimited taxing powers of the District shall be and they are hereby irrevocably pledged to the prompt and full payment of the principal of, premium, if any, and interest on each and all of said Bonds as such principal and interest respectively become due.

To provide moneys for payment of principal and interest when due, there is hereby levied upon all taxable property in the District a direct, annual ad valorem tax, to be spread with other levies of the District upon the tax rolls in an amount sufficient to produce collected taxes in an amount not less than the amount sufficient to pay principal, premium, if any, and interest when due as indicated on a debt service schedule to be attached and made a part hereof.

The proceeds of said levies are hereby appropriated to, and shall be held in a separate sinking fund and used for no purpose other than for payment of principal, premium, if any, and interest on said Bonds; provided that, if any payment of interest or principal falls due when moneys in said sinking fund are insufficient, the District shall request and the County Auditor(s) shall spread additional levies sufficient for payment of principal, premium, if any, and interest when due or the same shall be advanced from any funds of the District to said sinking fund.

Said levies shall be irrevocable so long as any of the Bonds or interest thereon shall remain unpaid, except that the School Board of the District and the County Auditor(s) shall have the power to reduce the levy as provided by state law.

The Business Manager is hereby directed to file a certified copy of this Resolution with the County Auditor(s), and this Resolution shall constitute authority to said Auditor(s) and their successor in office to spread said levy on the tax rolls for all years on the debt service schedule.

ARTICLE IV
FORM, TERMS, EXECUTION, AND TRANSFER OF BONDS

Section 4.1. Authorized Bonds.

The aggregate principal amount of Bonds that may be issued under the Bond Resolution shall not exceed Nine Million and No/100 Dollars (\$9,000,000).

Section 4.2. Form of Bonds; Execution.

(a) The Bonds are issuable only as fully registered Bonds, without coupons, in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof (but no single Bond shall represent installments of principal maturing on more than one date). All Bonds 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. Exhibit A, the form of the Bond shall be on file with the Business Manager and open to public inspection.

(b) The Bonds 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 Bonds shall cease to be such officer before the delivery of such Bonds, 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 Bonds may bear the facsimile signature of, or may be manually signed by, such individuals who, at the actual time of the execution of such Bonds, were the proper officers of the School District to sign such Bonds, 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 Bonds.

(a) The Bonds shall become due and payable as set forth in the Bond Purchase Agreement. The Bonds may be sold with O.I.P. or O.I.D.

(b) The Bonds shall be designated "General Obligation Bonds, Series 2016" or such other designation as shall be determined by the School Board pursuant to Section 9.1 hereof. The Bonds 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 Bonds 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 Bond 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 Bond is registered at the close of business on the Record Date. The principal of the Bonds shall be

payable in lawful money of the United States of America at the principal office of the Paying Agent on the Bond Payment Date. Each Bond shall state that it is issued pursuant to SDCL 6-8B.

(c) The Registrar and Paying Agent shall make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the bond registration records maintained by the Registrar and Paying 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 bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the School District in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Registrar and Paying Agent as the same shall become due and payable.

Section 4.4. Negotiability of Bonds.

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

Section 4.5. Registration, Transfer and Exchange of Bonds.

(a) The Bonds are transferable only by presentation to the Registrar and Paying Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(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 Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Registrar and Paying Agent shall issue a new Bond or Bonds to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registrar and Paying Agent shall not be required to transfer or exchange any Bond during the period commencing on a Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the publication of notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the School District to call such Bond for redemption; provided, the Registrar and Paying 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 Bonds, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the School District nor the Registrar shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. Bonds, upon surrender to the Registrar, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Bonds of the same maturity in any authorized denomination or denominations.

(b) Except as otherwise provided in this subsection, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bond. References in

this Section to a Bond or the Bonds shall be construed to mean the Bond or the Bonds that are held under the Book-Entry System. One Bond 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 Bonds 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 Bonds. Beneficial ownership interests in the Bonds 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 Bonds 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 Bonds. Transfers of ownership interests in the Bonds 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 BONDS THE REGISTRAR AND PAYING AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRAR AND PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid by the Registrar and Paying 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 Registrar and Paying 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 Bonds or (2) the School District determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, 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 Registrar and Paying Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

NEITHER THE SCHOOL DISTRICT NOR THE REGISTRAR AND PAYING AGENT SHALL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (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 BONDS; (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 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 BONDS; 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 BONDS IS MAINTAINED IN ACCORDANCE HEREWITH, THE PROVISIONS OF THIS RESOLUTION RELATING TO THE DELIVERY OF PHYSICAL BOND 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 Bonds.

(a) In the event any Bond is mutilated, lost, stolen, or destroyed, the School District may execute, and upon the request of an Authorized Officer of the School District the Registrar and Paying Agent shall authenticate and deliver, a new Bond of like maturity, interest rate, and principal amount, and bearing the same number (but with appropriate designation indicating that such new Bond is a replacement Bond) as the mutilated, destroyed, lost, or stolen Bond, in exchange for the mutilated Bond or in substitution for the Bond so destroyed, lost, or stolen. In every case of exchange or substitution, the Bondholder shall furnish to the School District and the Registrar and Paying 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 Bond and the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, the School District and the Registrar and Paying 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 Registrar and Paying Agent. In the event any Bond 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 Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the Owner thereof shall pay all costs and expenses, including attorney's fees, incurred by the School District and the Registrar and Paying 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 Registrar and Paying Agent such security or indemnity as they may require to save them harmless and evidence to the satisfaction of the School District and the Registrar and Paying Agent the mutilation, destruction, loss, or theft of such Bond and of the ownership thereof.

(b) Every Bond 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 Bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Bond Resolution equally and proportionately with any and all other Bonds duly issued under this Bond Resolution.

(c) All Bonds 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 Bonds, 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 Registrar and Paying Agent is hereby authorized to authenticate and deliver the Bonds 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 Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Registrar and Paying Agent by the manual signature of an officer thereof on the Bond set forth herein on the Bond form.

Section 4.08 Qualification for DTC.

The Registrar and Paying Agent is hereby authorized to take such actions as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by the DTC (or any of its designees identified to the Registrar and Paying 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 Bonds, provided, however, that the Registrar and Paying Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

Section 4.09. Designation of Rating Agency.

The District may authorize the retention of the Rating Agency to rate the Bonds.

Section 4.10. Underwriter.

The President and Business Manager, individually or jointly, are authorized to retain Dougherty & Company LLC, as Underwriter upon such terms as they approve.

Section 4.11. Bond Counsel. The President and Business Manager are authorized to retain Meierhenry Sargent LLP as Bond Counsel upon such terms as they approve.

Section 4.12. Dissemination Agent. The District authorizes the Authorized Officer of the District to retain a dissemination agent with regard to the written undertaking authorized in Section 10.7 hereof.

ARTICLE V

REDEMPTION OF BONDS PRIOR TO MATURITY

Section 5.1. Redemption.

The Bonds are subject to redemption as set forth in the Bond Purchase Agreement.

ARTICLE VI *REGISTRAR AND PAYING AGENT*

Section 6.1. Appointment and Acceptance of Duties.

(a) The School District hereby authorizes the Business Manager to appoint the Registrar and Paying Agent with respect to the Bonds and authorizes and directs the Registrar and Paying Agent to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance, upon transfer, or as otherwise directed by the School District, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds 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 Bond of destruction with respect to Bonds canceled and destroyed, and to furnish the School District at least annually an audit confirmation of Bonds paid, Bonds Outstanding and payments made with respect to interest on the Bonds. 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 Registrar and Paying Agent, as they shall deem necessary or proper with respect to the obligations, duties and rights of the Registrar and Paying Agent. The payment of all reasonable fees and expenses of the Registrar and Paying 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 Registrar and Paying Agent may become the Owner of any Bonds, with the same rights as it would have if it were not a Registrar and Paying Agent. The Registrar and Paying Agent may act as a purchaser or fiscal agent in connection with the sale of the Bonds or of any other securities offered or issued by the School District.

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

(a) The Registrar and Paying Agent may at any time resign and be discharged of the duties and obligations created by the Bond Resolution by giving at least sixty (60) calendar days' written notice to the Business Manager. The Registrar and Paying 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 Registrar and Paying Agent, by filing written notice of such removal with such Registrar and Paying Agent. Any Successor Registrar and Paying 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 Seventy-Five Million Dollars (\$75,000,000), willing to accept the office of Registrar and Paying Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Bond Resolution.

(b) In the event of the resignation or removal of the Registrar and Paying Agent, such Registrar and Paying Agent shall pay over, assign and deliver any monies and securities held by it as Registrar and Paying Agent, and all books and records and other properties held by it as Registrar and Paying 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 Registrar and Paying Agent.

Any corporation or association into which the Registrar and Paying 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 Registrar and Paying 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 BONDS

The District may issue additional bonds payable from general taxes on a parity herewith.

ARTICLE VIII

DEFEASANCE OF BONDS

Section 8.1. Defeasance of Bonds.

If the School District shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways, to wit:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registrar and Paying Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"; which Agent may be the Registrar and Paying Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Federal Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon

when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registrar and Paying Agent, for cancellation by it;

and if the School District shall also pay or cause to be paid all other sums payable hereunder by the School District with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such escrow agent to pay amounts when and as required to the Registrar and Paying Agent for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the School District to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the School District shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Federal Obligations nor moneys deposited with the Registrar and Paying Agent pursuant to this Section nor principal or interest payments on any such Federal Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Federal Obligations deposited with the Registrar and Paying Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the School District as received by the Registrar and Paying Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal and premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the School District, as received by the Registrar and Paying Agent. For the purposes of this Section, Federal Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under South Dakota Law for the purposes described in this Section, which Bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

ARTICLE IX

SALE OF BONDS, DEPOSIT OF PROCEEDS AND TAX MATTERS

Section 9.1. Sale of Bonds.

The Bonds shall be sold to the Underwriter at a price set forth in the Bond 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 Bonds 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 Bonds less than that authorized herein, to sell in one or more series at the same or different dates, to sell any or all of the Bonds as term Bonds with annual mandatory redemption requirements which will produce substantially the same annual principal reductions as authorized herein, to change the dated date of the Bonds, and to adjust principal and interest payment dates and redemption dates of the Bonds. The form of the Bond 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 Bond Purchase Agreement with the Underwriter providing for the purchase and sale of the Bonds. The Bond 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 Bond Purchase Agreement effects the sale of the Bonds 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 Bonds to be authenticated and delivered by the Registrar and Paying 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 Bonds. Bond Counsel is authorized to release the Bonds in any closing.

Section 9.2. 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 Bonds (the "Preliminary Official Statement"). After the Bonds 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.

To comply with paragraph (b) (3) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule") and with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board, the School District agrees to deliver to the Underwriter, the Official Statement (which shall be a final official statement, as such term is defined in the Rule, as of its date) in an electronic format as prescribed by the MSRB.

Section 9.3. Disposition of Bond Proceeds.

The proceeds of the sale of the Bonds, combined with interest earnings, shall be deposited and accredited in the fund and accounts as prescribed by the South Dakota Department of Legislative

Audit and will be used by the District to (1) construct a new K-12 facility, (2) furnish and equip the same, and (3) pay for the costs of issuance.

Section 9.4. Tax Matters.

- (a) The School District covenants and agrees with the registered owners from time to time of the Bonds 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 Bonds 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 Bonds 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 Bonds pursuant to this Resolution are hereby authorized and directed to execute and deliver to the Underwriter thereof a Bond 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 Bonds, it is reasonably expected that the proceeds of the Bonds will be used in a manner that would not cause the Bonds 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 Bonds containing the information required by Section 149(e) of the Code.

ARTICLE X

MISCELLANEOUS

Section 10.1. Failure to Present Bonds.

- (a) Subject to the provisions of Section 4.7 hereof, in the event any Bond 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 Bond shall be held by the Registrar and Paying Agent for the benefit of the Owner thereof, all liability of the School District to such Owner for the payment of such Bond shall forthwith cease and be completely discharged. Whereupon, the Registrar and Paying Agent shall hold such monies, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such monies for any claim under the Resolution or on, or with respect to, said Bonds.
- (b) If any Bond shall not be presented for payment within a period of five years following the date when such Bond becomes due, whether by maturity or otherwise, the Registrar and Paying 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 Registrar and Paying Agent for the payment of such Bond and such Bond shall (subject to the defense of any applicable statute of limitation) thereafter constitute an unsecured obligation of the School District.

Section 10.2. Payments Due on Saturdays, Sundays, and Holidays.

In any case where the date of maturity or interest on or principal of any Bonds, or the date fixed for redemption of any Bonds, 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 Registrar and Paying Agent are authorized by law to close, then the payment of the interest on, or the principal, or the redemption price of, such Bond 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 Registrar and Paying 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 10.3. 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 Bond Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery by the School District of the Bonds.

Section 10.4. Amendment.

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

Section 10.5. No Recourse Under Bond Resolution or on Bonds.

All stipulations, promises, agreements, and obligations of the School District contained in 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 Bonds or for any claim based thereon or on this Resolution against any officer, director, or employee of the School District or against any official or individual executing the Bonds.

Section 10.6. Partial Invalidity.

If any one or more of the provisions of the Bond 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 Bond

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 10.7. Continuing Disclosure.

The School District hereby covenants and agrees that it will annually provide certain financial and operating information which is customarily prepared and publicly available and material event notices as required by Rule 15c2-12 of the Securities Exchange Commission (SEC) for the Bonds. The President is authorized to execute at the closing of the sale of the Bonds, an agreement for the benefit of and enforceable by the owners of the Bonds 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 Bonds 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. The President is authorized to execute any amendments as he or she deems necessary to comply with any rules of regulations adopted by the SEC.

Section 10.8. Post Issuance Compliance.

The District does hereby adopt Meierhenry Sargent Post-Issuance Compliance Policy and Tax-Advantaged Obligations and Continuing Disclosure with regard to the Bonds attached hereto. The District appoints the Business Manager as its chief post issuance compliance officer.

Section 10.9. Conflicting Resolutions Repealed.

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

Section 10.10. Effective Date.

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

17-48 Motion by Thorson, second by Peterson to approve the following resolution:

RESOLUTION AUTHORIZING THE APPROVAL OF AND PARTICIPATION IN A JOINT POWERS AGREEMENT AND DECLARATION OF TRUST FOR THE SOUTH DAKOTA PUBLIC FUNDS INVESTMENT TRUST (FIT), AUTHORIZING INVESTMENTS THROUGH THE FIXED RATE ACCOUNT OF THE TRUST AND AUTHORIZING THE TRUST TO DESIGNATE AND NAME DEPOSITORIES

WHEREAS, South Dakota Law Chapters 1-24 permits political subdivisions to make efficient use of their powers by

enabling them to provide joint services with other Public Agencies and to cooperate in other ways of mutual advantage, and to exercise and enjoy jointly any powers, privileges or authority exercised or capable of being exercised by one Public Agency of this state for the joint or cooperative action; and

WHEREAS, the Participants are political subdivisions being duly organized and existing under and by virtue of the laws and constitution of the State of South Dakota and have approved the Joint Powers Agreement and Declaration of Trust and thereby have established the South Dakota Public Funds Investment Trust (FIT) as of November 1, 1991; and

WHEREAS, this Governing Body desires to adopt and enter into the Joint Powers Agreement and Declaration of Trust, and it is in the best interest of this Governing Body to participate in the South Dakota Public Funds Investment Trust (FIT) for the purpose of joint investment of moneys with other Public Agencies to enhance investment earnings to each; and

WHEREAS, this Governing Body deems it to be advisable for this Public Agency to make use, from time to time, of the Fixed Rate Account Available to Participants of the Trust;

NOW, THEREFORE, BE IT RESOLVED:

Section 1. The Joint Powers Agreement and Declaration of Trust is approved and adopted. This Public Agency shall join with the other public agencies in accordance with the Joint Powers Agreement and Declaration of Trust as amended, (the "Declaration of Trust") which are on file with the recording officer. The authorized officials of this Public Agency are directed and authorized to take such actions and execute any and all such documents as may be deemed necessary and appropriate to effect the entry of this Public Agency into the Declaration of Trust and adoption thereof by this Public Agency and to carry out the intent and purpose of this resolution.

Section 2. This Public Agency is hereby authorized to invest its available moneys from time to time and to withdraw such moneys from time to time in accordance with the provisions of the Declaration of Trust and the Fixed Rate Account of the Trust. Payment for any investments made within the Fixed Rate Account is authorized and shall be made from the Public Agency's specified Trust Account. Interest and principal payments shall be credited to the Public Agency's designated Trust Account. Such Fixed Rate Account investments shall be held by the Trust Custodian as custodian for the account of the Public Agency.

The following officers and officials of the Public Agency and their respective successors in office each are hereby designated as "Authorized Officials" with full power and authority to effectuate the investment and withdrawal of moneys with this Public Agency from time to time in accordance with Joint Powers Agreement and Declaration of Trust.

Name	Britni Ross	Title	Business Manager
Name	Keven Morehart	Title	Superintendent
Name	R. Mark Radway	Title	Board of Education President

The Trust shall be advised of any changes in Authorized Officials in accordance with procedures established by the Trust.

Section 3. The Trustees of the South Dakota Public Funds Investment Trust (FIT) are hereby designated as having official custody of this Public Agency's moneys which are invested in accordance with the Joint Powers Agreement and Declaration of Trust and any moneys invested in accordance with the Trust's Fixed Rate Account.

Section 4. The Trust is authorized to designate and name depositories, to execute and file documents, and to take such actions as may be necessary to purchase and make payment, sell, secure, or take payment of principal and interest. Certificates of Deposit must be purchased only from financial institutions designated by the Trust which are approved depositories as prescribed by South Dakota Law.

Section 5. Authorization is hereby given for members and officials of this Public Agency to serve as Trustees of the South Dakota Public Funds Investment Trust (FIT) from time to time if selected as such pursuant to the provisions of the Declaration of Trust.

Section 6. Unless otherwise expressly defined herein, words that are capitalized in the Resolution shall have meanings defined in the Joint Powers Agreement and Declaration of Trust.

17-50 Doug Thorson and Paulette Ramsey gave an update from the building committee. Concepts from Upper Deck Architects should be arriving soon. There will be 2 more new and different layouts to consider. A topographical survey will need to be conducted next. The building committee is also working with the Philip Geothermal Group to draft a new agreement to replace the expired contract for use of the geothermal heat.

A letter was received from Henricksen, Inc on behalf of Brad Burns, Kent Kennedy and Lyle Henricksen proposing development of a facility program and conceptual design for an amount not to exceed \$30,000. Motion by Thorson, second by Brech to respectfully decline services from other architects at this time.

17-51 Business Manager Britni Ross presented the final budgets for approval. The following changes were made since the preliminary budgets were proposed in July: Reduced Special Ed local revenue to \$230,000, which will allow for use of reserves of \$107,570. Added a Debt Service Fund for Bond Proceeds in the amount of \$590,000. Added a Capital Projects Fund for the school addition building project in the amount of \$9,800,000.00. Changed the Title program budget from \$84,079 to \$94,094 and the Reap program budget from \$28,473 to \$38,791 based on updated state allocations. The following levy request will be made to the county auditor: General Fund – Maximum/\$1000 as allowed by state statute; Capital Outlay - \$405,000; Special Education - \$.50/\$1000.00; Bond Redemption - \$590,000. Motion by Thorson, second by Peterson to accept the 2016-2017 Budget as presented.

17-52 Executive Session : None

17-53 Anita Peterson gave the BHSSC report.

17-54 Principal Mandie Menzel reported on the following items: (A) Enrollment in grades 7-12 is up from last year. (B) Some new Epson SmartLink projectors will be ordered to replace the aging SmartBoard technology. (C) Midterm is Friday, September 16th. Parent Teacher Conferences will be held on September 20th and 21st. (D) Homecoming Week is September 12-16. The theme is “The Olympics”.

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- 17-55 Superintendent Keven Morehart reported on the following items: (A) A representative from High Plains Technology will be here to provide some hands-on training to the elementary staff for the SmartLink projectors purchased with Title funding. (B) Keven was selected to be a panel of Superintendents for the “New Aspiring or Perspiring Administrators” Conference. (C) A big THANK YOU to West Central Electric for replacing lights and rotating lights at the football field. (D) A Title open house will be held during Parent Teacher Conferences on September 20th and 21st. (E) We have two student teachers working here at this time: Kailey Sawvell and Shelby Schofield.

Adjournment at 8:31 PM. Will meet for the next regular meeting on October 10, 2016 at 7:00 PM.

Britni Ross, Business Manager

R. Mark Radway, President