

THE REGULAR MEETING OF THE BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 2142, ST. LOUIS COUNTY SCHOOLS, HELD ON MONDAY, AUGUST 7, 2006.

MEMBERS PRESENT:      Bruns  
                                    Fowler  
                                    Krog  
                                    A. Larson  
                                    B. Larson  
                                    Salmela

ABSENT:                      Johnson

ALSO PRESENT:              Rick  
                                    Simonson  
                                    Cox

The regular meeting of the Board of Education of Independent School District No. 2142, St. Louis County Schools, was held at ISD # 2142 District Office, on Monday, August 7, 2006, at 5:00 p.m.

Pledge of Allegiance.

Motion by Fowler and seconded by B. Larson to approve the agenda.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Superintendent Charles Rick reported the following: 1.) The Board Study Session went well. The board discussed the following: Changes in the 2006-2007 master schedule; staff evaluations; Operating Levy Referendum; and strategic planning. The principals gave reports on their sites and programs; 2.) The teacher workshops are scheduled. The first workshop is August 30 at their individual sites, the second workshop will be August 31 for all teachers located at the Cherry School; and 3.) The Principals and secretaries are back in their buildings.

Assistant Superintendent Sidney L. Simonson reported the following: 1.) Today the board met the Support Services Secretary, Tamara Hanson; 2.) Still working on the testing program; 3.) Finalizing the 2006-2007 Student Handbook; and 4.) Looking forward to good future in technology.

Motion by Krog and seconded by B. Larson to approve the consent agenda: July 17, 2006 Regular School Board Meeting Minutes; *Claims and Accounts*: July 2006-Federal ACH \$110,185.70; State ACH \$46,682.90; FICA ACH \$168,178.96; Net Salaries \$758,223.69; Payroll Deduction Checks July 14<sup>th</sup> and July 31<sup>st</sup> \$194,197.82; Finance Checks Ck # 69974 through 70220 \$684,538.50; Voided Checks (1,499.48); Total July 2006 \$1,960,508.09; *Policy*: Donations: 1.) \$207.17 from the Gunderson trust for the Tower-Soudan School piano fund; Arrowhead Center, Inc. 2006-2007 Agreement; AEOA Food Service Catering 2006-2007 Contract.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Fowler and seconded by Salmela to increase Athletic Fees and Season Passes for the 2006-2007 School Year as follows:

<i>Season Passes for Athletic Events:</i>	<i>2005-06 Prices</i>	<i>2006-07 Prices</i>
Season passes with attendance area:	\$50.00 per family	\$75.00 per family
One Season pass District-wide:	\$100.00 per family	\$125.00 per family
Combined Season pass Dist.-wide:	<u>(N E W)</u>	\$150.00 per family
District-wide All Season		
Individual student passes:	<u>(N E W)</u>	\$30.00

<i>Activity Sport Participation Fees:</i>	<i>2005-06 Fees</i>	<i>2006-07 Fees</i>
Boys Football	\$75.00	\$85.00
Girls Volleyball	\$75.00	\$85.00
Girls Swimming	\$50.00	\$60.00
Boys Basketball	\$75.00	\$85.00
Girls Basketball	\$75.00	\$85.00
Girls Track	\$50.00	\$60.00
Boys Track	\$50.00	\$60.00
Boys Baseball	\$75.00	\$85.00
Girls Softball	\$75.00	\$85.00
Boys Golf	\$60.00	\$70.00
Girls Golf	\$60.00	\$70.00
Boys Cross Country	\$75.00	\$85.00
Girls Cross Country	\$75.00	\$85.00
One Act Play/Drama	N/A	\$15.00
Speech	N/A	\$30.00
Hockey	\$100.00	\$110.00

***The Maximum Family Fee not to exceed \$300.00 per school year.***

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by A. Larson and seconded by Salmela to award quote for the sprinkler installation project for Tower-Soudan School to Viking Automatic Sprinkler Company in the amount of \$14,400.00.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Fowler and seconded by A. Larson to award quote for the floor tile replacement project for the Tower-Soudan and Cherry Schools to Spaces Off Main in the amount of \$9,389.82.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Pursuant to due call and notice thereof, a regular school board meeting of the School Board of Independent School District No. 2142, State of Minnesota, was held in said District on August 7, 2006, at 5 o'clock p.m.

Member Salmela introduced the following resolution and moved its adoption:

**RESOLUTION RELATING TO INCREASING  
THE GENERAL EDUCATION REVENUE OF THE SCHOOL DISTRICT  
AND CALLING AN ELECTION THEREON**

**BE IT RESOLVED** by the School Board of Independent School District No. 2142, State of Minnesota, as follows:

1. The Board hereby determines and declares that it is necessary and expedient for the school district to increase its general education revenue by \$500.00 per resident marginal cost pupil unit. **As provided by law, the ballot question must abbreviate the term “per resident marginal cost pupil unit” as “per pupil.”** The additional revenue will be used to finance school operations and the property tax portion thereof will require an estimated referendum tax rate of approximately 0.09549% of the referendum market value of the school district for taxes payable in 2007, the first year it is to be levied. The proposed referendum revenue authorization would be applicable for ten (10) years unless otherwise revoked or reduced as provided by law. The question on the approval of this referendum revenue authorization shall be School District Ballot Question 1 on the school district ballot at the special election held to approve said authorization.

2. The question of increasing the general education revenue of the school district shall be submitted to the qualified electors of the district at a special election, which is hereby called and directed to be held in conjunction with the state general election on Tuesday, the 7<sup>th</sup> day of November, 2006.

3. Pursuant to Minnesota Statutes, Section 205A.11, the precincts and polling places for this special election are those precincts or parts of precincts located within the boundaries of the school district which have been established by the cities or towns located in whole or in part within the school district. The voting hours at those polling places shall be the same as those for the state general election.

4. The clerk is hereby authorized and directed to cause written notice of said special election to be provided to the county auditor of each county in which the school district is located, in whole or in part, and to the Commissioner of Education at least fifty-three (53) days

before the date of said election. The notice shall specify the date of said special election and the title and language for each ballot question to be voted on at said special election.

The clerk is hereby authorized and directed to cause notice of said special election to be posted at the administrative offices of the school district at least ten (10) days before the date of said special election.

The clerk is hereby authorized and directed to cause a sample ballot to be posted at the administrative offices of the school district at least four (4) days before the date of said special election and to cause a sample ballot to be posted in each polling place on election day. The sample ballot shall not be printed on the same color paper as the official ballot.

The clerk is hereby authorized and directed to cause notice of said special election to be published in the official newspaper of the district, for two (2) consecutive weeks with the last publication being at least one (1) week before the date of the election.

The notice of election so posted and published shall state the question to be submitted to the voters as set forth in the form of ballot below, and shall include information concerning each established precinct and polling place.

The clerk is hereby authorized and directed to cause a notice of the election to be mailed by first class mail to each taxpayer in the district at least fifteen (15) but no more than thirty (30) days prior to the date of the special election. The notice shall contain the required projections and the required statement specified in Minnesota Statutes, Section 126C.17, Subdivision 9, paragraph (b). The clerk is also directed to cause a copy of this notice to be submitted to the Commissioner of Education and to the county auditor of each county in which the school district is located in whole or in part at least fifteen (15) days prior to the day of the election.

The clerk is authorized and directed to acquire and distribute such election materials and to take such other actions as may be necessary for the proper conduct of this special election and generally to cooperate with election authorities conducting the state general and other elections on that date. The clerk and members of the administration are authorized and directed to take such actions as may be necessary to coordinate this election with those other elections, including entering into agreements with appropriate municipal and county officials regarding preparation and distribution of ballots, election administration, and cost sharing.

5. The clerk is further authorized and directed to cooperate with the proper election officials to cause ballots to be prepared for use at said election in substantially the following form, with such changes in form and instructions as may be necessary to accommodate the use of an optical scan voting system:

SPECIAL ELECTION  
NOVEMBER 7, 2006

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To vote, completely fill in the ovals next to your choices, like this: |

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To vote for a question, **fill in the oval** next to the work “YES” for that question.  
To vote against a question, **fill in the oval** next to the work “NO” for that question.

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SCHOOL DISTRICT BALLOT QUESTION 1.

APPROVAL OF SCHOOL DISTRICT  
REFERENDUM REVENUE AUTHORIZATION

The board of Independent School District No. 2142, St. Louis County Schools, has proposed to increase its general education revenue by \$500.00 per pupil. The proposed referendum revenue authorization would be applicable for 10 years unless otherwise revoked or reduced as provided by law.

\            YES

Shall the increase in the revenue proposed by the board of Independent District No. 2142 be approved?

\            NO

**\*\* BY VOTING “YES” ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE.**

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In precincts using an optical scan voting system, the ballots must be printed in black ink on white colored material, except that marks to be read by the automatic tabulating equipment may be printed on another color ink. The name of the precinct and machine-readable identification must be printed on each ballot. Voting instructions must be printed at the top of the ballot on each side that includes ballot information. The instructions must include an illustration of the proper mark to be used to indicate a vote. Lines for initials of at least two election judges must be printed on one side of the ballot so that the judges’ initials are visible when the ballots are enclosed in a secrecy sleeve.

6. If the school district will be contracting to print the ballots for this special election, the clerk is hereby authorized and directed to prepare instructions to the printer for layout of the ballot. Before a contract exceeding \$1,000. is awarded for printing ballots, the printer shall furnish, in accordance with Minnesota Statutes, Section 204D.04 a sufficient bond, letter of credit, or certified check acceptable to the clerk in an amount not less than \$1,000. conditioned on printing the ballots in conformity with the Minnesota election law and the

instructions delivered. The clerk shall set the amount of the bond, letter of credit, or certified check in an amount equal to the value of the purchase.

7. The individuals designated as judges for the state general election shall act as election judges for this special election at the various polling places and shall conduct said election in the manner described by law. The election judges shall act as clerks of election, count the ballots cast and submit the results to the school board for canvass in the manner provided for other school district elections.

The motion for the adoption of the foregoing resolution was duly seconded by Krog and upon vote being taken thereon the following voted in favor thereof: Bruns, Fowler, Krog, A. Larson, B. Larson, Salmela  
Absent: Johnson  
and the following voted against the same: None

whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA )  
 )ss  
COUNTY OF ST. LOUIS

I, the undersigned, being the duly qualified and acting Clerk of Independent School District No. 2142, Virginia, Minnesota, hereby certify that the attached and foregoing is a full, true and correct transcript of the minutes of a meeting of the school board of said district duly called and held on the date therein indicated, so far as such minutes relate to the calling of a referendum on increasing the referendum revenue authority of said district, and that the resolution included therein is a full, true and correct copy of the original thereof.

WITNESS MY HAND officially as such clerk this 7<sup>th</sup> day of August 2006.

\_\_\_\_\_  
Clerk

Board Member B. Larson introduced the following resolution and moved its adoption:

**RESOLUTION FOR STRUCTURAL BALANCE**

WHEREAS, School District No. 2142 has a tentative agreement with the Operating Engineers Local No. 70, Custodians on a contract covering July 1, 2005 to June 30, 2007; and

WHEREAS, Minnesota Statutes 123B.749 (2003) requires a Board of Education to determine that any collective bargaining agreement does not cause structural imbalance; and,

WHEREAS, the School Board reviewed the budget impact of this agreement taking into account current state aid formulas and reasonable and comprehensive projections of ongoing revenues and expenditures for the period of agreement as contained in report forms; and,

WHEREAS, the attached calculations as contained in the report forms fulfill the disclosure and reporting requirements of said statute;

NOW, THEREFORE, BE IT RESOLVED, that the School Board of ISD No. 2142 determines that the tentative agreement with the Operating Engineers Local No. 70, Custodians, does not cause structural imbalance of the School District's budget during the period of the agreement.

The motion for adoption of the foregoing resolution was duly seconded by Board Member Salmela and upon vote being taken thereon, the following members voted in favor thereof: Bruns, Fowler, Krog, A. Larson, B. Larson, Salmela

Absent: Johnson

And the following members voted against the same: None

Whereupon said resolution was declared duly passed and adopted.

Board Member Fowler introduced the following resolution and moved its adoption:

### **RESOLUTION FOR STRUCTURAL BALANCE**

WHEREAS, School District No. 2142 has a tentative agreement with the Operating Engineers Local No. 70, Bus Drivers on a contract covering July 1, 2005 to June 30, 2007; and

WHEREAS, Minnesota Statutes 123B.749 (2003) requires a Board of Education to determine that any collective bargaining agreement does not cause structural imbalance; and,

WHEREAS, the School Board reviewed the budget impact of this agreement taking into account current state aid formulas and reasonable and comprehensive projections of ongoing revenues and expenditures for the period of agreement as contained in report forms; and,

WHEREAS, the attached calculations as contained in the report forms fulfill the disclosure and reporting requirements of said statute;

NOW, THEREFORE, BE IT RESOLVED, that the School Board of ISD No. 2142 determines that the tentative agreement with the Operating Engineers Local No. 70, Bus Drivers, does not cause structural imbalance of the School District's budget during the period of the agreement.

The motion for adoption of the foregoing resolution was duly seconded by Board Member B. Larson and upon vote being taken thereon, the following members voted in favor thereof: Bruns, Fowler, Krog, A. Larson, B. Larson, Salmela

Absent: Johnson

And the following members voted against the same: None

Whereupon said resolution was declared duly passed and adopted.

Board Member Salmela introduced the following resolution and moved its adoption:

Minnesota State Colleges & Universities System  
Bemidji State University

## STUDENT TEACHER AGREEMENT

Independent School District No. 2142 of St. Louis County, Minnesota, agrees with the State of Minnesota, acting through the Minnesota State College and University System, as follows:

During the school years beginning August 2006, and ending July 2008, Bemidji State University agrees to pay at a rate, not to exceed \$128.00 for each full time student teacher, and not to exceed \$64.00 for each part time teacher, placed in the above named school district located at Virginia, MN.

The School District agrees to supply to the student teacher opportunity to work in a teaching-learning situation cooperatively with teachers certified at standards equal or superior to the regulations of the State of Minnesota during the student teaching assignment.

Independent School District No. 2142  
of Virginia, MN.

The motion for adoption of the foregoing resolution was duly seconded by Board Member B. Larson and upon vote being taken thereon, the following members voted in favor thereof: Bruns, Fowler, Krog, A. Larson, B. Larson, Salmela

Absent: Johnson

And the following members voted against the same: None

Whereupon said resolution was declared duly passed and adopted.

Member Salmela introduced the following resolution and moved its adoption:

### **RESOLUTION RELATING TO \$2,900,000 GENERAL OBLIGATION AID ANTICIPATION CERTIFICATES OF INDEBTEDNESS, SERIES 2006A AUTHORIZING THE ISSUANCE, AWARDED THE SALE AND ESTABLISHING THE TERMS THEREOF**

BE IT RESOLVED by the School Board of Independent School District No. 2142, State of Minnesota, as follows:

#### **Section 1. Authorization and Sale.**

**1.01 Authorization.** By resolution adopted June 26, 2006, this Board determined it to be necessary and desirable for Independent School District No. 2142 (the "District") to issue its General Obligation Aid Anticipation Certificates of Indebtedness, Series 2006A, in the total aggregate principal amount of \$2,900,000 (the "Certificates") for the purpose of providing funds to meet current expenditures of the District. In accordance with Minnesota Statutes, the District is authorized, in anticipation of the receipt of state aids for schools and federal aids to be distributed by or through the Minnesota Department of Education, to issue certificates of indebtedness in an aggregate principal amount of not to exceed seventy-five percent (75%) of the aids receivable by the District in the school year in which borrowed (2006-2007), as estimated and certified by the Commissioner of Education of the State of Minnesota; provided that such Certificates may not be issued in a total principal amount in excess of the District's available

amount computed in accordance with Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

**1.02 Issuance Authority.** This Board does hereby find, determine and declare that the total amount of general aids receivable by this District for the school year commencing July 1, 2006 and ending June 30, 2007 is not less than \$14,000,000 and 75% of said sum is \$10,500,000. This Board also finds, determines and declares that the excess of its working capital expenditures over its available amounts, computed in accordance with the Code, is \$2,900,223. Thus, the District is authorized to issue its General Obligation Aid Anticipation Certificates of Indebtedness, Series 2006A in the amount of \$2,900,000 within the limitations contained in Minnesota Statutes, Sections 126C.50 to 126C.56 inclusive, 475.56, and Section 148 of the Code.

**1.03 Sale.** In accordance with Minnesota Statutes, Section 126C.56, subdivision 2, the District is authorized to issue the Certificates herein authorized without advertisement for bids and by receipt of proposals solicited privately or by direct negotiation. The Board has received and considered all proposals presented in conformity with the Terms of Proposal contained in the Official Statement, the terms of which are ratified and confirmed in all respects. The most favorable of such proposals is ascertained to be that of Sovereign Securities Corporation, LLC, Philadelphia, Pennsylvania (the "Purchaser"), to purchase the Certificates at a price of \$2,922,156.00, plus interest accrued to settlement, with interest payable at maturity at the rate of 4.625% per annum, and upon the further terms and conditions set forth in said Terms of Proposal and this resolution. Said proposal is hereby accepted and the sale of the Certificates is hereby awarded to said Purchaser.

**1.04 Execution of Proposals.** The Chair and Clerk are authorized and directed to endorse an acceptance on both copies of the most favorable proposal and to send one copy to the Purchaser. The Treasurer is directed to retain the good faith check of the Purchaser pending delivery of the Certificates and payment therefor.

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

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

bound by the provisions of Minnesota Statutes, Section 126C.55, the provisions of that section shall be binding as long as any Certificates of this issue remain outstanding.

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

## **Section 2. Certificate Terms; Registration; Execution and Delivery.**

**2.01 Designation; Original Issue Date; Maturity; Interest Rate; Denominations; Payment.** The \$2,900,000 principal amount of the Certificates sold on this date shall be designated General Obligation Aid Anticipation Certificates of Indebtedness, Series 2006A, shall be prepared forthwith under the supervision of the Clerk, shall bear a date of original issue of August 24, 2006, shall be issued forthwith on or after such date using a global book-entry system, shall be numbered R-1 upward, shall be in the denomination of \$5,000 each or any integral multiple thereof, shall mature on September 24, 2007, without option of prior payment, and shall bear interest from date of issue until paid at the annual rate above stated. The Certificates shall be issuable only in fully registered form. The interest thereon and the principal amount thereof shall be payable by the Registrar as described herein.

**2.02 Payment Dates.** Principal and interest on the Global Certificate shall be paid as provided in the first paragraph thereof, and principal and interest on any Replacement Certificate shall be paid at maturity by check or draft mailed to the person in whose name the Certificate is registered (the "Holder") on the registration books of the District maintained by the Registrar and at the address appearing thereon at the close of business on September 9, 2007. The term "Holder" shall also include those lawfully entitled to take actions on behalf of the beneficial owners of the Certificates for purposes of any consent or approvals given by Holders.

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

## **2.03 Use of Global Book-Entry System.**

(a) **Description of System.** In order to issue obligations in "global book-entry form", the obligations are issued in certificated form in large denominations, are registered on the books of the issuer in the name of a depository or its nominee, and are immobilized and held in safekeeping by the depository. The depository, as part of the computerized National Securities Clearance and Settlement System (the "National System"), registers transfers of ownership interests in the obligations by making computerized book entries on its own books and distributing payments on the obligations to its participants shown on its books as the owners of such interests. These participants, which include financial institutions for whom the depository effects book-entry transfers of securities deposited and immobilized with the depository, and

other banks, brokers and dealers participating in the National System will do likewise if not the beneficial owners of the obligations.

**(b) Designation of Depository; Approval of Blanket Issuer Letter of Representations.** Depository Trust Company ("DTC") of New York, New York, a Securities and Exchange Commission designated depository, a limited purpose New York trust company, a member of the Federal Reserve System, and a "clearing corporation" within the meaning of the New York Uniform Commercial Code, is hereby designated as the depository (the "Depository") with respect to the Certificates issued hereunder in global book-entry form. There has been submitted to this Board a form of letter of representations (the "Blanket Issuer Letter of Representations") between the District and the Depository setting forth various matters relating to the Depository and its role with respect to the Certificates. This Blanket Issuer Letter of Representations is hereby approved. The Chair or the Clerk is hereby authorized and directed to execute the Blanket Issuer Letter of Representations in substantially the form attached hereto as EXHIBIT A, if such a letter of representations has not already been executed, with only such variations therein as may be required to complete the Blanket Issuer Letter of Representations, or which are not, in the opinion of Bond Counsel, materially adverse to the interests of the District. Execution of the Blanket Issuer Letter of Representations by such official shall be conclusive evidence as to the necessity and propriety of such changes and their approval by Bond Counsel. So long as DTC is the Depository or it or its nominee is the Holder of any Global Certificate, the District shall comply with the provisions of the Blanket Issuer Letter of Representations, as it may be amended or supplemented by the District from time to time with the agreement or consent of DTC.

**(c) Global Certificate.** Upon their original issuance, the Certificates will be issued in the form of a single Global Certificate which shall represent the aggregate principal amount of the Certificates due on the maturity date (the "Global Certificate"). The Global Certificate will be originally issued and fully registered as to principal and interest in the name of Cede & Co., as nominee of DTC. The Global Certificate will be deposited with the Depository by the Purchaser and will be immobilized as further provided herein. No beneficial owners of interest in the Certificates will receive certificates representing their respective interests in the Certificates except as provided below in clause (e) of this Paragraph 2.03. Except as so provided, during the term of the Certificates, beneficial ownership (and subsequent transfers of beneficial ownership) of interests in the Global Certificate will be reflected by book entries made on the records of the Depository and its participants and other banks, brokers, and dealers participating in the National System. The Depository's book entries of beneficial ownership interest are authorized to be in integral increments of \$5,000, but not smaller increments, despite the larger authorized denomination of the Global Certificate. Payment of principal of and interest on the Global Certificate will be made to the Registrar as paying agent, and in turn by the Registrar to the Depository or its nominee as registered owner of the Global Certificate. The Depository, according to the laws and rules governing it, will receive and forward such payments on behalf of the beneficial owners of the Global Certificate.

Payment of principal of and interest on the Global Certificate may in the District's discretion be made by such other method of transferring funds as may be requested by the Holder of the Global Certificate.

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

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

The Global Certificate evidencing the Certificates may not, after its original delivery, be transferred or exchanged except:

**(i)** Upon registration of transfer of ownership of the Global Certificate, as provided in Paragraph 2.04 of this resolution;

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

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

**(iv)** In the event that (a) the Depository shall resign or discontinue its services for the Certificates or be declared no longer able to carry out its functions and the District is unable to locate a Substitute Depository within two (2) months following the resignation or discontinuance or determination of noneligibility, or (b) the District determines in its sole discretion that (1) the continuation of the book-entry system described herein might adversely affect the interests of the beneficial owners of the Certificates, or (2) it is in the best interests of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, then the District shall direct Bond Counsel to prepare the form of Replacement Certificates and shall notify the Holders of its determination and of the availability of Replacement Certificates to Holders. The District, the Registrar and the Depository shall cooperate in providing Replacement Certificates to Holders requesting the same and the registration, transfer and exchange of such Certificates shall thereafter be conducted as provided in Paragraph 2.04 of this resolution.

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

**2.04 Registration; Transfer; Exchange.** The District shall appoint, and shall maintain a certificate registrar, transfer agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the District and the Registrar with respect thereto shall be as follows:

(a) **Register.** The District will cause to be kept at the principal office of the Registrar a certificate register in which, subject to such reasonable regulations as the Registrar may prescribe, the Registrar shall provide for the registration of ownership of Certificates and the registration of transfers and exchanges of Certificates entitled to be registered, transferred or exchanged as herein provided. The certificate register shall contain a record of every Certificate at any time authenticated hereunder, together with the name and address of the Holder thereof, the date of authentication, the date of transfer or payment and such other matters as are appropriate for the certificate register in the estimation of the Registrar.

(b) **Transfer of Certificates.** A Global Certificate shall be registered in the name of the payee on the books of the District by presenting the Global Certificate for registration to the Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the Certificate of Registration on the Global Certificate. After its original delivery, a Global Certificate shall be immobilized from circulation and transfer except as provided in Paragraph 2.03(e) of this Resolution. A Global Certificate authorized for transfer may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the District and Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until a Global Certificate is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted thereon by the Registrar, all subject to the terms and conditions provided in this resolution and to reasonable regulations of the District contained in any agreement with, or notice to, the Registrar.

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

Transfer of a Certificate may be made on the District's books by the registered owner in person or by the registered owner's attorney duly authorized in writing. Every Certificate

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

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

Transfer of the Global Certificate or Replacement Certificates may, at the direction and expense of the District, be subject to other restrictions if required to qualify the Global Certificate or Replacement Certificates as being in "registered form" within the meaning of Section 149(a) of the Internal Revenue code of 1986, as amended.

**(c) Exchange of Certificates.** The Global Certificate may not be exchanged for fully registered Certificates of smaller denominations unless Replacement Certificates are then available. At the option of the Holder of a Replacement Certificate, Replacement Certificates may be exchanged for other Replacement Certificates of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Replacement Certificates to be exchanged at the principal office of the Registrar. Whenever any Replacement Certificates are so surrendered by the registered owner for exchange, the District shall execute (if necessary), and the Registrar shall authenticate, date (in the space designated Date of Registration) and deliver one or more new Replacement Certificates of a like aggregate principal amount, as requested by the registered owner or the owner's attorney in writing.

**(d) Cancellation.** All Certificates surrendered upon any transfer or exchange shall be promptly cancelled by the Registrar and, thereafter, be disposed of as directed by the District.

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

**(f) Persons Deemed Owners.** The District and the Registrar may treat the person in whose name any Certificate is at any time registered in the certificate register as the absolute owner of such Certificate, whether or not such Certificate shall be overdue, for the purpose of receiving payment of, or on account of, the principal of and interest on such Certificate and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid.

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

**(g) Taxes, Fees and Charges.** The Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Certificate and any legal or unusual costs regarding transfers and lost Certificates.

**(h) Mutilated, Lost, Stolen or Destroyed Certificates.** In case any Certificate shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Certificate of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Certificate or in lieu of and in substitution for any such Certificate, destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Certificate destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Certificate was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the District and the Registrar shall be named as obligees. All Certificates so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the District. If the mutilated, destroyed, stolen or lost Certificate has already matured, it shall not be necessary to issue a new Certificate prior to payment.

**2.05 Appointment of Registrar.** Bond Trust Services Corporation in Roseville, Minnesota, is appointed to act as the certificate registrar and transfer agent (the "Registrar") and shall do so until a successor Registrar is duly appointed, all pursuant to a contract the District and Registrar shall execute which is consistent herewith and which the Chair and Clerk are hereby authorized to execute and deliver. A successor Registrar shall be a bank or trust company eligible for designation as a bond registrar pursuant to Minnesota Statutes, Chapter 475. The terms of the appointment of the successor Registrar and its duties may be specified in a contract between the District and such successor Registrar that is consistent herewith and that the Chair and Clerk are hereby authorized to execute and deliver. The Registrar, which may act through an agent, shall also serve as paying agent until and unless a successor paying agent is duly appointed. The Registrar shall pay principal and interest on the Certificates to the registered Holders of the Certificates in the manner set forth in this resolution. The District agrees to pay the reasonable and customary charges for the services of such Registrar.

**2.06 Execution of Certificates.** The Certificates shall be executed on behalf of the District by the manual signatures of the Chair and Clerk of the School Board; provided, however that both of such signatures may be printed facsimiles, in which event the Bonds shall also be executed manually by the authenticating agent as provided in Minnesota Statutes, Section 475.55. In the event of disability or resignation or other absence of either such officer, the

Certificates may be signed by the manual or facsimile signature of that officer who may act on behalf of such absent or disabled officer. In case either such officer whose signature or facsimile of whose signature shall appear on the Certificates shall cease to be such officer before the delivery of the Certificates, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if that officer had remained in office until delivery. If the District has adopted a corporate seal, it shall be omitted on the Certificates as permitted by law.

**2.07 Authentication; Date of Registration.** No Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless and until a Certificate of Authentication on such Certificate, substantially in the form set forth in the form of Global Certificate, shall have been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of Authentication on different Certificates need not be signed by the same person. The Registrar shall authenticate each Certificate by execution of the Certificate of Authentication on the Certificate and shall date each Certificate in the space provided as of the date on which the Certificate is registered. For purposes of delivering the original Certificates (the Global Certificate) to the Purchaser, the Registrar shall insert as the date of registration the date of original issue specified in Paragraph 2.01 of this resolution; and the executed Certificate of Authentication on any Certificate shall be conclusive evidence that it has been authenticated and delivered under this resolution. When the Global Certificate has been prepared, executed and authenticated, the Clerk shall deliver the same to the Purchaser thereof upon payment of the purchase price. The Purchaser shall not be obligated to see to the proper application of said moneys.

**2.08 Form of Certificates.**

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

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

**B. Replacement Certificates.** If the District has notified Holders that Replacement Certificates have been made available as provided in Paragraph 2.03(e) of this resolution, then for every Certificate thereafter transferred or exchanged the Registrar shall deliver a Certificate in the form of a Replacement Certificate rather than a Global Certificate. The Replacement Certificates, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereto, shall be in substantially the form specified at that time by Bond Counsel.

**Section 3. 2006 Certificate of Indebtedness Sinking Fund.** The proceeds of the Certificates shall be disbursed solely for the purposes for which the aids in anticipation of which said Certificates were issued are receivable. The Purchaser, however, shall not be obliged to see to the proper application of said moneys. Any premium and accrued interest received upon delivery of the Certificates shall be used to pay the interest on the Certificates and shall be held in a separate fund hereby created and designated "2006 Aid Anticipation Certificate of

Indebtedness Sinking Fund." Any amount paid by the Purchaser in excess of \$2,897,100 shall also be deposited in said Sinking Fund. The moneys in said Sinking Fund shall be used solely to pay the principal and interest of the General Obligation Aid Anticipation Certificates of Indebtedness, Series 2006A of the District.

**Section 4. Payment of Principal and Interest.** Said Certificates and the interest thereon in the amount of \$145,302.08 will be paid by the District from the receipt of the aids which will become available and will be deposited in said Sinking Fund for said purpose on or before the date of maturity of said Certificates, together with such other school funds as become available for said purpose. All of the taxable property within the limits of the District is subject to the levy of an ad valorem tax without limit as to rate or amount to pay the Certificates of this issue and the interest thereon. The full faith and credit of the District is hereby pledged for the payment of principal and interest on said Certificates.

**Section 5. Registration of Certificates.** The Clerk is hereby authorized and directed to file a certified copy of this resolution with the County Auditors of each county in which the District is located in whole or in part, and to obtain from each said County Auditor a certificate that the Certificates have been duly entered upon said Auditor's bond register.

**Section 6. Authentication of Transcript.** The officers of the District and each said County Auditor is hereby authorized and requested to furnish to the Purchaser and to the attorneys approving the legality of the issuance of the Certificates, certified copies of all resolutions of the District relating thereto, and such certificates and affidavits as to other matters appearing in their official records or otherwise known to them as may be reasonably required to evidence the legality and marketability of the Certificates, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed to constitute representations and recitals of the District as to the correctness of all statements contained therein.

**Section 7. Exemption from Rebate Requirements.** For purposes of compliance with the requirements of Section 148(f)(4)(D) of the Code relating to the exemption for certain small governmental units from the rebate requirements of the Code, the Board hereby determines and declares that:

- (a) the District is a governmental unit with general taxing powers;
- (b) the Certificates are not "private activity bonds" as defined in Section 141 of the Code (Private Activity Bonds);
- (c) ninety-five percent of the net proceeds of the Certificates are to be used for the local governmental purposes of the District; and
- (d) either (i) the aggregate face amount of all tax-exempt obligations (other than Private Activity Bonds) issued by the District in calendar year 2006 is not reasonably expected to exceed \$5,000,000 or (ii) the aggregate face amount of all tax-exempt obligations (other than Private Activity Bonds) issued by the District in calendar year 2006 is not reasonably expected to exceed \$15,000,000; and no more than \$5,000,000 of

said tax-exempt obligations will be used to finance expenditures other than expenditures financing the construction of public school facilities.

**Section 8. Designation as Qualified Tax-Exempt Obligations.** The Board hereby determines and declares that the District does not reasonably anticipate the issuance in calendar year 2006 of tax-exempt obligations in an aggregate principal amount greater than \$10,000,000 (exclusive of Private Activity Bonds). The Board hereby specifically designates the Certificates "qualified tax-exempt obligations" within the meaning of Section 265 of the Code relating to the deduction permitted financial institutions for interest expenses allocable to the Certificates.

**Section 9. Covenant to Continue Tax Exemption.** The District covenants and agrees with the Holders 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 subject to taxation under the Code, and the Treasury Regulations promulgated thereunder, or any other applicable federal tax law or regulation; and that it will take, or cause its officers, employees or agents to take, all affirmative actions within its powers that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations and to comply with such additional legislative and administrative requirements as may be imposed by law.

**Section 10. Arbitrage Certification.** The Chair and the Clerk, being the officers of the District charged with the responsibility of issuing the Certificates pursuant to this resolution, are hereby authorized and directed to execute and deliver to the Purchaser an arbitrage certification in order to satisfy the provisions of Section 148 of the Code and the regulations promulgated thereunder.

**Section 11. Official Statement.** The Official Statement relating to the Certificates, on file with the Clerk and presented to this meeting, is hereby approved and deemed final, and the furnishing thereof to prospective purchasers of the Certificates is hereby ratified and confirmed, insofar as the same relates to the Certificates and the sale thereof.

**Section 12. Information Reporting.** For purposes of compliance with the provisions of Section 149(e) of the Code, the District shall submit to the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Certificate is issued, a statement concerning the Certificate issue which meets the requirements of Section 149(e)(2).

**Section 13. Continuing Disclosure.**

**13.01 Limited Exemption from Rule.** The Securities and Exchange Commission (the "SEC") has promulgated amendments to Rule 15c2-12 under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) which govern the obligations of certain Participating Underwriters to require that issuers of municipal securities enter into agreements for the benefit of the Certificate Owners to provide continuing disclosure with respect to the Certificates. This Board hereby finds, determines and declares that the Certificates are exempt from the application of paragraph (b)(5) of the Rule by reason of the exemption granted in paragraph (d)(3) thereof. The exemption from the Rule for the Certificates is conditioned upon the District agreeing to provide certain continuing disclosure as hereinafter provided.

**13.02 Purpose and Beneficiaries.** To provide for the public availability of certain information relating to the Certificates and the security therefor and to permit Participating Underwriters of the Certificates to comply with the Rule, which will enhance the marketability of the Certificates, the District hereby makes the covenants and agreements contained in this Section 13 of this resolution for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Certificates.

**13.03 Definitions.** Unless otherwise defined in this Section 13, the following capitalized terms shall have the following meanings:

"Dissemination Agent" shall mean the District, or any successor Dissemination Agent which has been designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Paragraph 13.04 of this Section 13.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository (NRMSIR) for purposes of the Rule.

"Owner" shall mean, in respect of a Certificate, the registered owner or owners thereof appearing in the certificate register maintained by the Registrar or any beneficial owner thereof, if such owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar.

"Participating Underwriter" shall mean any of the original underwriters of the Certificates required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and the State Information Depository, if any.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

"State Information Depository" shall mean any public or private repository or entity designated by the State of Minnesota as the appropriate State Information Depository (SID) for the purposes of the Rule. As of the date of this undertaking, there is no State Information Depository.

**13.04 Reporting of Significant Events.**

(a) This Paragraph shall govern the giving of notices of the occurrence of any of the following events, with respect to the Certificates, if material:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;

- 3.** Unscheduled draws on debt service reserves reflecting financial difficulties;
- 4.** Unscheduled draws on credit enhancements reflecting financial difficulties;
- 5.** Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions or events affecting the tax-exempt status of the security;
7. Modifications to rights of security holders;
8. Bond calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities;
11. Rating changes.

(b) Whenever a material Listed Event occurs, the District shall as soon as possible file a notice of such occurrence with either all National Repositories or the Municipal Securities Rulemaking Board, and with the State Information Depository, if any.

**13.05 Termination of Reporting Obligation.** The District's obligations under this Section shall terminate upon the legal defeasance or payment in full of all the Certificates.

**13.06 Dissemination Agent.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Section 13, including but not limited to its duties under Paragraph 13.04 hereof, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

**13.07 Amendment; Waiver.** Notwithstanding any other provision of this Section 13, the District may amend this Section 13, and any provision of this Section 13 may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

**13.08 Additional Information.** Nothing in this Section 13 shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Section 13 or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Section 13. If the District chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Section 13, the District shall have no obligation under this Section 13 to update such information or include it in any future notice of occurrence of a Listed Event.

**13.09 Default.** In the event of a failure of the District to comply with any provision of this Section 13, any Owner may take such actions as may be necessary and

appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section 13. A default under this Section 13 shall not be deemed an Event of Default under this Resolution or with respect to the Certificates, and the sole remedy under this Section 13 in the event of any failure of the District to comply with this Section 13 shall be an action to compel performance.

**13.10 Duties, Immunities and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Section 13, and the District agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

**13.11 Beneficiaries.** This Section 13 shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Owners from time to time of the Certificates or the Beneficial Owners, if different, and shall create no rights in any other person or entity.

**13.12 Reserved Rights.** The District reserves the right to discontinue providing any information required under the Rule if a final determination should be made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful or to modify the covenants and agreements contained in this Section 13 if the District determines that such modification is required by the Rule, or by a court of competent jurisdiction.

**Section 14. Payment of Issuance Expenses.** The District authorizes the Purchaser to forward the amount of Certificate proceeds allocable to the payment of issuance expenses to U.S. Trust Company, Minneapolis, Minnesota, on the closing date for further distribution as directed by the District's financial advisor, Ehlers & Associates, Inc.

**Section 15. Nonbook-Entry Option.** Notwithstanding any contrary provision of this resolution, if the Purchaser specifies on the proposal form that the Certificates are not to be issued in global book-entry form, they shall then be issued as a single Certificate in the denomination of the entire principal amount of the issue in registered form in the name of the Purchaser. Replacement Certificates shall not be available.

The motion for the adoption of the foregoing resolution was duly seconded by Member Fowler and, upon vote being taken thereon, the following voted in favor thereof: Bruns, Larson, Krog, Fowler, Larson and Salmela;  
and the following voted against the same: none;  
whereupon said resolution, having received the affirmative votes of two-thirds of the members, was declared duly passed and adopted.

Motion by Krog and seconded by Salmela to schedule the Truth in taxation hearing dates for the Initial Hearing on Tuesday, December 5, 2006 at 5:00 p.m. at ISD # 2142 District Office and Secondary Hearing on Tuesday, December 12, 2006 at 5:00 p.m. at ISD #2142 District Office.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Salmela and seconded by Fowler to approve program changes / additions effective the 2006-2007 school year, as follows: Split carpentry class (AlBrook); add calculus (Tower-Soudan); add personal finance (Cook) to ITV for (Orr); and add business (Orr).

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Salmela and seconded by B. Larson to accept Stephen Bartolus's letter of resignation as custodian, effective July 24, 2006.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Krog and seconded by Salmela to accept Wendy Saver's letter of resignation as custodian, effective August 26, 2006.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Krog and seconded by Fowler to accept Sandra Cooper's letter of resignation as health assistant, effective July 25, 2006.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Krog and seconded by Salmela to accept Ruth Kallberg's letter of resignation as teacher aide, effective the beginning of the 2006-2007 school year.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Salmela and seconded by B. Larson to accept Shannon Lehman's letter of resignation as van driver, effective July 25, 2006.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by A. Larson and seconded by Fowler to accept Theodore P. Stefanich's letter of retirement / resignation as bus driver, effective August 31, 2006.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Krog and seconded by B. Larson to terminate Ketty Goerd effective, July 1, 2006, for her total assignment of .60 FTE for the 2006-2007 school year.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Salmela and seconded by B. Larson to hire Tamara Hanson as District Support Services Secretary at the District Office, effective August 2, 2006.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Salmela and seconded by B. Larson to hire Markus Hoche as district-wide technology technician, effective August 15, 2006.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Krog and seconded by B. Larson to accept David Rengo's letter of resignation as science teacher, effective the beginning of the 2006-2007 school year.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Fowler and seconded by Salmela to accept Lisa Stalker's letter of resignation as science teacher, effective August 11, 2006.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Krog and seconded by Salmela to hire Wendy Saver as head cook, bargaining unit, 8.0 hours per day, 5 days per week, effective August 30, 2006, with terms and conditions of employment in accord with Master Agreement between ISD 2142 and Teamsters Local #346.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Fowler and seconded by B. Larson to approve the 2006-2007 Fall coaching staff as presented, and dependent upon appropriate levels of high school (grades 9-12) participation: *Al Brook*: Head Football-Larry Anderson; Assistant Football-Donald Olesiak; Head Volleyball-Roxie Karppinen; Assistant Volleyball- Brad Olesiak; Cross Country-Jeremy Polson; *Babbitt-Embarrass*: Head Football-Open; Assistant Football-Ron Marinaro; Head Volleyball-Jim Mackai; Co-Assistant Volleyball-Susan Fiero; Co-Assistant Volleyball-Misty Roseth; (B-E/T-S) Head Swimming Rose Spehar; Assistant Swimming-Julie Suihkonen; *Cherry*: Head Football-Phil Koskie; Assistant Football-Michael Macenski; Head Volleyball-Pam Pioskie; Assistant Volleyball-Becky Greenly; *Cook*: Head Football-Mark Fabish; Assistant Football-Lee Byram; Head Volleyball-Loretta Whiteside-Rankila; Assistant Football-Wendy McFerran; *Cotton*: Head Football-Jeffrey Wiesner; Assistant Football-Timothy Herring; Head Volleyball-Heather Kowarsch; Assistant Volleyball-Laurel Olsen; *Orr*: Head Football-John Jirik; Assistant Football-Matthew Rutchasky; Head Volleyball-Thomas Burnette; Assistant Volleyball-Jackie Villebrun; *Tower-Soudan*: Head Football-Scott Chiabotti; Assistant Football-Edward Dougherty; Head Volleyball-Kandi Olson; Assistant Volleyball-Ashlee Strandberg; (B-E/T-S) Head Swimming-Rose Spehar; Assistant Swimming-Julie Suihkonen.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by B. Larson and seconded by Salmela to reduce Rebecca Fosness, custodian, by 1 hour per day, for the 2006-2007 school year, effective August 25, 2006.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Fowler and seconded by Salmela to recall Tammy Bjorge to a .20 FTE tenured contract for the 2006-2007 school year, effective August 30, 2006, with terms

and conditions of employment in accord with Master Agreement between ISD 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Salmela and seconded by to recall Angela Byram to a .05 FTE tenured contract for the 2006-2007 school year, effective August 30, 2006, with terms and conditions of employment in accord with Master Agreement between ISD 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by B. Larson and seconded by Krog to recall Ronald Demianiuk to a .80 FTE tenured contract for the 2006-2007 school year, effective August 30, 2006, contingent upon securing variance or provisional licensure from the Department of Education, with terms and conditions of employment in accord with Master Agreement between ISD 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by A. Larson and seconded by Salmela to recall Todd Olson to a .25 FTE tenured contract for the 2006-2007 school year, effective August 30, 2006, contingent upon securing variance or provisional licensure from the Department of Education, with terms and conditions of employment in accord with Master Agreement between ISD 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by A. Larson and seconded by Fowler to recall Darlene Petrusha to a .90 FTE tenured contract for the 2006-2007 school year, effective August 30, 2006, contingent upon securing variance or provisional licensure from the Department of Education, with terms and conditions of employment in accord with Master Agreement between ISD 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Salmela and seconded by Krog to recall Jane Scherf to a .40 FTE tenured contract for the 2006-2007 school year, effective August 30, 2006, contingent upon securing variance or provisional licensure from the Department of Education, with terms and conditions of employment in accord with Master Agreement between ISD 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Salmela and seconded by B. Larson to recall Zachary Swart to a .20 FTE tenured contract for the 2006-2007, effective August 30, 2006, with terms and conditions of employment in accord with Master Agreement between ISD 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by B. Larson and seconded by Salmela to recall Christy Woodard to a .20 FTE tenured contract for the 2006-2007 school year, effective August 30, 2006, contingent upon securing variance or provisional licensure from the Department of Education, with terms and conditions of employment in accord with Master Agreement between ISD 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Salmela and seconded by B. Larson to offer Angela Byram to a .05 FTE tenured teaching contract for the 2006-2007 school year, effective August 30, 2006, with terms and conditions of employment in accord with Master Agreement between ISD 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Salmela and seconded by B. Larson to offer Alizabeth Beseke a .90 FTE probationary teaching contract for the 2006-2007 school year, effective August 30, 2006, contingent upon securing variance or provisional licensure from the Department of Education, with terms and conditions of employment in accord with Master Agreement between ISD # 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson

Against-None

Motion by Krog and seconded by B. Larson to offer Mary Castellini a .80 FTE probationary teaching contract for the 2006-2007 school year, effective August 30, 2006, with terms and conditions of employment in accord with Master Agreement between ISD # 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Fowler and seconded by Salmela to offer Kristen Cooper a .95 FTE probationary teaching contract for the 2006-2007 school year, effective August 30, 2006, contingent upon securing variance or provisional licensure from the Department of Education, with terms and conditions of employment in accord with Master Agreement between ISD # 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Krog and seconded by B. Larson to offer Holly Dragisich a 1.00 FTE probationary teaching contract for the 2006-2007 school year, effective August 30, 2006, contingent upon securing variance or provisional licensure from the Department of Education, with terms and conditions of employment in accord with Master Agreement between ISD # 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Krog and seconded by Salmela to offer Timothy Herring a .50 FTE probationary teaching contract for the 2006-2007 school year, effective August 30, 2006, with terms and conditions of employment in accord with Master Agreement between ISD # 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Salmela and seconded by Fowler to offer Ryan Lindsay a .90 FTE probationary teaching contract for the 2006-2007 school year, effective August 30, 2006, contingent upon securing variance or provisional licensure from the Department of Education, with terms and conditions of employment in accord with Master Agreement between ISD # 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by B. Larson and seconded by Krog to offer Donna Rosati a .90 FTE probationary teaching contract for the 2006-2007 school year, effective August 30, 2006, contingent upon securing variance or provisional licensure from the Department of Education, with terms and conditions of employment in accord with Master Agreement between ISD # 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by Salmela and seconded by B. Larson to offer Patrick Rossini a .30 FTE probationary teaching contract for the 2006-2007 school year, effective August 30, 2006, contingent upon securing variance or provisional licensure from the Department of Education, with terms and conditions of employment in accord with Master Agreement between ISD # 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by B. Larson and seconded by Salmela to offer Judith Sopko a .60 FTE probationary teaching contract for the 2006-2007 school year, effective August 30, 2006, with terms and conditions of employment in accord with Master Agreement between ISD # 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Motion by fowler and seconded by A. Larson to offer Michael Thyen a .40 FTE probationary teaching contract for the 2006-2007 school year, effective August 30, 2006, with terms and conditions of employment in accord with Master Agreement between ISD # 2142 and SLCTEM.

Yes- Bruns, Fowler, A. Larson, B. Larson, Krog, Salmela  
Absent-Johnson  
Against-None

Comments from Board:

Board member Fowler commented that the board study session was a good productive meeting and that the district was off to a good start for the 2006-2007 school year.

Board member B. Larson commented that the board study session was a productive meeting.

Comments from Visitors:

Mr. John Wood, Cotton School parent asked the school board why the Cotton baseball program was cut?

Superintendent Rick responded that the number of participating students was insufficient at the Cotton School. Without sufficient student participation, the program could not continue.

The board meeting was adjourned at 6:45 p.m.