

Haakon School District 27-1
Board of Education Public Hearing Minutes
March 10, 2016

Pursuant to due call and notice thereof, a meeting of the Haakon School District 27-1, Haakon and Jackson Counties, State of South Dakota, was held on March 10 2016, at 6:30 p.m in the Fine Arts Building.

The following members were present: Doug Thorson, Mark Radway, Paulette Roseth, Anita Peterson, Jake Fitzgerald, Brad Kuchenbecker, and Scott Brech. Also present: Superintendent Keven Morehart, Business Manager Britni Ross, Secondary Principal Mandie Menzel and many interested citizens of Haakon School District.

Thereupon the President declared that a quorum was present and the meeting opened for transaction of business.

The meeting was opened with the Pledge of Allegiance.

- 16-111 Doug Thorson opened the discussion by giving a brief summary of how the process had arrived at this point. Tim Cheever with Upper Deck Architects went over the proposed building plans to construct a K-12 addition, connecting to the north side of the armory. Toby Morris with Dougherty & Associates went over the borrowing options. A brief question and answer session followed.

Member Thorson moved to adopt the following resolution:

RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE AND PAYMENT OF LIMITED TAX GENERAL OBLIGATION CAPITAL OUTLAY CERTIFICATES 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 Haakon School District 27-1 is authorized by the provisions of SDCL §13-16-6.2 to issue Limited Tax General Obligation Capital Outlay Certificates to fund the acquisition or construction of real property, plant and equipment; 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 Capital Outlay Certificates of the School District for the purpose of providing funds to pay: (1) to construct a new K-12 facility, (2) furnish and equip the same, and (3) pay for the costs of issuance; and

WHEREAS, the School Board has conducted a hearing in accordance with SDCL Chapter 13-16.

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

“Book-Entry Form” or “Book-Entry System” means a form or system, as applicable, under which physical bond certificates 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 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 or her designee.

“Capital Outlay Fund” means the District’s capital outlay fund provided by SDCL §13-16-6.

“Certificates” means not to exceed \$9,000,000 in aggregate principal amount of Limited Tax General Obligation Capital Outlay Certificates, Series 2016, 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.

“Certificate Payment Date” means each date on which interest, or both principal and interest, shall be payable on the Certificates so long as any of the Certificates shall be outstanding.

“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.

“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.

“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.

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

“District” means the Haakon School District 27-1.

“Improvements” means to (1) construct a new K-12 facility, (2) furnish and equip the same, and (3) pay for the costs of issuance.

“Interest Payment Dates” means each date on which interest shall be payable on the Certificates so long as any of the Certificates shall be outstanding.

“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 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.” “Certificates Outstanding.” or “Outstanding Certificates” means, as of a particular date, all certificates or lease-purchase obligations payable from the Capital Outlay Fund, collectively referred to as “certificates” for purposes of this definition, issued and delivered 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 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 or his or her designee acting on his or her behalf.

“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 Rating Services, Moody's Investors Service Inc. and Fitch IBCA, Inc.

“Record Date” means the close of business on the fifteenth/first day (whether or not a business day) of the calendar month next preceding such interest payment date.

“Registration Agent” means the Business Manager or any 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 Haakon School District 27-1.

“Underwriter” means the Dougherty & Company LLC, acting for and on behalf of it 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 Resolution are to the designated Articles, Sections, and other subdivisions of this Resolution as originally adopted.

Section 1.4. Headings.

The headings of this 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 exceeds one and one half percent (1 1/2%) 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;
- (c) The District has provided notice and conducted a hearing in accordance with the Act;
- (d) 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 and this Resolution.

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, this Resolution, and other applicable provisions of law Limited Tax General Obligation Capital Outlay Certificates, Series 2016 of the School District in the aggregate principal amount of not to exceed \$9,000,000.

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 Auditors of Haakon and Jackson Counties with the Schedule. The Schedule is made a part of 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 Auditors 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 this Certificate Resolution shall not exceed Nine Million Dollars and No/100 Dollars (\$9,000,000).

Section 4.2. Form of Certificates; Execution.

(a) The Certificates are issuable only as fully registered Certificates, without coupons, in any denomination and one single Certificate may represent installments of principal maturing on more than one date. All Certificates issued under this 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 Certificate 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 Certificate may bear the facsimile signature of, or may be manually signed by, such individuals who, at the actual time of the execution of such Certificate, 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 become due and payable as set forth in the Certificate Purchase Agreement.

- (b) The Certificates shall be designated "Limited Tax General Obligation Capital Outlay Certificates, Series 2016," 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 Certificates. 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 effected 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 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 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 attorney's 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 Resolution equally and proportionately with any and all other Certificates duly issued under this 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, teletype 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. Underwriter.

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

Section 4.10. Bond Counsel.

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

Section 4.11. Rating Agency.

The President and Business Manager are authorized to retain the Rating Agency 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 9.9 hereof.

ARTICLE V

REDEMPTION OF CERTIFICATES PRIOR TO MATURITY

Section 5.1. Redemption.

The Certificates shall be redeemable as set forth in the Certificate Purchase Agreement.

Section 5.2. Notice of Redemption.

(a) Notice of call for redemption, whether optional or mandatory, shall be given in accordance with SDCL Chapter 6-8B.

Section 5.3. Payment of Redeemed Certificates.

(a) If notice of redemption shall have been given in the manner and under the conditions provided in Section 5.2 hereof and if on the date so designated for redemption the Registration Agent shall hold sufficient monies to pay the redemption price of, and interest to the redemption date on, the Certificates to be redeemed as provided in this Resolution, then: (1) the Certificates so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Certificates on such date; (2) interest on the Certificates so called for redemption shall cease to accrue; and, (3) such Certificates shall no longer be Outstanding or secured by, or be entitled to, the benefits of this Resolution, except to receive payment of the redemption price thereof and interest thereon from monies then held by the Registration Agent.

(b) If on the redemption date, monies for the redemption of all Certificates or portions thereof to be redeemed, together with interest thereon to the redemption date, shall not be held by the Registration Agent so as to be available therefor on such date, the Certificates or portions thereof so called for redemption shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and shall continue to be secured by and be entitled to the benefits of this Resolution.

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 a purchaser or fiscal agent in connection with the sale of the Certificates or of any other securities offered or issued by the School District.

ARTICLE VII***ADDITIONAL CERTIFICATES***

This Resolution authorizing the issuance of the Certificates permits the issuance of additional capital outlay certificates payable from the Capital Outlay Fund of the District, provided that the School Board first determines that a Capital Outlay Fund tax levy of not more than \$3 per \$1,000 of assessed valuation will afford debt service coverage for all outstanding Capital Outlay Certificates, plus the additional capital outlay certificates proposed to be issued, of at least 1.25 times. The property tax levy for any such additional certificates, together with the levy for then all outstanding Capital Outlay Certificates described herein and any other Capital Outlay Fund purposes, would be limited to \$3 per \$1,000 in total. Such additional certificates would have a parity claim with all the then outstanding Capital Outlay Certificates against property tax revenues received into the Capital Outlay Fund of the District.

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 to be set forth in the Certificate Purchase Agreement. The President and the Business Manager, or either of them, is authorized to make such changes in the structuring of the terms and sale of the Certificates as they shall deem necessary. 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; 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 (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.

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 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 to pay: (1) to construct a new gymnasium and school classrooms, (2) furnish and equip the same, (3) remodel and equip the existing school facilities and (4) pay for the costs of issuance and (2) the costs of issuing the Certificates.

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 further certifies and covenants as follows with respect to the requirements of Section 148 of the Code that the District reasonably expects, as of the Closing Date, that the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by it and all subordinate entities during the calendar year of 2016 will not exceed \$15,000,000.

(d) 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.

(e) Pursuant to Section 265(b)(3)(B)(ii) of the Code, the District hereby designates the Certificates as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. The District hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265 (b) (3) of the Code and including "qualified 501 (c) (3) bonds" but excluding other "private activity

bonds,” as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the District and all “subordinate entities” of the District in 2016 in an amount greater than \$10,000,000.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Failure to Present Certificates.

(a) Subject to the provisions of Section 4.6 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 this Resolution or on, or with respect to, said Certificates.

(b) If any Certificate shall not be presented for payment within a period of six 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 this 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 this 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 this 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 this 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 this 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 this 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. Post Issuance Compliance.

The School 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 School District appoints the Business Manager as its chief post issuance compliance officer.

Section 9.10. Effective Date.

1467

BOE Minutes 03/10/16

Haakon School District 27-1

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

Said motion was seconded by Member Radway and upon vote being taken the following voted AYE: Thorson, Radway, Ramsey, Peterson, Fitzgerald, Kuchenbecker, Brech

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

PASSED and ADOPTED by the Haakon School District 27-1, this 10th day of March, 2016.

The complete resolution and attachments can be found on file at the Business Office.

Adjournment at 7:09 p.m. Will meet for the next regular meeting on March 14, 2016 at 7:00 p.m.

ATTEST:

Britni Ross, Business Manager

Scott Brech, President