

Regular  
Thursday, December 17, 2009 6:30 PM

Boardroom / Teleconference  
1820 Xenium Ln N  
Minneapolis, MN 55441-3790

## **Agenda**

1. CALL TO ORDER
2. APPROVAL OF GENERAL MEETING AGENDA
3. OPEN FORUM
4. APPROVAL OF CONSENT AGENDA
5. SHARE THE SUCCESS & RECOGNITIONS - None
6. SUPERINTENDENT'S REPORT
7. INSTRUCTIONAL REPORT
8. ADMINISTRATIVE SERVICES REPORT
  - 8.1. Financial Report
  - 8.2. Facilities Report
  - 8.3. Human Resource Report **\*\*Closed Session\*\***
9. BOARD BUSINESS
  - 9.1. Policy Review & Revision - None
  - 9.2. Board Reports
    - 9.2.1. Chair Report
    - 9.2.2. AMSD Report
  - 9.3. District News
  - 9.4. Once Around the Table
10. ADJOURNMENT

# Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

GENERAL MEETING OF THE BOARD

THURSDAY, December 17, 2009

6:30 PM @ DSC

AGENDA

Recognition of Board Members Departing the 287 Board

Barbara Gabbert – Eden Prairie

6:00 PM

**A = Action**  
**R = Roll Call**  
**I = Information**  
**- Page #**

1. **CALL TO ORDER**.....A
2. **APPROVAL OF GENERAL MEETING AGENDA** .....A-4
3. **OPEN FORUM FOR COMMUNITY COMMENTS** .....I
4. **APPROVAL OF CONSENT AGENDA** .....A  
4.1 General Board Meeting Minutes from November 12, 2009 -7  
4.2 Routine Human Resource Activities for December 17, 2009 -10  
4.3 Approval of 403(b) Plan -14
5. **SHARE THE SUCCESS & RECOGNITIONS**
6. **SUPERINTENDENT’S REPORT (5 minutes)**  
6.1 Legislative Initiatives.....A-15  
Legislative proposals are prepared by Intermediate School Districts #287, #916, and #917 for legislators and member districts to use as a resource in understanding the mission and critical needs of the Intermediates. The proposal for the 2010 legislative session is attached as information and approval.  
6.2 Commissioner Seagren Meeting.....I-18  
A staff development proposal was recently provided to Commission Seagren. The written proposal is attached as information for the Board.  
6.3 AMSD Online Conference.....I-19  
District 287 staff has assisted AMSD in the design of this conference. 287 administrators will participate in panels, and, a video produced by 287 will be featured. (Attached AMSD December 2009 Connection Newsletter.)
7. **INSTRUCTIONAL REPORT (15 minutes)**  
7.1 Digital Copy Certificate Report.....I-24  
287 is providing regional leadership to develop industry-recognized digital imaging certification. A written report will be presented to the Board.  
7.2 Fermi Math Report.....I-25  
Access to Fermi Math has been restructured by member districts. The resulting growth is presented in a written report to the Board.

Revised 12/15/09

**7.3 Race To The Top Application.....A-29**

Added action form for "Race to the Top Memo" 12/15/09

The Minnesota Department of Education (MDE) is applying for federal Race to the Top (RTTT) dollars through the United States Department of Education. The preliminary Race to the Top (RTTT) funding estimate provided by the MDE for our district would total to \$2,280,646 over four years. Action is requested to authorize the Superintendent to submit the Race to the Top memorandum of agreement on behalf of Intermediate District 287.

**8. ADMINISTRATIVE SERVICES REPORT (60 minutes)**

**8.1 Financial Report (15 minutes)**

**8.1a Approval of Routine Monthly Finance Report.....A-43**

Janet Johnson will provide an overview of the monthly finance report.

**8.1b Audit Exit Interview.....I**

Treasurer Greg Thielsen will provide a brief summary of the exit interview with MMKR auditor (Jim Eichten). The final audit report will be presented in January.

**8.1c Series 2010A Certificates of Participation.....R-61**

Resolution relating to lease purchase of land and facilities; authorizing the execution and delivery of a lease purchase agreement and approving and authorizing execution of related documents. Relevant documents will be presented to the Board.

**8.1d Series 2010B Taxable Certificates of Participation.....R-71**

Resolution relating to lease purchase of land and facilities; authorizing the execution and delivery of a lease purchase agreement and approving and authorizing execution of related documents. Relevant documents will be presented to the Board.

**8.1e Wells Fargo Lease Purchase Agreement of Edgewood.....R-81**

Resolution relating to financing the purchase of Edgewood through a lease purchase agreement. Wells Fargo will be taking title to the property as Trustee. A resolution is needed that will assign the Purchase Agreement to Wells Fargo.

**8.2 Facilities Report (30 minutes)**

**8.2a Resolution for North Education Center.....R-168**

The Resolution is needed to direct administration to continue the planning to build a North Education Center, to enter into negotiations with Robbinsdale Area Schools #281 for the purchase of land to replace Hosterman and to continue to work with TSP, Inc to develop a schematic design for a new NEC.

**\*\* THERE WILL BE TWO CLOSED SESSION DISCUSSIONS IN CONSECUTIVE ORDER. \*\***

**8.2b North Education Center Decision – Closed Session**

**8.2b.1 Approval of Land Negotiation Parameters with District 281.....A-171**

The School Board may hold a closed meeting to review confidential or nonpublic appraisal data under section 13.44, subdivision 3; and to develop or consider offers or counteroffers for the purchase or sale of real or personal property. Minn. Stat. §13D.05, subdivision 3, section C.

**8.3a Local 2209 Teacher Contract Renewal – Closed Session (15 minutes).....I-174**

The School Board may hold a closed meeting to consider strategy for labor negotiations. Minn. Stat. §13D.03.

Revised 12/15/09

Added "Negotiations Update Memo" 12/15/09

**9. BOARD BUSINESS (15 minutes)**

**9.1 Policy Review & Revision - None**

9.2	Board Reports.....	I
9.2a	Chair Report.....	I
9.2a.1	Officer Election Process.....	I
	Chair Johnson will appoint a new nomination Chair.	
9.2a.2	Get on the Bus Report.....	I
	Ann Bremer will provide an update on the December 17 <sup>th</sup> “Get on the Bus” event.	
9.2b	AMSD Report (Ann Bremer) .....	I
9.3	District News.....	I
9.3a	School Board Planning Calendar.....	I-176
9.3b	December 10, 2009 Calendar.....	I-178
9.5	Once Around the Table.....	I
10.	<b>ADJOURNMENT.....</b>	<b>A</b>
	<b><u>Recommended Action:</u> Board Chair calls meeting adjourned @ _____ PM</b>	

**DISTRICT 287 REGULAR BOARD MEETING**  
**Intermediate District 287**  
**November 12, 2009**  
**MINUTES**

**1. CALL TO ORDER**

Chair Linda Johnson called the regular meeting to order at 6:32 PM in the District Service Center Board Room. A quorum was declared with the following members in attendance:

271	Bloomington	Arlene Bush
286	Brooklyn Center	Greg Thielsen
272	Eden Prairie	Barbara Gabbert
273	Edina	Peyton Robb
270	Hopkins	Sally Johnson
276	Minnetonka	Don Draayer
278	Orono	Michèle Kunz
279	Osseo	Steven Antolak
280	Richfield	Nancy Rowley
281	Robbinsdale	Linda Johnson
283	St. Louis Park	Pam Rykken
284	Wayzata	Carter Peterson
277	Westonka	Ann Bremer

Absent:

Guests:

Sarah Sonsalla

287 Administration:

Sandra Lewandowski, Laura Keller-Gautsch, Jane Holmberg, Char Myklebust, Colleen Baumtrog, Anne Becker, Janet Johnson, Tom Shultz, Chad Maxa, and Wauneen Mgeni

287 Staff Members:

Robert Laumann

**2. APPROVAL OF GENERAL MEETING AGENDA**

The general meeting agenda was presented for approval. *Motion by Carter Peterson, seconded by Peyton Robb, to approve the meeting agenda. All in favor. Motion carried unanimously.*

**3. OPEN FORUM FOR COMMUNITY COMMENTS - None**

**4. APPROVAL OF CONSENT AGENDA**

The Consent Agenda was presented for approval. The Consent Agenda included the general meeting minutes from October 22, 2009; Dr. Charlene Myklebust, Director of Mental Health and Partnership appointment; and approval of the Routine Human Resource Activities for November 12, 2009. *Motion by Michèle Kunz, seconded by Ann Bremer, to approve the consent agenda as presented. All in favor. Motion carried unanimously.*

**5. SHARE THE SUCCESS & RECOGNITIONS - None**

**6. SUPERINTENDENT'S REPORT**

Superintendent Lewandowski announced to the Board that Mr. Chad Maxa, Manager Technology Services, will join the administrative team at all scheduled Board meetings.

Sandy briefly gave an overview on the Decision Resources satisfaction surveys. Sandy updated the Board on three items of importance: 1) the continuation of the Hennepin County superintendents and Hennepin County officials; 2) the 287 north area facility planning decision timeline; and 3) measurement of our strategic plan.

**7. INSTRUCTIONAL REPORT**

Superintendent Lewandowski introduced Dr. Charlene Myklebust, Director of Mental Health and Partnership. Char provided a summary of the first year of the C-Train program. C-Train provides industry-recognized certificate training programs at the South Education Center. Current programs include nursing assistant, microsoft office, and cabling. Board member Rowley added how the C-Train Advisory Committee is researching how to expand certifications and collaborate with Bloomington Richfield Community Education to make the training available on a larger scale. A written report was presented to the Board.

## **8. ADMINISTRATIVE SERVICE REPORTS**

### **Financial Report**

Ms. Janet Johnson, Director of Finance Services, presented the monthly financial report for October 2009. *Motion by Barbara Gabbert, seconded by Greg Thielsen, to approve the monthly financial report as presented. All in favor. Motion carried unanimously.*

Janet presented and recommended approval of the unaudited fund balance for FY09 of \$4,691,375. The figure, which will be verified at the final audit report, grows the fund balance to 7.02%. This growth is based on: 1) expenditures being held below budgeted levels in all divisions, and 2) Medical Assistance (MA) billing revenue greatly exceeding budget. Laura Keller-Gautsch, Executive Director of Special Education, provided background on 287's highly successful MA billing effort where the district seeks reimbursement from third parties for the cost of services provided by the district and covered by a child's health insurer. *Motion by Nancy Rowley, seconded by Michèle Kunz, to approve the unaudited fund balance for FY09 is \$4,691,375 as presented. All in favor. Motion carried unanimously.*

Janet presented and recommended approval of a resolution on the equity transfer from general fund to food service fund in the amount of \$172,143.95 for FY09. *Resolution motion was made by Don Draayer, to waive the reading of the resolution and approve it as written, seconded by Greg Thielsen, to approve the equity transfer from general fund to food service fund in the amount of \$172,143.95 for FY09. Those voting in favor were: Antolak, Bremer, Bush, Draayer, Gabbert, L. Johnson, S. Johnson, Kunz, Peterson, Robb, Rowley, Rykken, and Thielsen. There were no votes against, no abstentions. Motion carried unanimously.*

Dr. Colleen Baumtrog, Executive Director of Administrative Services, and Ms. Sarah Sonsalla, District 287 Lawyer, presented and recommended approval of a resolution on the agreement to execute the purchase agreement of Edgewood School from the Osseo School District. *Resolution motion was made by Carter Peterson, to waive the reading of the resolution and approve it as written, seconded by Don Draayer, to approve the agreement to execute the purchase agreement of Edgewood School from the Osseo School District. Those voting in favor were: Bremer, Bush, Draayer, Gabbert, L. Johnson, S. Johnson, Kunz, Peterson, Robb, Rowley, Rykken, and Thielsen. Antolak Abstain. There were no votes against. Motion carried.*

Janet presented and recommended approval of a parameters resolution authorizing the certificate sale and the conditions of the award for financing the Edgewood purchase. *Resolution motion was made by Greg Thielsen, to waive the reading of the resolution and approve it as written, seconded by Arlene Bush, to approve the parameters resolution authorizing the certificate sale and the conditions of the award for financing the Edgewood purchase as presented. Those voting in favor were: Antolak, Bremer, Bush, Draayer, Gabbert, L. Johnson, S. Johnson, Kunz, Peterson, Robb, Rowley, Rykken, and Thielsen. There were no votes against, no abstentions. Motion carried unanimously.*

### **Facilities Report**

Mr. Tom Shultz, Facilities Administrator, provided an update to the Board on the second remodeling estimate of a proposed commercial site to answer the long-term north facilities' needs. The Board will consider this information in light of estimates to build a new building on the Hosterman site and indications from New Hope that it would be difficult to obtain a conditional use permit for remodeling the commercial site.

Board member Robb reported to the Board on the meeting with District 287 Board members; administration, and TSP held on November 2. The meeting was designed for Board members to better understand the estimates received from TSP. Board member Robb provided summary minutes from the meeting.

Janet shared projections on the subsidy required to maintain current levy lease costs. The sources of revenue available were reviewed to subsidize the lease levy so as not to increase current lease levy costs. Janet further reported that the business managers group had endorsed this approach, with the caveat that all agreements for use of subsidy sources be documented. The Board directed the administration to continue preparing information related to building at the Hosterman site.

### **Human Resources Report-LABOR NEGOTIATIONS (CLOSED SESSIONS)**

At the recommendation of Board Chair Johnson, *a motion was made by Carter Peterson, seconded by Steven Antolak, to close the meeting to consider strategies for labor negotiations, as required in Minnesota Statute §13D.03. All in favor. Motion carried.* The meeting was closed to the public at 8:24 PM. *A motion was made by Michèle Kunz, seconded by Greg Thielsen, to reopen the general meeting. All in favor. Motion carried.* The general meeting reopened at 8:45 PM.

## **9. BOARD BUSINESS**

### **Chair Report**

Chair Johnson announced the next scheduled "Get on the Bus" event is Thursday, November 19. Chair Johnson also announced the next scheduled Local 2209 Breakfast will be Tuesday, November 24.

Chair Johnson reminded Board members that the MSBA Leadership conference is January 14 & 15.

**AMSD Report - None**

**Organizational Report - None**

**Once Around the Table**

Arlene Bush Re-elected for Bloomington School Board  
Greg Thielsen Brooklyn Center had 3 incumbents that were re-elected to the Board. Construction has started at Brooklyn Center High School for the Mini-Clinic; the clinic is expected to be open by the end of January 2010.  
Barbara Gabbert Eden Prairie had three incumbents that choose not to run, so there are three new Board members to the Eden Prairie School Board.  
Peyton Robb Edina had 5 people running for 4 Board seats, there was one incumbent that was unseated by 15 votes, a recount was done and the incumbent was unseated by 17 votes.  
Sally Johnson  
Don Draayer Minnetonka had 3 Board seats, only two incumbents were re-elected and one new Board member.  
Michèle Kunz Decided not to run for Orono School Board, but will continue to serve on District 287 School Board, Orono have two new Board members.  
Steven Antolak Osseo had not election and did not ask for a levy.  
Nancy Rowley Richfield had 3 Board seats, there will be a recount on one of the Board seats there was a difference of 3 votes.  
Linda Johnson Re-elected to Robbinsdale School Board, there were 11 people running for 4 seats, 3 incumbents were re-elected.  
Pam Rykken St. Louis Park had 3 Board seats open, the 3 incumbents were re-elected.  
Carter Peterson Re-elected to Wayzata School Board – both of our referendums passed.  
Ann Bremer Westonka had 3 seats open, six people ran and one incumbent returned with two new Board members.  
Sandy Lewandowski  
Anne Becker  
Chad Maxa  
Char Myklebust  
Colleen Baumtrog  
Jane Holmberg  
Janet Johnson  
Laura Keller-  
Gautsch  
Tom Shultz  
Wauneen Mgeni

**10. ADJOURNMENT**

*Motion was heard and seconded to adjourn the meeting.* Meeting adjourned at 8:58 PM.

The next general meeting will be held on December 17, 2009, at 6:30 PM in the DSC Board Room.

Submitted by  
Wauneen Mgeni  
Secretary to the Board

Signed: Chair \_\_\_\_\_ Clerk \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

**ROUTINE HUMAN RESOURCES ACTIVITIES FOR THE INTERMEDIATE DISTRICT 287  
SCHOOL BOARD – December 17, 2009**

**LICENSED STAFF**

**1. New Hires:**

**A. Regular**

- KATHLEEN C. EIDE, Speech Language Pathologist at Edgewood Education Center, **additional position due to increased enrollment**, effective December 2, 2009 – 1.0 FTE.
- ERICA L. FRETT, EBD Instructor at Hosterman Education Center, **additional position due to increased enrollment**, effective November 30, 2009 - 1.0 FTE.
- JANET R. MAYER, Speech Language Pathologist at the District Service Center, **refill for B. Studdiford**, effective November 23, 2009 - .5 FTE.
- REBECCA J. MIJAL, DCD Instructor at Hosterman Education Center, **additional position due to increased enrollment**, effective October 27, 2009 – 1.0 FTE.

**B. Reinstatement of Licensure Waivers**

- 

**C. Temporary:**

- ROBERTA ANDERSON, RAMP UP Tutor effective November 16, 2009 through April 15, 2010.
- REBECCA C. BROWN, Online Instructor Work Coordinator effective October 15, 2009 through January 30, 2010.
- JENNIFER L. CURTIS, RAMP-UP Tutor effective November 16, 2009 through April 15, 2010.
- MELISSA I. DUCKWILEY, Independent Study English Instructor effective October 28, 2009 through June 30, 2010.
- RAINBOW ESPINOSO, RAMP UP Tutor effective November 3, 2009 through April 15, 2010.
- FATIMA LEMTOUNI, Course Development for Arabic 1 effective December 1, 2009 through June 15, 2010.
- MARY HUBERTY, RAMP UP Tutor effective November 16, 2009 through April 15, 2010.
- ALICIA L. JENSEN, School Counselor at Omegon, effective November 1, 2009 through December 23, 2009.
- KRISTOFER JOHNSON, RAMP-UP Tutor effective November 17, 2009 through April 15, 2010.
- LAMIN KHAN, RAMP-UP Tutor effective November 16, 2009 through April 15, 2010.

- DANIEL KURTZWEG, RAMP-UP Tutor effective November 16, 2009 through April 15, 2010.
- WESLEY LARSON, RAMP-UP Tutor effective November 3, 2009 through April 15, 2010.
- JAY MARUSKA, RAMP-UP Tutor effective November 16, 2009 through April 15, 2010.
- BRIAN W. ROSENBERG, Independent Math Instructor effective October 6, 2009 through June 30, 2010.
- ERLENE SCHWARTZ, RAMP-UP Tutor effective November 16, 2009 through April 15, 2010.
- KAYLEEN TAFFE, RAMP-UP Tutor effective November 19, 2009 through April 15, 2010.
- DAVID VanDenBOOM, RAMP UP Tutor effective November 19, 2009 through April 15, 2010.
- LAURA R. WAVRA, Independent Study English Instructor effective November 5, 2009 through June 30, 2010.
- SCOTT WRIGHT, RAMP-UP Tutor effective November 16, 2009 through April 15, 2010.
- AMANDA R. YENNI, RAMP-UP Tutor effective November 16, 2009 through April 15, 2010.
- TIM YEARNEAU, RAMP-UP Tutor effective November 16, 2009 through April 15, 2010.

**D. Substitutes**

- Yoshiko Shakal
- Karl Talbot

**2. Extended Leaves of Absence:**

**A. Unpaid**

- REVISED - BARBARA MILES, Physical Therapist at the District Service Center, medical leave effective August 31, 2009 through June 10, 2010.
- REVISED – DOMENIC P. LALAMA, Instructor DCD at South Education Center, unpaid leave of absence effective September 2, 2009 through June 10, 2010.

**3. Separations:**

**A. Dismissal**

- 

**B. Resignation**

- 

**C. Retirement (Regular/Disability)**

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4. **Other:**

- A. RECOMMEND the Board's approval to credit Nicole Kennedy, EBD Instructor at Edgewood Education Center, with five (5) days of additional sick leave. These days have been donated by the staff members listed below who have authorized the District to reduce their individual sick leave balance by one (1) day.

Sue Comer-Bergen  
Jeff Jacobs

Georgeann Wobschall  
Brent Maves

Lissa Pelzer

\*\* Indicates delay due to approval of Community Expert Request/license

**NON-LICENSED STAFF:**

1. **New Hires:**

**A. Regular**

- LAKIA EDMONDSON, Education Assistant at Hosterman Education Center, **refill for R. Mijal**, effective November 2, 2009 Step 11 Lane 4 + 90 credits- .875 FTE.
- KIMBERLY GREEN, Conference Coordinator at the District Service Center, **change in status from temporary grant position to permanent employee**, effective November 2, 2009 Unaffiliated Salary Grade III - .8 FTE 12 month.
- KRISTY COSTELLO, Education Assistant at South Education Center, **additional position due to increased enrollment**, effective November 9, 2009 Step 8 Lane 5 +BA - .875 FTE.
- SEFIKA ZEJNILOVIC, Education Assistant at South Education Center, **additional position due to increased enrollment**, effective November 30, 2009 Step 2 Lane 1 - .875 FTE.
- JESSICA MILLER, Education Assistant at South Education Center, **additional position due to increased enrollment**, effective November 25, 2009 Step 6 Lane 3 + 30 credits - .875 FTE.
- LEAVALLE HICKS, Education Assistant at South Education Center, **additional position due to increased enrollment**, effective November 24, 2009 Step 7 Lane 2 + 15 credits - .875 FTE.
- CARA PERSZYK, Education Assistant at Hosterman Education Center, **additional position due to increased enrollment**, effective December 3, 2009 Step 4 Lane 5 +BA - .875 FTE.
- JOSHUA NAVARRETE, Education Assistant at Hosterman Education Center, **additional position due to increased enrollment**, effective November 30, 2009 Step 3 Lane 5 +BA - .875 FTE.
- ASHLEY TAUER, Education Assistant at South Education Center, **additional position due to increased enrollment**, effective December 2, 2009 Step 4 Lane 1 - .875 FTE.

**B. Temporary**

- 

**C. Substitutes**

- Tera Arbogast                      Desiree Dalluge                      Jacob Frush
- Paul Gudnason

**2. Extended Leaves of Absence:**

**A. Unpaid**

- REVISED – LINDA HOLMBERG, Education Assistant at the Hosterman Education Center, medical leave effective October 26, 2009 through January 26, 2010.

**3. Separations:**

**A. Dismissal**

- 

**B. Resignation**

- TOYNOIA BRIGGITY, Clerical at Northwest Tech Center, effective June 18, 2009.

**C. Retirement (Regular/Disability)**

- 

**4. Other:**

**A.** RECOMMEND the Board's approval to credit, Paul Kracl, Education Assistant at Hosterman Education Center, with one (1) day of additional sick leave. This day has been donated by the staff member listed below who has authorized the District to reduce their individual sick leave balance by one (1) day.

- Mary Frush

**B.** RECOMMEND the Board's approval to credit LeeAnn Gelhaye, Parent Child Specialist at North Vista, with four (4) days of additional sick leave. These days have been donated by the staff members listed below who have authorized the District to reduce their individual sick leave balance by one (1) day.

- Eric Michelsen    Mary Peters    Judy Aronson
- John Awsumb

# Intermediate District 287

## *Responsive. Innovative. Solutions*

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### INTER-OFFICE MEMORANDUM

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DATE: December 17, 2009

TO: Sandra Lewandowski, Superintendent

FROM: Anne C. Becker, Director of Human Resources

RE: Approval of District 403(b) Plan

As you know, one of the benefits offered by the District is a 403(b) plan. All employees are eligible to participate in this tax-deferred retirement program.

Employees choosing to participate in the program direct the District to deposit a portion of their salary pre-tax into their 403(b) account. Amounts deferred into a 403(b) account are generally not taxed until the employee makes a withdrawal from the account.

The District's plan was developed by Educators Benefit Consultants, LLC and reviewed by the Human Resources Board Committee in March of 2008. The IRS provided model language in Revenue Procedure 2007-71 for public schools amending their 403(b) plans. The District's 403(b) Plan Document includes the IRS model language.

I have recently clarified that the statute requires School Board action by December 31, 2009. While the Human Resources Board Committee did approve the plan last year, I would like to ensure complete compliance with statute language.

I would respectfully request that you recommend adoption of the District's 403(b) Plan to the full 287 School Board.

Thank you.

**DRAFT**

**Intermediate School Districts**

**...Innovation through Collaboration**



**2010 Legislative Session**

**Legislative proposals prepared by Intermediate School Districts #287, #916, and #917 for legislators and member districts to use as a resource in understanding the mission and critical needs of the Intermediates in serving career and technical, special education, and other academic needs of students. For questions or more information please contact:**

**Superintendent Sandra Lewandowski, #287 (763.550.7100)**

**Superintendent Connie Hayes, #916 (651.415.5656)**

**Superintendent John Christiansen, #917 (651.423.8226)**

**Valerie Dosland, Ewald Consulting (612.490.3052)**

## **THE ROLE OF INTERMEDIATE SCHOOL DISTRICTS**

The three Intermediate School Districts were formed in the late 1960s at the request of local school districts to deliver vocational and technical education. This delivery model was intended to eliminate low-enrolled, costly programs and services offered in individual local school districts and replace them with higher-enrolled, more-cost-effective programs and services at one or more of the Intermediate School District sites. Central to this strategy was an effort to avoid duplicating expensive equipment and specialized facilities in K-12 districts in which enrollment was not sufficient to support quality programs. Over time, experience confirmed the wisdom of this decision. Member districts reduced or entirely eliminated high-cost, inefficient local programs and services in the areas of special education and career and technical education.

Meanwhile, the Intermediate School Districts continue to evolve to meet the changing needs of students and K-12 school districts by providing state-of-the-art curricula, equipment, **shared services** and technologies for students in their member districts with minimal duplication of programs and services. In fact, very distinct, non-competitive market niches exist for each category of programs and services. This is particularly true in the case of major program expansions for on-line learning, at-risk students, gifted and talented students, and low-incidence academics such as world languages.

## **2009 LEGISLATIVE PLATFORM**

Intermediate School Districts 287, 916, and 917 are vital resources to our member **school** districts and provide important programs and services to students. We are grateful for the Legislature's support and are well-positioned to not only continue but also to enhance our unique mission as both special school districts and regional service providers.

With continued support from the Legislature, the Intermediate School Districts can continue to provide quality programs and services in special education, career and technical education, and a variety of other specialty areas for our member districts and other customers. Responding to our legislative needs will also enhance our ability to serve as a model for the regional delivery of many of the programs and services needed by students and K-12 school districts. Collaborating in this manner provides significant economies of scale and enhanced opportunities for students.

The Intermediate School Districts understand the many challenges faced by state policy makers and will work collaboratively with policymakers and other education organizations sharing the goals of supporting a strong public education system. Here are the key initiatives supported by the Intermediate School District for the 2009 legislative session.

## **SUPPORT FOR EDUCATION FUNDING**

### ***Reform and Stabilization of Education Finance System***

The Intermediate School Districts support the New Minnesota Miracle legislation that reforms the education finance system to provide adequate financial resources in order to meet the high standards and expectations of the community and the challenges posed by demographic characteristics in each school district. The Intermediate School Districts also understand that an appropriate plan must be implemented for transition from existing funding formulas to the new funding framework that would hold school districts harmless from substantial losses in revenues.

**The Intermediate School Districts also support the additional funding in the New Minnesota Miracle to provide additional educational opportunities for students including career and technical education.**

## **SUPPORT THE UNIQUE NEEDS OF THE INTERMEDIATE SCHOOL DISTRICTS**

Intermediates serve a set of learners with highly complex and specialized individual learning needs and the teacher skills needed are not the same as those needed for serving students in a more mainstream K-12 environment. In addition, the Intermediates are asked by their member school districts to provide education services to unique student populations. In order to reflect these needs, the Intermediates are requesting two changes:

***Change the language of alternative teacher compensation (or Q-Comp) to better reflect the unique way in which Intermediates work.***

Currently, Intermediates can participate in the Q-Comp program but cannot access adequate revenue to support a quality program because revenue is based on the number of students enrolled in a district. Because Intermediates are service providers and do not directly enroll students, they are unable to access the funds in a way that allows for the implementation of Q-Comp. The Intermediates are asking to have the funding formula based on the number of licensed teachers rather than per pupil so that Intermediates will qualify for \$3800 per licensed teacher.

**While the Intermediates support efforts to make the system equitable for all districts to participate, we would oppose efforts to make the Q-Comp program mandatory without the necessary formula change to meet the unique needs of the Intermediates.**

***Continue to support the voluntary shared services efforts while looking at ways to remove barriers and provide incentives to encourage more shared services arrangements.***

**The Intermediates have played a vital role over the years in providing shared services to their member school districts. This was achieved because timing, fit and trust have been critical elements to these shared service arrangements. The Intermediates support shared services but any efforts should be voluntary for school districts, should remove barriers and provide incentives.**

**The Intermediates encourage an approach that provides an incentive to utilize current educational service units (Intermediates, TIES, ECSU's) or newly evolving purchasing groups (such as the food buying group out of the Anoka Hennepin district). We also believe the State Legislature should implement a two-year pilot which would provide a vehicle to collect data that shows the cost savings of a shared service approach in the state.**

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**From:** Sandra L Lewandowski  
**Sent:** Thursday, December 03, 2009 9:29 AM  
**To:** Alice.Seagren@state.mn.us  
**Cc:** 'Valerie Dosland'; Scott Croonquist; 'Connie Hayes'; 'CHRISTIANSEN, JOHN'; Char K Myklebust; Jane C Holmberg; Wauneen B. Denson-Mgeni  
**Attachments:** Intermediate 287 EOY Gains Analysis Presentation V2 6 10 09.pdf; Race\_to\_the\_Top Final (2).doc

Dear Commissioner Seagren,

Thank you for the session on Tuesday afternoon. I appreciate MDE's consideration of increased staff training for staff who work with students who have significant behavior needs. You asked for data that demonstrates academic progress of students. I have attached the data I referenced in the meeting. The students included in this data are all Setting 4 special education students with varying disabilities of cognitive impairment, emotional behavioral disorders and autism. These students represent the highest need learners within the public school spectrum. ***In District 287 we have found that focused staff training that addresses behavior and mental health needs is critical to student success.*** When mental health and behavior issues are stable, students can accomplish quite remarkable achievement results. This is only the second year of our new focused reading program. However, our district has expanded this approach to additional sites, and at the mid point of the 09-10 school year we are seeing similar results in other buildings.

I also attached an electronic version of the concept document that we discussed at our meeting. Good luck with your efforts to include Minnesota as a recipient of the Race to the Top award. Please let me know if you have other questions.

Sandra Lewandowski,  
Superintendent  
Intermediate District 287  
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# Intermediate District 916, 917 & 287

## Special Education/Extreme Behaviors Challenge Educators

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December 1, 2009

**Background** | Thank you for your interest in learning about our proposal as Minnesota considers its “Race to the Top” application. We have appreciated meeting with Commissioner Seagren and other MDE officials in the past regarding the influx of high needs students into public schools. However, the recent county and state funding cuts have caused this topic to be even more critical as these students enter special education programs. Specifically, special educators and support staff are increasingly under prepared to successfully educate this growing segment of children.

**Specifically, we have expressed concern about the growing population of students who have mental health disorders combined with high-risk behaviors and chemical abuse. Students with these needs are entering public school Special Education Setting 3 and 4 programs at an unprecedented rate due to recent county policy changes in juvenile corrections and children’s mental health.** Budgetary constraints and the lack of evidence to support the efficacy of residential placements for certain groups of children have led to these changes. Concurrently, school reform measures designed to increase student engagement and increase graduation rates are moving forward. The influx of high need students coupled with the focus on increased student achievement has given us cause to consider potential solutions.

Minnesota counties have historically covered over 75% of the budgetary cost of children’s residential placements. The present situation has compounded our concern about the capacity of local school districts to meet the challenges of serving this very high need population while attempting to improve student engagement and to increase graduation rates. In residential settings, there are many highly skilled mental health professionals and, in some cases, security personnel who can assist in providing support to children as they attend school programs housed within the treatment centers.

### Compelling Data

There is extensive data to document the reduction in the number of children in out-of-home placements supported by county funding:

- In Hennepin County alone, there was a 1/3 reduction in out-of home placements between 2008 and 2009 (data collected through October of this year);
- Long term residential mental health treatment placements funded by Hennepin County decreased by almost 40% during the same period;
- Hennepin County Juvenile Corrections Out-of-Home Placement Workgroup recommendations (2009) included the suggestion that 100 youth previously adjudicated to residential facilities could be better served in less restrictive community placements. Policy changes at the Hennepin County Home School have already led to a significant (50%) reduction in youth who are incarcerated as well as a reduction in length of stay; and
- Similar reductions are being realized in juvenile corrections programs across the State, including Ramsey, Dakota, and Washington Counties.

We accept that it is public education's responsibility to meet the social-emotional, behavioral, and academic needs of these students. Also, schools have the responsibility to provide counseling, parent training, etc. as I.E.P. related services if the student is not able to derive benefit from specialized instruction without those supports. Even so, the school reform initiatives contained in Minnesota's "Race to the Top" proposal will be particularly challenging to implement with the highest-need students.

It is most likely that many participating districts will require training and technical assistance to meet the goals of the grant. With changes in the department's structure and staffing in recent years, MDE may not have the capacity to provide the needed training that can effectively spread reform in these areas. Demonstrating this capacity will be critical to the competitiveness of the proposal and the success of the grant project.

### Intermediates as a Solution

In order to truly reform our schools and to effectively educate students who face multiple challenges succeeding in the classroom, educators will need additional professional training in the following areas:

- student mental health disorders and chemical dependency
- career skills necessary for the 21<sup>st</sup> century
- cultural considerations and supports
- positive behavioral approaches with a prevention focus
- student and parent engagement
- evidence-based curricula and instructional methodologies
- social-emotional learning
- alternate strategies to seclusion and restraint
- collaborating with juvenile corrections and children's mental health services
- disability-specific information e.g. language processing
- evidence-based characteristics of successful educators

Minnesota's Intermediate School Districts (specifically, 287, 916 and 917 - all in the metro area) could be valuable partners in providing the training and technical assistance components of the "Race to the Top" grant. Under such an arrangement, Intermediate District staff could work under the guidance of MDE project management to develop and deliver trainings and technical assistance. Because intermediate districts are already a key source of training for educators and school administrators, they are positioned to do this work with many potential benefits:

- Pre-existing close relationships with member districts and, in the case of 287, districts across the state due to the Prep Conference Training Center.
- Professional and convenient training spaces to serve audiences of up to 200 people, as well as experience with and access to larger spaces in the community.
- Online and webinar capacity to support additional training, Q and A support, and follow-up with districts across the State.
- Participant registration and event planning capacity.

- Extensive experience in identifying, developing and delivering professional trainings in areas related to the grant; including preparing high-risk students for assessments, improving teacher quality in math and science, implementing data systems, and implementing evidence-based practices for at-risk students.
- Ability to develop and deliver custom live and online trainings and technical assistance to disseminate specific “Race to the Top” reforms statewide.

The intermediates have extensive experience executing a similar model through the Math and Science Teacher Program (MSTP) Grant, which is currently entering Year 3 and has demonstrated positive outcomes for the professionals enrolled in the program. This shared services model has proven to be cost-efficient, evidence-based, and innovative.

If we are to continue to support educators in attaining the skills to prepare students for 21<sup>st</sup> century career and vocational needs, as well as productive citizenry, we must find a way to engage our students and to learn about their unique needs. The intermediates have been engaged in such endeavors for several years and share a wealth of experience in the domains that we previously identified. We commit to utilizing research-based curricula and methodologies rather than the latest educational fads.

### Conclusion

By tapping “Race to the Top” funds, MDE could make efficient use of this existing capacity to help drive education reform. Through such a partnership, the three Intermediates would hire training staff who would work under the direction of “Race to the Top” project management to develop and deliver needed training and technical assistance to participating districts. Efficient use of the grant funds will help school reform efforts spread more effectively at the district level, as well as helping intermediate districts maintain needed training capacity over the long-term.

Thank you for your consideration of this proposed partnership.

# AMSD

# CONNECTIONS

News and Updates from the Association of Metropolitan School Districts

December 2009  
vol 7 • no 3

## AMSD Calendar

**December 18, 2009**  
**Executive/Legislative Committee Meeting,**  
7:30 a.m., TIES Building,  
St. Paul

**January 8, 2010**  
**Legislative Preview**  
**8:00 AM—10:00 AM**  
Grand Hall, TIES Building,  
St. Paul

**January 26, 2010**  
**8:00 AM—2:30 PM**  
**2010 AMSD Winter Conference**  
**Online Learning-Fad or Future?**  
Grand Hall, TIES Building,  
St. Paul

**January 29, 2010**  
**Executive/Legislative Committee Meeting,**  
7:30 a.m., TIES Building,  
St. Paul

## AMSD's Mission

*To advocate for state education policy that enables metropolitan school districts to improve student learning.*



**Association of  
Metropolitan School Districts**

## AMSD Advocacy Workshop a Success!



Over 80 people attended AMSD's advocacy workshop on November 10 making the event a huge success. Pictured at left is Robbie LaFleur, director of the legislative reference library, as she offers an overview of the legislative web site. Other topics included: how to communicate effectively with legislators, developing consistent messages, building support in the local business community, and conducting effective legislative forums.

## From the Chair:

**T**he recently released state budget forecast was sobering to say the least. It is clear that bold action is needed to stabilize the state's broken fiscal system. Minnesota school districts are heavily reliant on state funding. While other units of local government have some ability to raise revenue to address their local challenges, school districts are largely at the mercy of state government.

While the steep national recession has contributed significantly to the state's budget shortfall, Minnesota has faced budget challenges almost every year since the state eliminated the general education levy and reduced other state taxes a decade ago. According to data from the Property Tax Study Project, real per pupil state aid cuts have amounted to 10.7% since 2003! This funding squeeze has occurred at the same time expectations for our schools continue to rise.

It is becoming increasingly clear that the state will not be able to fulfill its obligation to fund our schools in the near term. Consequently, the AMSD legislative platform calls on legislators and the governor to grant temporary, discretionary levy authority to locally elected school boards to help get through these extremely challenging times.

While such a solution may not be the first choice for many legislators or school board members, it may be the only way to prevent extremely painful cuts to school district budgets. Students, educators and the people of Minnesota are looking for our state policymakers to provide the bold leadership that is needed to guide our state through this budget challenge. AMSD board members stand ready to assist in this critical work.

*Jon Tynjala, school board member from Mounds View, is chair of AMSD.*

## Vision of performing arts school becomes reality in Burnsville-Eagan-Savage

**I**t was too good an opportunity to pass up.

The City of Burnsville was constructing a new performing arts center at the same time that the Burnsville-Eagan-Savage School District was designing magnet schools as part of its joint integration plan with the neighboring Lakeville school district.

"If we hadn't decided to move ahead, someone else would have," said Superintendent Randy Clegg. "It was an obvious setting for a school focused on the performing arts."

Thus, after a year of planning, the school district's Envision Academy of the Arts opened in September 2009 with 70 students in grades 9-11, expanding to grade 12 next year.

Envision students commit to an extended school day, starting with five periods at Burnsville High School where they take core classes and one elective. This gives them the chance to experience rigorous courses through Advanced Placement and College in the Schools through the University of Minnesota. After lunch, students are transported one mile to the Burnsville Performing Arts Center (PAC) for four more periods immersed in dance, theater and music instruction with certified teachers who are also professionals in their fields.

The PAC has proven to be the perfect setting for a performing arts school. It is a remarkable facility with a 1,000-seat theater with proscenium stage, along with a 150-seat black box. The school utilizes the dance studio as well as two larger classrooms and has access to the stages, dressing rooms, etc. The school benefits from tie-ins with performers booked at the PAC. For example, students recently met with Hollywood actress and writer Amber Tamblyn and they had the opportunity to audition for an off-Broadway holiday musical.

"We started with a blank slate -- new students, teachers new to the district, new building and new program," said Kevin Berdine, music teacher. "It is amazing what we have been able to accomplish."

Envision's first theater production, Shakespeare's "Twelfth Night," recently took place. Students began playing string instruments in October and will interact with professional musicians from the Minnesota Orchestra. Dance students are involved in a collaboration with the James Sewell Ballet company.

Auditions are not required to attend Envision, and students need not be experts in the performing arts. However, they must have a strong interest in developing their talents.

In a recent focus group of Envision students, many commented how good it feels to be in a school with other students and teachers who are as passionate about the arts as they are.

"From the very first day, Envision has felt like a family," said student Marie Kartheiser. She has dreamed all her life of being a "Triple Threat" (singer, dancer and actor). "Now I have that opportunity," she said.

Of the 70 Envision students, 23 are from other school districts while 24 are students of color. The goal is to increase enrollment to 125 for the 2010-11 school year.

"The program created at Envision has exceeded our expectations," said Dave Helke, principal of Burnsville High School. "It's another way for us to meet the unique learning needs of our students."

At the same time Envision opened, the district also debuted three other magnet programs -- a gifted/talented elementary school as well as elementary and junior high school STEM (science, technology, engineering, math) programs. The Board of Education recently voted to move forward with a junior high gifted/talented program to open next fall.



*continued on page 3*

# AMSD 2010 Winter Conference

## On-Line Learning: Fad or Future?

### January 26, 2010

AMSD's 2010 Winter Conference will be held on Tuesday, January 26, 2010, at the Grand Hall in the TIES Building. This year's conference is titled, "**Online Learning - Fad or Future?**" Gary Lopez will be the keynote speaker at the conference. Mr. Lopez is the executive director of the Monterey Institute for Technology and Education. He is the past CEO of NETg, one of the leading providers of e-learning solutions to many of the largest companies in the world including Shell, IBM, AT&T, Honeywell, and Motorola. Under his leadership, NETg developed a library of more than 1,200 multimedia-based courses. Currently, he is leading development of the National Repository of Online Courses (NROC) and Hippocampus, a free resource for creating customized online curriculum. Mr. Lopez will provide a national perspective on the current landscape and future opportunities for online learning.



The keynote address will be followed by four panel discussions made up of local teachers, administrators, students and state policymakers addressing the learning environment in Minnesota. The two morning sessions will focus on programs currently in place at local school districts and existing resources available to school districts. The afternoon sessions will explore various policy issues at both the local and state level that impact online learning.

With the State facing very difficult budget challenges, the conference aims to help school leaders identify the many resources that are available that have the potential to help school districts provide new learning opportunities in a cost effective manner. An additional goal is to identify state policy changes that may be needed to help school districts take advantage of these exciting opportunities.

**"The program created at Envision has exceeded our expectations."  
Burnsville High School Principal Dave Helke**

*continued from page 2*

All magnet programs will be reviewed next year by an outside evaluator to determine their effectiveness, said Clegg. In addition, surveys and/or focus groups with students and families are planned.

The Burnsville-Eagan-Savage School District receives about \$1.4 million a year in integration funding -- 70% from the state and 30% through a local levy. In addition, grants have been received for specific purposes such as the start-up of the strings program and for training for STEM teachers at the Science Museum of Minnesota.

For more information on magnet programs, contact Eileen Abrahamson at 952-707-2077.

*This month's member spotlight was submitted Ruth Dunn, Communications Coordinator, Burnsville-Eagan-Savage Public Schools..*



Instructor Jill Patterson leads a dance class at Envision Academy of the Arts.

## AMSD Board Adopts Legislative Platform

The recently released State Budget Forecast projects a \$1.2 billion deficit for the current biennium and a \$5.4 billion deficit for the 2012-13 biennium. Clearly, state lawmakers face considerable challenges in addressing these staggering budget shortfalls.

The AMSD platform acknowledges these enormous budget challenges and at the same time recognizes that school districts have already made significant budget reductions and staff layoffs to deal with a state funding freeze and aid payment deferrals. The AMSD platform focuses on 3 areas: stabilizing education funding, enhancing local control and establishing an education research center.

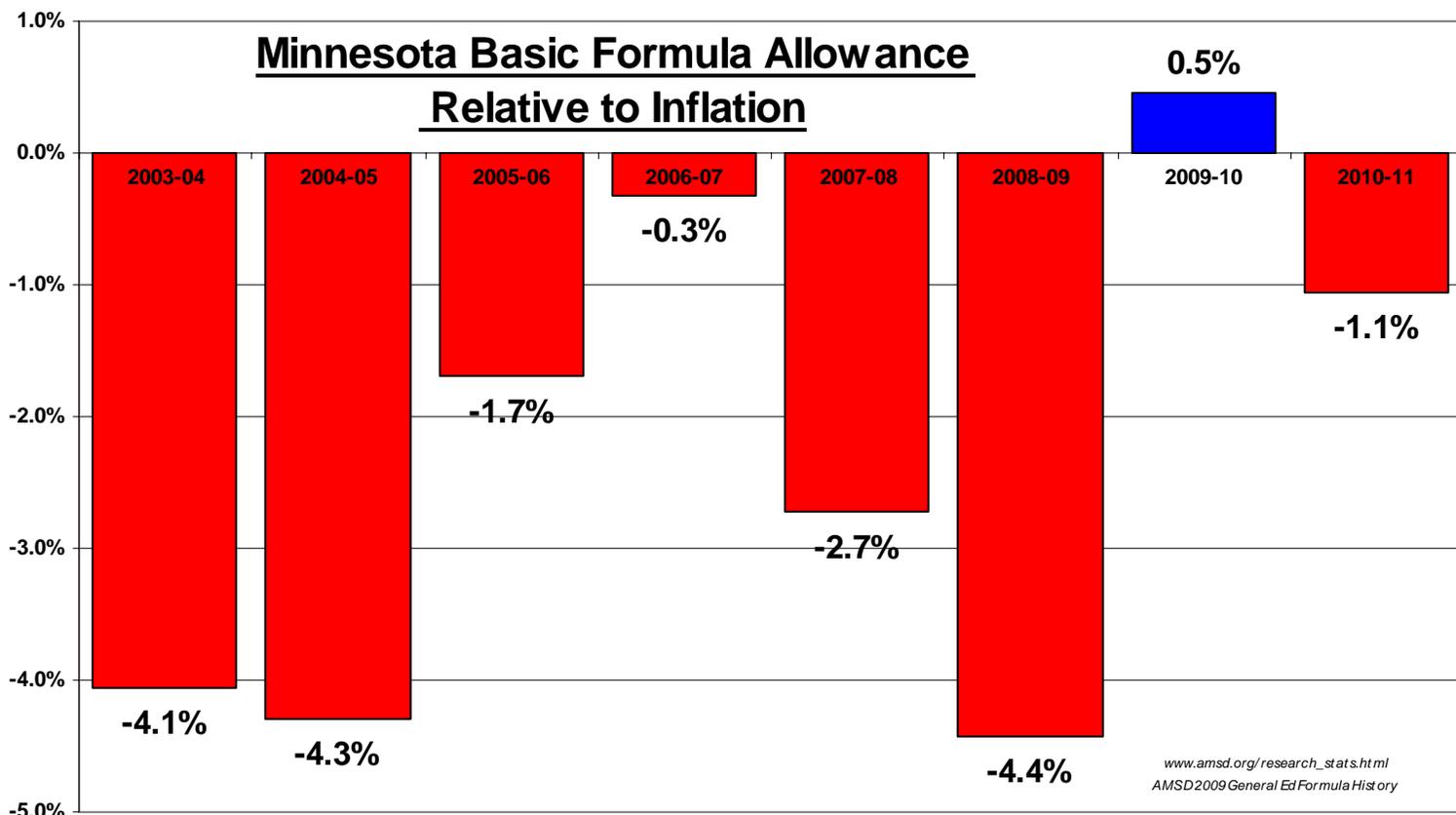
### Stabilize Funding for Schools

AMSD member districts made over \$82 million in budget cuts for the 2009-10 school year including laying off almost 900 staff. It is critical that the Governor and Legislature take steps to stabilize education funding in the short-term and into the future. Specifically, the Governor and Legislature should:

- Adopt a schedule to phase in comprehensive education funding reform based on the New Minnesota Miracle framework
- Grant locally elected school boards temporary, discretionary levy authority until the state budget is stabilized and education funding reform is enacted
- Allow renewal of existing operating and capital projects referenda by a majority vote of the school board

The chart below shows how funding for the basic formula allowance, the most critical component of the general education funding formula, has not kept pace with inflation for many years.

*continued on page 5*



# AMSD 2010 Legislative Platform

*continued from page 4*

### Enhance Local Control

In these extremely challenging times, the Governor and Legislature should enhance local control and reduce cost pressures by implementing a moratorium on any new mandates and repealing or temporarily waiving existing mandates that are not funded or outdated. Examples of actions the Governor and Legislature can take to enhance local control and provide relief to local school districts include but are not limited to:

- Eliminate the maintenance of effort requirement for safe schools revenue
- Remove the penalty for not reaching contract settlements by January 15
- Replace the requirement for a minimum number of student contact days to a comparable number of student contact hours
- Repeal the requirement that school districts negotiate the number and identity of 403(b) vendors
- Allow school districts to publish board minutes and budget information on their web site with a notice in the newspaper stating the web address where the information can be found
- Allow school districts that transport charter school and nonpublic school students to charge for the full cost of transporting students to their sites
- Allow students who have failed the computerized version of the GRAD Reading Test the option of retaking the test in a paper/pencil format
- Repeal the prohibition of starting the school year prior to Labor Day

### Establish an Education Research Center

The Governor and Legislature should establish a non-partisan, independent Education Research Center. The Center should be charged with analyzing, conducting and disseminating research on emerging education issues and serving as a clearing house to share best practices information. The Educational Research Center could:

- Conduct research and make recommendations for enhancing the state's accountability system
- Analyze existing research studies and develop recommendations on critical emerging issues such as on-line learning
- Analyze data collected through the developing state longitudinal data system and identify best practices to increase student achievement
- Identify and disseminate best practices in the area of shared services and local collaboration

Minnesota faces a historic budget challenge that is threatening the state's ability to develop the productive and educated workforce needed to compete in today's global economy. Our ability to compete nationally and internationally is dependent on building a highly-educated workforce. State policymakers need to act strategically in both the short-term and the long-term if Minnesota is to successfully emerge from the worldwide recession. It is critical that state policymakers balance the state budget while simultaneously laying the ground work to invest in human capital and reform our education funding system.

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**AMSD Members:** Anoka-Hennepin, Bloomington, Brooklyn Center, Burnsville, Columbia Heights, East Metro Integration District 6067, Eden Prairie, Edina, Elk River, Fridley, Hopkins, Intermediate District 287, Intermediate District 917 (Associate Member), Inver Grove Heights, Mahtomedi, Minneapolis, MSU Mankato Center for Engaged Leadership (Associate Member), Minnetonka, Mounds View, Northeast Metro Intermediate School District 916 (Associate Member), North St. Paul/Maplewood/Oakdale, Orono, Osseo Area Schools, Richfield, Robbinsdale, Roseville, Rosemount-Apple Valley-Eagan, Shakopee, South St. Paul, Spring Lake Park, St. Anthony/New Brighton, St. Cloud, St. Louis Park, St. Paul, Stillwater, TIES (Associate Member), Wayzata, West Metro Education Program, West St. Paul, and White Bear Lake.

# Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

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## M E M O R A N D U M

Date: December 10, 2009

To: Sandy Lewandowski, Superintendent

From: Jane Holmberg, Executive Director of Teaching and Learning

**Re: District Leadership in Developing Document Imaging Training and Certification**

I am excited to report our district's role in helping develop industry-recognized certification training for document imaging. While our ATTAIN Special Education programs are beginning to train students in the many aspects of document imaging and electronic records retention, our Career and Technical Education programs are bringing together important stakeholders from government and business organizations that have an interest in providing competitive employment for people with disabilities.

A significant step toward developing a certification program for document imaging occurred on October 29. At the invitation of Rose Hobson, 287 Supervisor for Career and Technical Programs, 16 participants from such organizations and agencies as the Minnesota Department of Education, the Governors Council on Developmental Disabilities, Office of the Chancellor for Minnesota State Colleges and University, Lifeworks, and Northeast Metro 916, came together as an expression of interest in a standardized training and certification program that would be recognized by both post-high school facilities and businesses.

The group first discussed a framework proposed by District 287 staff where there would be levels of training and certification based upon three general document task areas: preparation, imaging, and destruction. There was enthusiastic support for working together to refine a program such as this. Participants identified many benefits they perceived for the employers, post high school facilities and, most important, the student. Most important among these are (1) students can enter training programs that lead to meaningful outcomes, and that (2) document imaging work can accommodate to all levels of productivity.

Next steps will include District 287 and Northeast Metro 916 staff convening a group to standardize curriculum. A critical part of this work will be to codify the leveled framework and work with the Commission on Accreditation of Rehabilitation Facilities (CARF) to determine the certifying body. We look forward to playing a key role in making this vision a reality.

# Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

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## M E M O R A N D U M

Date: December 10, 2009  
To: Sandy Lewandowski, Superintendent  
From: Karen Newell, Gifted Outreach/Academic Services  
Re: **Fermi Math League**

The **Fermi Off-the-Wall Math League** is an internet-based **math competition** appropriate for enrichment, small group work and individuals wanting creative, technology- rich experiences. In its **11th year**, the Fermi Math League is open to school districts and individual students worldwide. Last session had over 220 kids playing around with math, art and technology.

In the mid 1990's, District 287 Academic Services offered day-long seminars for students and teachers targeting math and science skills suggested by the TIMMS report, NCREL and NCTM (National Council of Teachers of Mathematics). An area of national need was *estimation skill*. Fermi-style math (questions posed with little or no supporting data) have been a mainstay of physics classes and Science Olympiad competitions for years. I used this type of question as the focal point of workshops with elementary-age children, teaching them the process of estimation and number rounding to best advantage.

In a debriefing session at the end of a workshop in Edina, a fourth-grader named Amanda said that she LOVED Fermi problems, because there was not ONE right answer. Many different answers could be correct "depending on your strategy and the strength of your assumptions." She continued to express her dislike of Continental Math League problems, because if you got one **digit** wrong, you probably failed. Amanda continued, "We should have a Fermi Math League. You can put problems up on the web, and we could email you our answers. A lot of people can be right in different ways, and you could tell us."

That was the beginning of the Fermi Off-The-Wall Math League eleven years ago. It is a program that can meet the needs of many learners. There are currently four divisions: Grade 1-2 (Family Math, with parents/coaches as partners), Grade 3-4, Grade 5-6 and 7-9. The typical *Fermite* fits one of these profiles:

- a young mathematician who loves math and wants more challenge than his/her regular math class offers,
- a group of friends who enjoy the camaraderie of doing challenging math and art,
- small groups who use Fermi as an in-school enrichment model within the school day,
- small groups who are enriched after school at school,
- individuals who love technology and have their own websites on which to build solutions, or
- homeschooled students.

Students register for the competition as solo Fermites, in pairs, trios and teams of four. Districts may pay a flat fee, and offer their home districts unlimited registration, or schools may opt for an *Archive-Only* option that allows teachers and students to work on Fermi problems without submitting their solutions to the competition. I would like to highlight and applaud the Orono Middle School for its work in the session that just ended in mid-November.

Rebekah Hanson, Orono Middle School's G/T coordinator, organized the session for the 6<sup>th</sup> and 7<sup>th</sup> Grade

accelerated math students. 204 students formed teams and submitted entries for six weeks, many using their newly created websites as a focal point for the competition.

Points are scored (see attached rubric) in four areas of creative problem solving that use E. Paul Torrence's model for creative thought: fluency, flexibility, originality and elaboration. Points are given for a) a supported solution, b) a brainstormed list of supporting information necessary (or superfluous) c) a structured response in prose describing the process of solution and d) a model of the solution showing the sample size of the assumption.

The Orono students showed great flexibility and creativity in their solutions. It was a terrific way for me to encourage both student mathematics and writing skills. The spring MCA-II tests require students to "write about" their solutions to several problems. Fermi Math is an ideal way to learn a process for this type question. **Writing about math** is a current hot button in the education world, and we seem to be way ahead of the curve. Teachers tell me that they can always spot former Fermites by their ability to not only tackle and solve math problems, but to write about them in a systematic way.

Many thanks go to Rebekah and the Orono Middle School math teachers who promoted this process among their young learners. This session had students from Wisconsin, Colorado, California and Minnesota participating. In sessions past, our Fermites have come from the American School of Barcelona Spain, the International School in Zurich as well as Canada, Ohio, Oregon, Germany, New Jersey, New York City, Massachusetts and North Carolina. District 287 member teams came from Bloomington, Minnetonka, Eden Prairie, Robbinsdale, and Osseo.

We are currently gearing up for the Winter session that begins January 28, 2010. We anticipate a large contingent of local Fermites from Osseo, Orono, Minnetonka, Eden Prairie and neighboring Rockford.

Please contact me if you are interested in visiting the Fermi website at [www.district287.org/fermi/](http://www.district287.org/fermi/).

I will be happy to supply you with the passwords to enter deep into the Fermi archive where you can view all the past problems offered in the competition.

Karen Newell  
Gifted Outreach/Academic Services  
763-550-7263  
kmnewell@district287.org

Fermi problems are scored according to holistic rubrics. These rubrics are provided as a means to self-evaluate entries before submission, and may help the revision process. Basic information about rubrics is included for parents and teachers who wish to help students gain more responsibility for their creations. [Kid-friendly checklists](#) are provided for self-evaluation.

The following definitions were taken from *Performance Assessment Links in Science*, a website produced as a National Science Foundation project that highlights informal education in elementary and secondary schools. (ESIE)

### Rubric

A rubric is the guide used to score performance assessments in a reliable, fair, and valid manner and is generally composed of dimensions for judging student performance, a scale for rating performances on each dimension, and standards of excellence for specified performance levels.

- **Analytic Scoring.** Analytic scoring provides separate scores for multiple dimensions of student work. Analytic scoring allows for more specific and detailed feedback than holistic scoring. Typically, four- to six-point scales are used to score each dimension of student work.
- **Generic Rubric.** A generic rubric provides general scoring guidelines that can be used for multiple tasks.
- **Holistic Scoring.** Holistic scoring reflects an overall impression of student work and is typically based on a four- to six-point scale indicating specified performance levels. Holistic scoring may be task-specific or generic.
- **Task-specific Rubric.** A task-specific rubric provides scoring guidelines that are only appropriate for a particular task.

Additional information related to rubrics and performance assessment may be viewed at [PALS-Performance Assessment Links in Science](#) Copyright: 1997-2002 SRI International, Center for Technology in Learning. All rights reserved.

Solution and Metacognition - Fermi Math	
10	<b>Exemplary response.</b> Gives a complete response with a clear, coherent, unambiguous and elegant explanation; communicates effectively; shows understanding of the open-ended problem's mathematical ideas and processes; identifies all the important elements of the problem; may include examples and counter examples; presents strong supporting arguments and assumptions.
9-8	<b>Competent response.</b> Gives a fairly complete response with reasonably clear explanations; communicates effectively; shows understanding of the problem's mathematical ideas and processes; identifies the most important elements of the problem; presents solid supporting arguments and assumptions.
7-6	<b>Minor Flaws But Satisfactory.</b> Completes the problem satisfactorily, but the explanation may be muddled; argumentation may be incomplete; understands the underlying mathematical ideas; uses mathematical ideas effectively.
5-4	<b>Serious Flaws But Nearly Satisfactory.</b> Begins the problem appropriately but may fail to complete or may omit significant parts of the problem; may fail to show full understanding of mathematical ideas and processes; may make major computational errors; may misuse or fail to use mathematical terms; response may reflect an inappropriate strategy for solving the problem.

3-2	<b>Begins, But Fails to Complete Problem.</b> Explanation is not understandable; shows no understanding of the problem situation; may make major computational errors.
1-0	<b>Unable to Begin Effectively.</b> Words do not reflect the problem; copies parts of the problem but without attempting a solution; fails to indicate which information is appropriate to the problem.

Modified from: California State Department of Education, *A Question of Thinking*. Sacramento, CA: California State Department of Education, 1989

<b>The Model - Fermi Math</b>	
10	<b>Exemplary response.</b> The model shows a unique, complex response; the problem's theme is communicated in a highly creative manner; the model uses original work/design in its creation, finding a clear balance of originality and multimedia technology; the model uses visual humor; the model shows skillful use of art design and materials; a "sample size" or scale reference is clearly evident and used as a key part of the overall model; the "problem's answer" appears prominently in the model; the model is clearly one-of-a-kind.
9-8	<b>Competent response.</b> The model gives a complete response; the problem's theme is communicated in a predictable manner; the model uses a little original work/design but relies heavily on cut-and-paste artwork or artwork taken from commercial sites; the model takes a literal approach to expression of the problem; the model shows above average use of art design and materials; a "sample size" or scale reference is evident and used as a part of the overall model; the "problem's answer" appears in the model.
7-6	<b>Satisfactory.</b> The model gives a fair response, but in a very predictable manner; the model uses very little original work/design but relies on cut-and-paste artwork or artwork taken from commercial sites; the model is visually "flat"; little attempt is made to use a multimedia-approach to modeling; the model shows average use of art design and materials; a "sample size" or scale reference is not evident in the model; the "problem's answer" is not evident in the model.
5-4	<b>Nearly Satisfactory.</b> The model begins to address the problem appropriately; the model is taken from a commercial source with no attempt to put a personal "spin" on the artwork; little effort is made to connect the model to the problem; no attempt is made to use a multimedia-approach to model building; the model shows below average use of art design and materials; a "sample size" or scale reference is not evident in the model; the model appears to be created "at the last minute"; the "problem's answer" has no connection to the model.
3-2	<b>Begins, But Fails to Complete the Model.</b> The model does not address problem appropriately; no effort is made to connect the model to the problem; the art is substandard for the child's age; the "problem's answer" is missing.
1-0	<b>Fails to Complete the Model.</b> The model is an inappropriate representation of the problem, or is absent.

# Intermediate District 287

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## M E M O R A N D U M

Date: December 10, 2009

To: Sandy Lewandowski, Superintendent

From: Jane Holmberg, Executive Director of Teaching and Learning

**Re: Race to the Top Participation and Memorandum of Understanding**

The Minnesota Department of Education (MDE) is submitting a grant to the United States Department of Education through its *Race to the Top (RTTT)* program. RTTT, funded through the American Recovery and Reinvestment Act of 2009, provides competitive grants to states that are engaged in education innovation and reform. Minnesota is well-positioned to receive these dollars because of the many systemic school improvement efforts we have already undertaken. That being said, this is a highly competitive program that, if awarded, would bring over \$150 million to the state.

MDE is hoping at least half of the state's districts and charter schools will sign on to the proposal being submitted by mid-January. Districts and charter schools are being asked to indicate their intent to participate no later than January 13, 2010 by signing a memorandum of agreement.

The agreement outlines district responsibilities in three major areas: (1) standards and assessment, (2) data systems, and (3) great teaching and leaders. For the first two areas, districts not only would receive dollars directly to coordinate activities but also would receive support for professional development from the MDE. The estimated funding for our district for these two areas would be \$561,526 over four years. For the third area, participating districts would receive Q-Comp funding to implement our state's alternative compensation system no later than 2012-2013. That current dollar figure for four years is estimated to be \$1,719,120; however, this figure could be higher if our proposed white paper legislation is adopted. The total direct funding for our district, therefore, is being estimated by the MDE at \$2,280,646 over four years.

Only districts that submit the memorandum of agreement will be allowed to be part of the program, with the exception of about thirty schools that are among the lowest achieving in the state. For these schools additional dollars and resources will be available, and participation is not optional. MDE will be notifying districts that have these schools shortly: We do not expect that District 287 schools will be among this group because of the state's interest in targeting larger schools.

The MDE will know if Minnesota has been awarded the grant by April, 2010. At that time, all districts that have submitted a memorandum of agreement will have 90 days to submit a workplan to the MDE that clarifies how the budget will be used. This opportunity for additional resources aligns well with efforts our district has already undertaken, and I have every confidence that we would be able to meet the conditions of the memorandum of understanding and write a workplan that would provide important resources to directly impact student achievement in our district.

**INTERMEDIATE SCHOOL DISTRICT 287 #287**

**LEA Preliminary Minnesota Race To The Top Funding Estimate**

As of 12/9/2009



**Estimated RTTT Strategy Cost\***

Estimated cost to implement Race To The Top Strategy \$ 561,526

**RTTT Strategy Funding Sources**

Estimated Title I RTTT 50% by Title I formula \$ -  
Estimated RTTT state supplemental funds\* (if required) \$ 561,526

**Range of Estimated Total RTTT Funding\***

Low (90% of current estimate) \$ 505,373  
Medium \$ **561,526**  
High (110% of current estimate) \$ 617,679

**Range of Additional Q Comp Funding (if not in Q Comp)**

*Student Enrollment:* 1,653  
Year 1 Funding \$ 429,780  
Year 2 Funding \$ 429,780  
Year 3 Funding \$ 429,780  
Year 4 Funding \$ 429,780  

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**TOTAL potential additional Q Comp funding \$ 1,719,120**

Medium Estimated Total RTTT Funding\* \$ 561,526  
Total potential additional Q Comp funding + \$ 1,719,120  

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**Expected Total Incremental Funding through RTTT participation \$ 2,280,646**

\* Note that LEAs receiving state supplemental funds will receive additional state supplemental funds if they have a "persistently lowest-achieving school"

**Race to the Top**  
**Frequently Asked Questions (FAQ)**  
Updated 12/9/09

**General RTTT Questions**

**Q1. What is the deadline for signing up for RTTT?**

**R1.** LEAs must submit a signed Memorandum of Agreement (MOA) by Wednesday, January 13, 2010 by 4:30 p.m. The MOA must be received by the Minnesota Department of Education by Wednesday, January 13, 2010 no later than 4:30 p.m. A signed copy may be delivered or sent by e-mail in a pdf format to [rttt.mde@state.mn.us](mailto:rttt.mde@state.mn.us). If a copy is sent by e-mail, the original copy must be sent by U.S. Mail to:

Lesley Hinz  
Minnesota Department of Education  
1500 Highway 36 West  
Roseville, MN 55113

**Q2. Why does MDE require LEA's to sign on now when the United States Department of Education ("USDE") application allows states the flexibility of allowing LEAs to opt-in 90 days after grant approval?**

**R2.** Minnesota will not allow LEAs to participate after-the-fact for two reasons:

1. LEA participation in advance of the application deadline is a critical factor in scoring state applications and in ultimately determining the few states that will receive RTTT funding
2. Allowing LEAs to sign-up late would also reduce the funding available to LEAs who committed to participate in advance of the deadline

**Q3. Once an LEA agrees to participate can it later decide to withdraw from participation?**

**R3.** Yes. The MOA outlines the terms of participation and termination. If an LEA decides not to participate in RTTT, the federal RTTT funds will either be distributed to participating LEAs or returned to USDE.

**Q4. Can any LEA participate in RTTT even if they have never been identified as needing improvement under *No Child Left Behind*?**

**R4.** Yes. All LEAs are eligible to participate in the program.

**Q5. How long will funding be available to LEAs?**

**R5.** Funding for RTTT will be available for four years.

**Q6. Do LEAs apply for each of the criteria (Standards and Assessment; Data Systems; Great Teachers and Leaders; and Turnaround Struggling Schools) individually or is this a comprehensive application to all of the components of the grant?**

**R6.** RTTT is a comprehensive application. Participating LEAs must implement the first three criteria (Standards and Assessments; Data Systems; and Great Teachers and Leaders) and must participate in the fourth criteria (Turnaround Struggling Schools) if they have an identified school as persistently low performing. There are both mandatory and optional activities in each of the first three criteria.

**Q7. How will the program funding be sustained given the state's current and projected budget deficit?**

**R7.** Participating LEAs will receive state and local funding for participating in the Q Comp program. The Q Comp program provides \$260 per student in state and local revenues for implementation, and many of the RTTT activities are aligned to the Q Comp program. In addition, some activities are considered one-time expenditures (such as data systems) and permanent funding will not be necessary.

**Q8. Is all the grant money in addition to current federal and state funding formula?**

**R8.** Yes, RTTT could mean more than \$200 million for participating LEAs.

**Q9. If we choose not to participate, what happens to our funding?**

**R9.** RTTT funding is based on the number of participating LEAs; therefore, funding will be re-allocated to participating LEAs or returned to USDE.

**Q10. How much time will a participating LEA have to implement all components?**

**R10.** The timeline for implementation is available in the MOA.

**Q11. Why are concurrent enrollment programs not included in the grant?**

**R11.** USDE is requiring states to use programs with proven research in improving student achievement, particularly for minority students. While Minnesota has strong concurrent enrollment programs, it does not have adequate research regarding access and rigor of the programming.

#### **Assurance #1: Standards and Assessments**

**Q1.1. Will there be more rapid turnaround for the MCA-II data?**

**R1.1.** The intention is the next generation of assessments – the MCA-IIIs starting with mathematics in 2011 – will have a much wider testing window. Once the inaugural test had been developed in the 2010-11 school year, our expectation is that results will be available within 72 hours of the assessments. The current plan is that a student could participate in the exam up to three times and the highest score would be used for Adequate Yearly Progress (AYP) calculations. The formative or interim assessment data will be made available within 72 hours after administering the assessment.

**Q1.2. Will the state determine a defined testing window for the formative or interim assessments?**

**R.1.2.** No. The LEAs will determine when the formative or interim assessments are delivered and administered.

**Q1.3. Does MDE have a list of approved vendors for the interim assessments?**

**R1.3.** MDE will approve 1-3 vendors, and LEAs will have access to these vendors. MDE will go through an RFP process to approve vendors. Participating LEAs will receive RTTT funding for the formative assessments.

**Q1.4. How many states are involved in the common core standards initiative?**

**R1.4.** 48 states and three territories are involved in the common core standards initiative.

**Q1.5. Will all LEAs be subject to the new common core standards regardless of participation in RTTT?**

**R1.5.** Yes. Participating LEAs will receive resources and support for implementing the new common core standards.

**Q1.5. Will schools not taking part in RTTT still have access to the Educational Portal updates?**

**R1.5.** Yes. Participating LEAs will receive resources and support in the form of professional development and data coaches.

#### **Assurance #2: Data Systems**

**Q2.1. If we already have good data analysis tools and web-based dashboard tools in place for our teachers and principals, do we have to use the state tools?**

**R2.1.** No, although all LEAs (participating and non-participating) will be required to submit and enter data into the State's Longitudinal Data System (LDS).

**Q2.2. We have one hour per week of job-embedded professional (PLC time) focusing on student data. Can this count toward the five days per year?**

**R2.2.** Yes, if the PLC time aligns with the criteria and activity in the RTTT plan. LEAs should make a notation on their MOA if they already undertake activities outlined in the RTTT plan.

**Q2.3. Will the P-20 Longitudinal Data System (LDS) replace existing data systems used by LEAs?**

**R2.3.** Yes.

#### **Assurance #3: Great Teachers and Leaders**

**Q3.1. Why is the state linking the RTTT plan to Q Comp?**

**R3.1.** The RTTT application requires that applicants differentiate teacher and principal evaluation and compensation. The state of Minnesota is in a unique position to receive full or a large share of points on the criteria which may result in a winning application. In addition, since the state of Minnesota will likely receive few points on the alternative pathways criteria, as compared to other competitive states, it will be necessary to enhance the state's application by including the Q Comp requirements.

**Q3.2. Will any of this funding be tied to the current Q Comp model? Is it intended to replace that model?**

**R3.2.** The RTTT funding tied to the current Q Comp model is intended to enhance the current model by allowing principals to participate, increasing professional development time and strengthening the overall model.

**Q3.3. What is the deadline for participating in the Q Comp program?**

**R3.3.** LEAs must develop and agreed to a Q Comp plan no later than July 1, 2012 for the 2012-13 school year. School districts may enter the program earlier, and Minnesota Statute section 122A.414 allows districts and local unions to re-open existing master agreements for the purpose of developing and implementing Q Comp.

**Q3.4. Will LEAs be able to participate in RTTT even if the Q Comp plan is not implemented prior to July 1, 2012.**

**R3.4.** Yes. However, LEAs who do not negotiate a Q Comp plan by July 1, 2012 will be disallowed from further participation in the RTTT program. The remaining RTTT funding will be re-allocated to other participating LEAs or returned to USDE.

**Q3.5. If an LEA is currently not participating in Q Comp, can they commit and apply and how might they get involved?**

**R3.5.** LEAs must develop and agreed to a Q Comp plan no later than July 1, 2012 for the 2012-13 school year. School districts may enter the program earlier, and Minnesota Statute section 122A.4144 allows districts and local unions to re-open existing master agreements for the purpose of developing and implementing Q Comp.

**Q3.6. Is there anything LEAs in the Q Comp development phase should be considering?**

**R3.6.** The most significant change in the development phase of Q Comp is including principals in the program. Otherwise, the development phase should not be dramatically different from past years.

**Q3.7. Will Q Comp funds continue to be available in addition to RTTT funds?**

**R3.7.** Q Comp funds will be available up to the 55% student enrollment cap on participation. Currently, the enrollment cap is around 33% of students enrolled.

**Q3.8. For non-Q Comp districts, what is the process for getting the local union's buy-in to submit an application for RTTT. Is that a separate vote?**

**R3.8.** The RTTT application only requires a signature from an authorized person of the LEA. It does not require a separate vote of the teachers. However, the Minnesota Department of Education strongly encourages the LEA to seek teacher input and signature on the MOA. The LEA and local representative of teachers may decide to enter into a separate MOA.

As it relates to the Q Comp program, the state statute does require signatures from both the district and representatives of teachers.

**Q3.9. Will it be requirement that LEA's participate in some form of Q Comp? If so, will there be any exceptions?**

**Q3.9.** No, participating LEAs must fully participate in Q Comp.

**Q3.10. Will you please provide clarification on how Q Comp will need to be structured under this grant? Will it follow the same requirements as currently? What are the additional requirements that were mentioned?**

**R3.10.** LEAs participating in RTTT will adopt enhanced Q Comp implementation; including: requiring principal participation, strengthening teacher evaluations and professional development, ensuring performance is differentiated by student growth and adding Peer Assistance and Review for principals and teachers.

**Q3.11. How will the state handle the situation if a large number of schools participate in Q Comp and that amount is greater than the amount allocated for Q comp currently for Q Comp?**

**Q3.11.** The State will re-assess the situation if demand for participation is larger than the current 55% student enrollment cap.

**Q3.12. If we participate in Q-comp do we receive the state Q Comp funding and the funds from the grant?**

**R3.12.** Yes. LEAs will qualify for \$260 per student in state and local revenues under the Q Comp program.

**Q3.13. What are the differences in criteria and purposes of the proposed tiers of teacher licensure?**

**R3.13.** The Minnesota Board of Teaching will determine the criteria by promulgating new rules and will have a public process in developing the new teacher licensure rules. LEAs are encouraged to participate in this process.

**Q3.14. If all teachers are "continuing", how do we identify who our master teachers are?**

**R3.14.** The Board of Teaching will set the determinations for master teachers through the rulemaking process. LEAs are encouraged to participate in the process.

**Q3.15. Will non-participating LEAs be subject to the same licensing provisions for teachers and principals?**

**R3.15.** Yes. All LEAs will be subject to new licensing rules if the Board of Teaching promulgates new rules. Participating LEAs will have access to resources to communicate and support the new licensure changes.

**Q3.16. What is meant by reporting principal and teacher evaluation results, when and where available?**

**R3.16.** All LEAs will be required to report principal and teacher evaluation results as part of the State Fiscal Stabilization Funds. The reporting period will begin during the 2010-11 school year. More information will be forthcoming from the Minnesota Department of Education.

**Q3.17. When will teacher and principal training occur?**

**R3.17.** RTTT includes opportunities for teacher and principal training to occur during the work day, during breaks and throughout the summer.

**Q3.18. Would the grant covered staff to implementation strategies?**

**R3.18.** Yes. It is the intent of RTTT to assist districts in implementing the strategies outlined in the grant, and LEAs may use their RTTT allocation to hire staff necessary to implement the strategies and activities.

**Q3.19. Student services positions (e.g., counselors, social workers, school nurses, etc) have not been mentioned. Will these positions fall under the same requirements as teachers and principals?**

**R3.19.** Yes. Counselors, social workers, school nurses, etc. are included in the teacher bargaining unit in Minnesota.

**Q3.20. If all teachers are "continuing", how do we identify who our master teachers are?**

**R3.20.** The Board of Teaching will set the determinations for master teachers through the rulemaking process. LEAs are encouraged to participate in the process.

**Q3.21. Are improved teacher and principal prep programs and alternative certification in direct conflict with each other?**

**R3.21.** No. The RTTT plan requires that both traditional and alternative preparation programs are rigorous and comprehensive.

#### **Assurance #4: Turn Around Struggling Schools**

**Q4.1. Concerning the qualification of the 30-40 schools in the criteria that you outlined, will this opportunity then only be available to those 30 to 40 schools that meet that specific criteria? Or will there be some funding/opportunity available to the broader group?**

**R4.1.** The Turn Around Struggling Schools criteria only applies to the 30-40 schools that will be identified under the criteria set forth by USDE. However, all school districts will have the opportunity to access funding for the remaining assurances.

**Q4.2. Will schools in need of AMAO turn around support be included in this opportunity?**

**R4.2.** RTTT is available to all LEAs in Minnesota. If the AMAO identified school meets the criteria "persistently low-achieving" the school will receive specific assistance under the Turnaround Struggling Schools criteria. However, RTTT will provide assistance to

states to improve education overall and achievement for their students. Minnesota's plan specifically includes a review Minnesota's current English Language Proficiency Standards (ELP) along with far-reaching professional development opportunities.

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## Editorial: State must compete in Race to the Top

Stakeholders should set aside differences in spirit of innovation.

Last update: December 7, 2009 - 5:48 PM

Last week's forecast that more billion-dollar budget deficits are on the horizon in Minnesota doesn't bode well for any institution that relies on state aid. And though state lawmakers protected the \$12 billion-plus K-12 education budget from deep cuts this year, that probably won't happen in 2010.

With budgets under pressure, Minnesota education administrators, teachers unions and their partners should put aside their differences and do what it takes to win a share of federal stimulus money earmarked for education reform as part of the Race to the Top program. Federal help under the program could be the only new money available for our public schools in the near future.

As part of the American Recovery and Reinvestment Act, the Obama administration allocated about \$4.5 billion to be split by 10 to 15 states. Applications for the competitive

Race to the Top grants are due in mid-January.

Minnesota is well-positioned to receive the funds based on efforts that are already underway. Last fall, the Department of Education held a series of public meetings to gather input and produced a draft application based on those meetings. Now officials are taking the document to local districts and other education stakeholders for revisions.

To receive the grants, states must demonstrate that they have improved student achievement in the past and have innovative reform plans in six areas, including standards and assessment, data-supported instruction, effective teaching, and turning around struggling schools. States must also show that they can deliver educational services differently and more effectively.

A recent grant announcement from the Bush Foundation should boost the state's chances. The local nonprofit will spend \$40 million over the next few years to help overhaul the way education students are trained at 14 Minnesota universities. The funds will be used to attract the best and brightest students to teaching and then equip them to improve student achievement.

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In addition, Minnesota set high academic standards and is beginning to use student assessment data more effectively. Minnesota's charter schools and the Q Comp alternative teacher pay plan, which ties compensation to student achievement, should also give the state bonus points on the application.

As a Race to the Top state, Minnesota could receive an estimated \$175 million. But equally important are the criteria for awarding those dollars. The larger goal is to drive innovation and change because it's clear that spending more money on the same old methods won't improve educational outcomes.

Though Minnesota is a good candidate, receiving a grant is not a slam dunk. Nearly 30 states are considered competitive or somewhat competitive. Some have legislatively removed caps on charter schools or adopted pay-for-performance plans specifically to meet grant application criteria. Minnesota needs to do a better job of creating alternative pathways to teaching and be less restrictive about allowing proven methods such as the longer school hours approaches in KIPP schools to be used in the state.

In some states, resistance to reforms from special interest groups has hampered the application process. Minnesotans should expect better from their educators, legislators and teachers. We urge stakeholders in education to set aside partisanship and turf battles and work together on a grant proposal that is best for kids.

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**INTERMEDIATE DISTRICT 287**  
**PLYMOUTH, MINNESOTA**  
**BOARD OF EDUCATION**

Regular Meeting – December 17, 2009

**AGENDA SECTION:** INSTRUCTIONAL REPORT

**ITEM:** 7.3 Race To The Top Application

**PRESENTED BY:** Superintendent Lewandowski

**1. Background Information**

The Minnesota Department of Education (MDE) is applying for federal Race to the Top (RTTT) dollars through the United States Department of Education. The preliminary Race to the Top (RTTT) funding estimate provided by the MDE for our district would total to \$2,280,646 over four years. Action is requested to authorize the Superintendent to submit the Race to the Top memorandum of agreement on behalf of Intermediate District 287.

**2. Fiscal Impact/Funding Source: None**

**3. RECOMMENDED ACTION: Board approval to authorize the Superintendent to submit the Race to the Top memorandum of agreement on behalf of Intermediate District 287 as presented.**

Motion by: \_\_\_\_\_ Yes \_\_\_\_ Passed \_\_\_\_

Second by: \_\_\_\_\_ Yes \_\_\_\_ Failed \_\_\_\_

Abstentions: \_\_\_\_\_

**INTERMEDIATE DISTRICT 287**  
**PLYMOUTH, MINNESOTA**  
**BOARD OF EDUCATION**

Regular Meeting – December 17, 2009

**AGENDA SECTION:** ADMINISTRATIVE SERVICES REPORTS

**ITEM:** 8.1a Approval of Routine Monthly Finance Report

**PRESENTED BY:** Janet A. Johnson, Director of Finance

**1. Background Information**

The November Budget vs. Actual Reports are presented for Board information and review. These reports indicate that year-to-date revenue in all funds (excluding the SEC building project) totals \$34,268,907, or 49.9% of the revenue budget of \$68,645,483. Year-to-date expenditures in all funds (excluding the SEC building project), total \$25,362,958 or 37.5% of the expenditure budget of \$67,594,041.

The reports show actual amounts (Revenue on one sheet and Expenditures on the other), and their percentage of budget. The Prior Year Actual column represents June 30, 2009. These numbers are still preliminary. The numbers will be adjusted as we finalize the year and work on the audit. Additional detail is available on request.

DDA

Attachments

**2. Fiscal Impact/Funding Source:** None

**3. RECOMMENDED ACTION:** The Board approve the Finance & Donation Report items as presented.

Motion by: \_\_\_\_\_ Yes \_\_\_\_ Passed \_\_\_\_

Second by: \_\_\_\_\_ Yes \_\_\_\_ Failed \_\_\_\_

Abstentions: \_\_\_\_\_

REPORT: EXPREV 006 REVENUE SUMMARY BY FUND - Board Report  
 STATEMENT OF REVENUE  
 DIST 287 Intermediate District 287 ACCOUNTING PERIOD 11/01/09 TO 11/30/09

RUN: FRI 120409 13:30 PAGE 1

ACCT STATUS: All Account Statuses  
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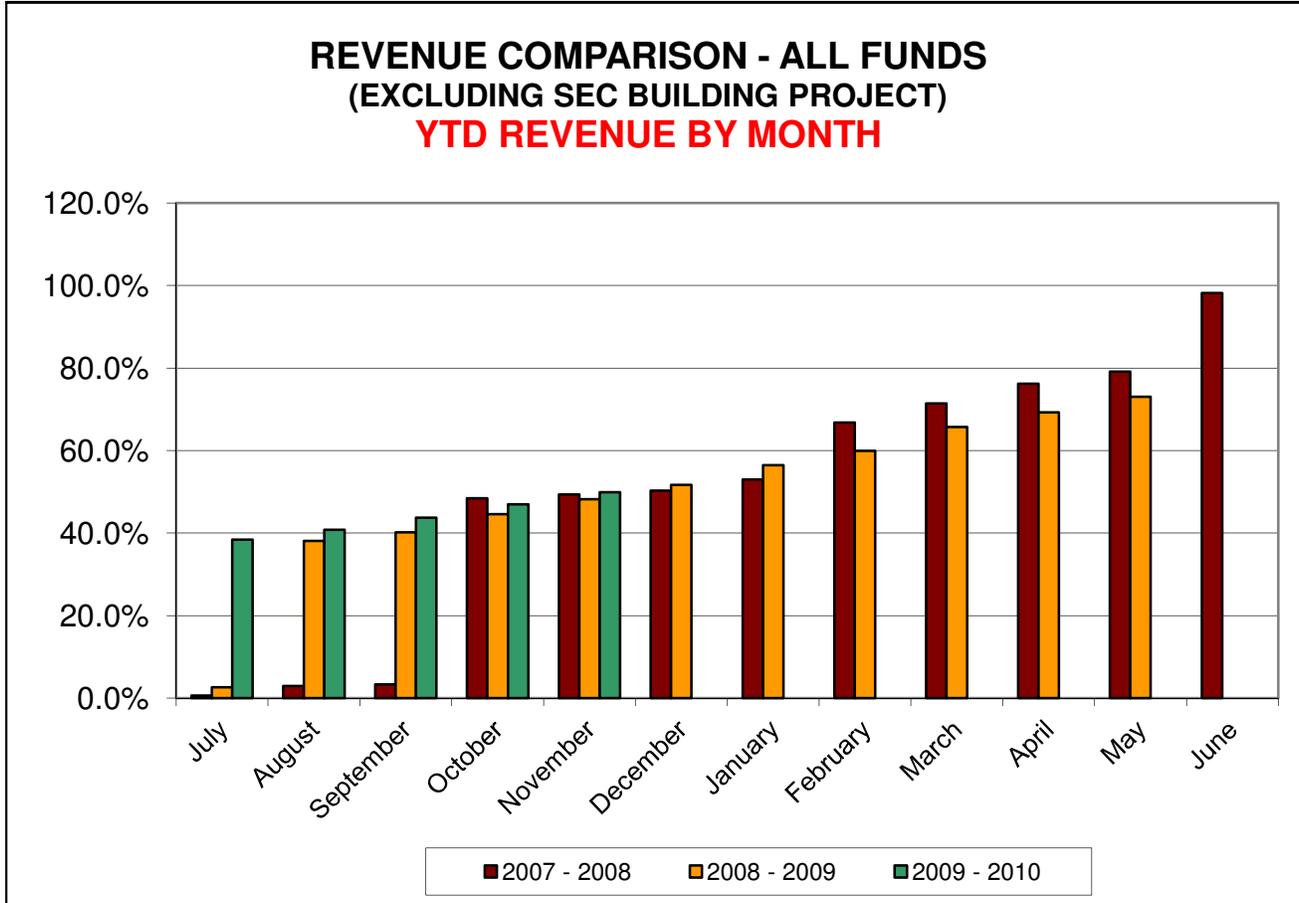
ACCOUNT RANGES: 01 TO 51-999  
 INCLUDE/EXCLUDES: EXL FD 11 11

FD	PRIOR YEAR ACTUAL	< - - - - - REVISED BUDGET	FISCAL YEAR 200907		- - - - - >	
			11/01/09 11/30/09	RECEIVED THRU 11/30/09	REMAINING ON 11/30/09	PERCENT REMAINING
01 GENERAL FUND	17,467,227.38	17,855,366	23,568.09	24,536,092.53	6,680,726.53-	37.41-%
02 FOOD SERVICE FUND	302,050.35	292,083	9,869.00	12,134.90	279,948.10	95.84 %
04 COMMUNITY SERVICE FUND	266,239.17	298,238	28,544.25	109,008.02	189,229.98	63.44 %
09 AGENCY FUND - FLEX FUND	345,077.73	0	34,064.98	109,191.40	109,191.40-	0.00 %
12 ALC-ACADEMIC	7,079,991.62	6,594,462	82,978.61	350,990.15	6,243,471.85	94.67 %
13 CAREER & TECH	2,041,177.52	2,096,042	425.05	51,272.05	2,044,769.95	97.55 %
14 SPECIAL EDUCATION	43,835,532.02	41,480,492	1,807,403.94	8,979,997.25	32,500,494.75	78.35 %
20 INTERNAL SERVICE FUND	455,152.13	0	27,774.84	115,702.78	115,702.78-	0.00 %
30 KEYSTONE ITD	789,702.24	0	0.00	0.00	0.00	0.00 %
51 STUDENT CLUBS	33,018.69	28,800	2,262.73	4,517.54	24,282.46	84.31 %
*** REPORT TOTALS:	72,615,168.85	68,645,483	2,016,891.49	34,268,906.62	34,376,576.38	50.07 %

# DISTRICT 287

## REVENUE COMPARISON - ALL FUNDS EXCLUDING SEC BUILDING PROJECT

Month	2007 - 2008		2008 - 2009		2009 - 2010	
	\$ Amount	% of Budget	\$ Amount	% of Budget	\$ Amount	% of Budget
July	400,609	0.6%	1,848,739	2.6%	26,339,259	38.4%
August	1,432,190	3.0%	25,269,197	38.1%	1,662,122	40.8%
September	235,664	3.3%	1,488,574	40.2%	2,014,369	43.7%
October	27,973,935	48.4%	3,156,289	44.6%	2,236,266	47.0%
November	612,106	49.4%	2,534,489	48.2%	2,016,891	49.9%
December	542,422	50.3%	2,467,467	51.6%		
January	1,662,562	52.9%	3,455,875	56.5%		
February	8,585,201	66.8%	2,420,448	59.9%		
March	2,880,213	71.4%	4,158,279	65.7%		
April	2,946,944	76.2%	2,528,874	69.3%		
May	1,848,504	79.1%	2,695,389	73.1%		
June	11,826,805	98.2%				
<b>TOTAL</b>	<b>60,947,155</b>	<b>98.2%</b>	<b>52,023,620</b>	<b>73.1%</b>	<b>34,268,907</b>	<b>49.9%</b>
<b>BUDGET</b>	<b>62,060,730</b>		<b>71,203,550</b>		<b>68,645,483</b>	



REPORT: EXPREV 007 EXPENDITURE SUMMARY BY FUND - Board Rept  
 STATEMENT OF EXPENDITURES  
 DIST 287 Intermediate District 287 ACCOUNTING PERIOD 11/01/09 TO 11/30/09

RUN: FRI 120409 13:30 PAGE 1

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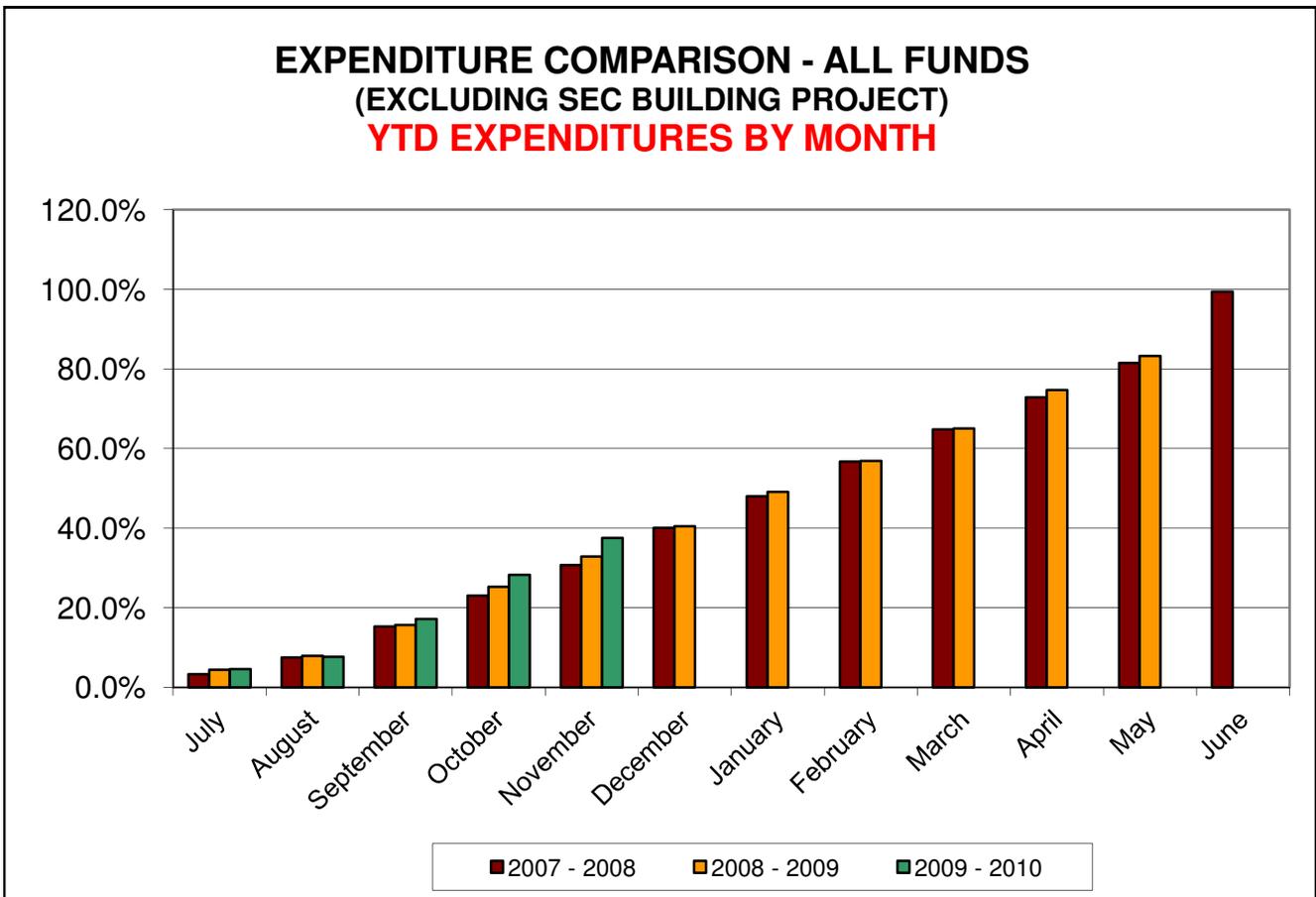
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 INCLUDE/EXCLUDES: EXL FD 11 11

FD	PRIOR YEAR ACTUAL	< - - - - - REVISED BUDGET	FISCAL YEAR 200907					REMAINING ON 11/30/09	PERCENT REMAINING
			11/01/09 11/30/09	EXPENDED THRU 11/30/09	ENCUMBERED THRU 11/30/09	REMAINING	PERCENT		
01 GENERAL FUND	17,852,731.87	18,088,590	1,144,434.74	7,315,524.66	1,866,973.57	8,906,091.77	49.23 %		
02 FOOD SERVICE	302,050.35	292,083	23,996.65	67,326.18	145,493.71	79,263.11	27.13 %		
04 COMMUNITY SERVICE FUND	289,448.48	306,254	23,498.16	155,245.63	37,683.36	113,325.01	37.00 %		
09 AGENCY FUND - FLEX FUND	341,688.38	0	34,064.98	109,637.66		109,637.66-	0.00 %		
12 ALC-ACADEMIC	7,224,666.69	6,384,932	598,358.86	2,440,857.01	147,543.24	3,796,531.75	59.46 %		
13 CAREER & TECH	2,006,377.55	1,790,533	148,154.36	551,003.81	34,472.09	1,205,057.10	67.30 %		
14 SPECIAL EDUCATION	41,043,925.36	40,702,849	4,223,633.01	14,442,347.16	610,717.54	25,649,784.30	63.01 %		
20 INTERNAL SERVICE FUND	492,265.73	0	0.00	26,894.89		26,894.89-	0.00 %		
30 KEYSTONE IDT	789,702.24	0	50,000.00	250,000.00	350,000.00	600,000.00-	0.00 %		
51 STUDENT CLUBS	30,181.55	28,800	792.49	4,120.54	0.01	24,679.45	85.69 %		
*** REPORT TOTALS:	70,373,038.20	67,594,041	6,246,933.25	25,362,957.54	3,192,883.52	39,038,199.94	57.75 %		

# DISTRICT 287

## EXPENDITURE COMPARISON - ALL FUNDS EXCLUDING SEC BUILDING PROJECT

Month	2007 - 2008		2008 - 2009		2009 - 2010	
	\$ Amount	% of Budget	\$ Amount	% of Budget	\$ Amount	% of Budget
July	2,008,388	3.3%	3,131,464	4.5%	3,110,761	4.6%
August	2,561,280	7.5%	2,428,763	7.9%	2,109,112	7.7%
September	4,716,139	15.3%	5,457,295	15.7%	6,398,418	17.2%
October	4,726,362	23.0%	6,728,518	25.3%	7,497,732	28.3%
November	4,673,596	30.7%	5,330,730	32.8%	6,246,933	37.5%
December	5,674,687	40.1%	5,361,530	40.5%		
January	4,836,357	48.0%	6,044,579	49.1%		
February	5,284,415	56.7%	5,459,050	56.8%		
March	4,912,859	64.8%	5,770,557	65.1%		
April	4,917,092	72.9%	6,755,660	74.7%		
May	5,233,528	81.5%	6,017,108	83.2%		
June	10,913,129	99.4%				
<b>TOTAL</b>	<b>60,457,830</b>	<b>99.4%</b>	<b>58,485,254</b>	<b>83.2%</b>	<b>25,362,958</b>	<b>37.5%</b>
<b>BUDGET</b>	<b>60,816,267</b>		<b>70,271,671</b>		<b>67,594,041</b>	



# INTERMEDIATE DISTRICT 287

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*Partner in Education*

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DATE: **December 4, 2009**

TO: Members of the School Board

FROM: Janet A. Johnson, Director of Finance

RE: **Cash Report - November** Claims, Payroll, Receipts, Investments and Cash Position

A. Recommendation: Request the Board approve payment of the items listed below:

- |  |  |
|--|--|
| 1. Claim payments for: <b>November 2009</b>  | Totaling <u><u>\$ 4,082,934.05</u></u> |
| a) Check #'s <b>475521 - 475946, 70005257 - 70005435</b><br>and Electronic Wire Transfers out - #'s <b>2078 - 2086</b> |  |
| 2. Payroll for: November 2009  | Totaling <u><u>\$ 2,067,280.51</u></u> |
| a) Check #'s <b>674978 - 674997</b><br>b) Direct Deposit #'s <b>159817 - 161565</b>                                    |  |
| 3. Receipts for: November 2009   | Totaling <u><u>\$ 6,641,366.18</u></u> |
| a) Receipt #'s <b>125459 - 125613</b><br>and Electronic Wire Transfers in  |  |
| 4. Investments at end of month   | Totaling <u><u>\$ 6,902,780.29</u></u> |

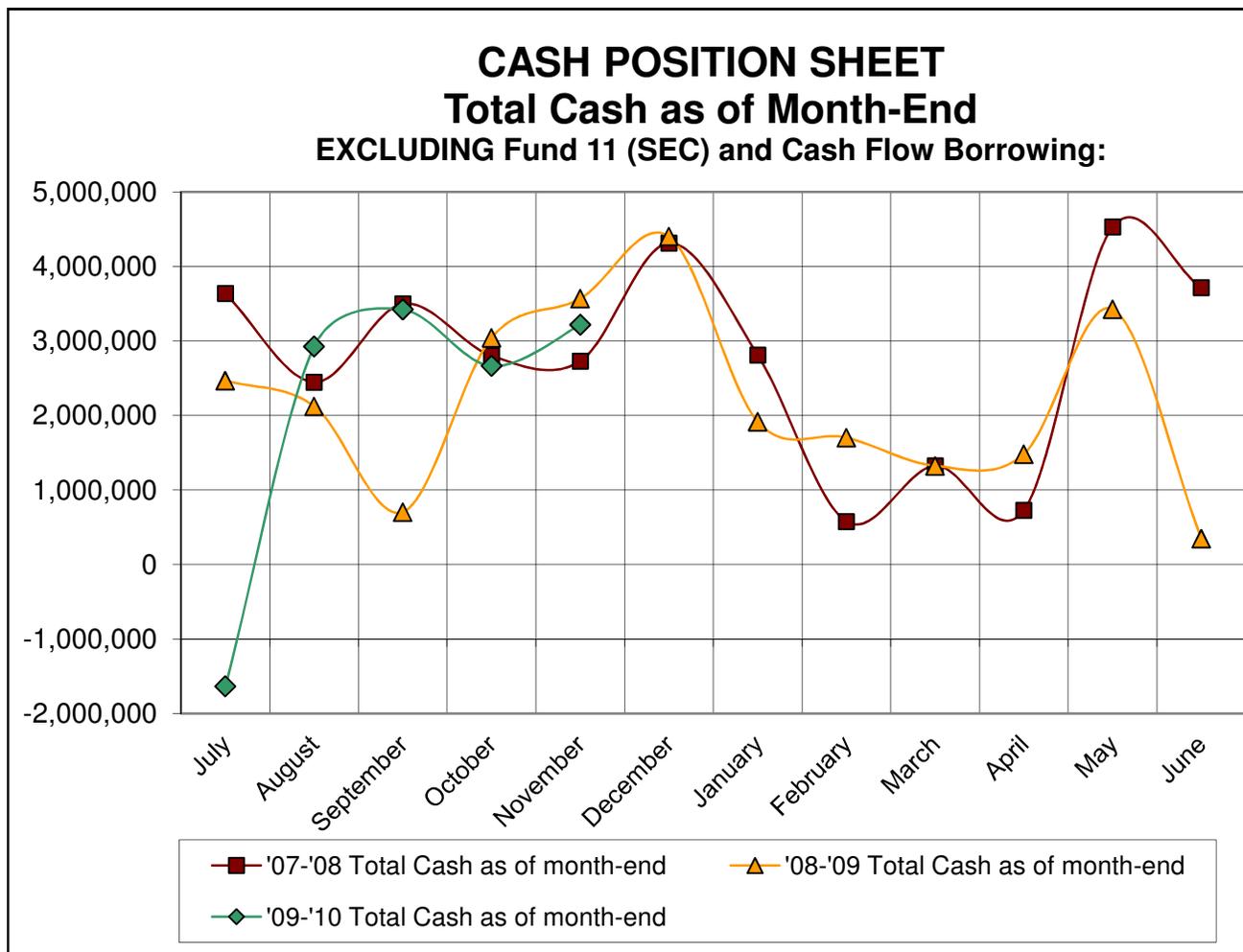
Expenditures, wire transfers, payroll, claims receipts and investments have been prepared under the direction of Dave Anderson and is presented for approval by the School Board. Dave and I would be glad to answer any questions.

# Intermediate District 287

Cash Position Sheet- Monthly Total Net Cash- All Accounts  
(EXCLUDING Fund 11 - SEC):

<u>Date</u>	<u>'07-'08 Total Cash as of month-end</u>	<u>'08-'09 Total Cash as of month-end</u>	<u>'09-'10 Total Cash as of month-end</u>
July	3,634,310	2,466,323	-1,635,886
August	2,446,506	2,120,954	2,924,129
September	3,498,121	703,434	3,420,767
October	2,800,950	3,040,273	2,663,437 *
November	2,729,418	3,565,934	3,215,281
December	4,311,267	4,399,671	
January	2,810,576	1,915,347	
February	575,941	1,701,975	
March	1,323,615	1,323,076	
April	727,725	1,481,056	
May	4,527,215	3,423,055	
June	3,711,348	347,873	

\* excludes Aid Anticipation Certificate proceeds of \$4,902,195.65 in October, 2009



**INTERMEDIATE DISTRICT 287  
NOVEMBER 2009 ACTIVITY**

**WIRE TRANSFERS IN:**

DATE	AGENCY	TO	EF#	AMOUNT	DESCRIPTION
11/3/2009	HENN TECH COLL BP	MSDLAF	4287651	246.82	INV#66174 POSTAGE CHGS
	HENN TECH COLL BP	MSDLAF	4287651	1,323.30	INV#66175 COPY & BINDING CHGS
11/10/2009	DEED-FISCAL	MSDLAF	4300246	35,125.17	INV#66169 D/HH VECTOR INTERPRETER
11/12/2009	EDUCATION AID	MSDLAF	4306601	17,917.48	01S211 GEN ED AID 10 50/50 COMPENSATORY REV
	EDUCATION AID	MSDLAF	4306601	984,718.66	01S360 SPEC EDUC FY09 RECEIVABLE
	EDUCATION AID	MSDLAF	4306601	1,664,778.01	01S360 SPEC EDUC FY10 AID
	EDUCATION AID	MSDLAF	4306601	16,116.62	01S211 ONLINE LEARNING FY09
	EDUC - FOOD	MSDLAF	4306601	2,456.42	02F705 BREAKFAST 10 CFDA 10553
	EDUC - FOOD	MSDLAF	4306601	727.92	02F701 REG LUNCH 10 CFDA 10555
	EDUC - FOOD	MSDLAF	4306601	5,399.91	02F701 FREE & RED L 10 CFDA 10555
11/13/2009	MEDIATIONS SVS	MSDLAF	4311219	2,604.92	INV#66172 BUREAU OF MEDIATIONS
11/24/2009	PERPICH CTR ARTS	MSDLAF	4327420	1,252.90	INV#66204 ALC BILLING CORRECTION

**MTD TOTALS**

2,732,668.13

**WIRE TRANSFERS OUT:**

DATE	FROM	AGENCY	EF#	AMOUNT	DESCRIPTION
11/15/2009	MSDLAF	MN DEPT OF REVENUE	2078	59,028.76	STATE WITHHOLDING TAXES
	MSDLAF	US BANK	2079	355,119.69	FEDERAL TAXES
	MSDLAF	US BANK		1,029,988.29	DIRECT DEPOSIT PAYROLL
	MSDLAF	ING	2080	6,986.90	MN STATE RETIREMENT(ING)
	MSDLAF	EBC	2081	83,188.51	EMPLOYEE & EMPLOYER 403B
11/30/2009	MSDLAF	MN DEPT OF REVENUE	2082	59,519.67	STATE WITHHOLDING TAXES
	MSDLAF	US BANK	2083	354,326.55	FEDERAL TAXES
	MSDLAF	US BANK		1,024,845.87	DIRECT DEPOSIT PAYROLL LESS STOP PAYMENT
	MSDLAF	EBC	2084	70,376.90	EMPLOYEE & EMPLOYER 403B
	MSDLAF	US BANK	2085	34,064.98	CORP. HEALTH SYSTEMS NOV09
	MSDLAF	US BANK	2086	85.63	US BANK ARP CHGS VOUCHER
	MSDLAF	US BANK	4054	87.12	US BANK ARP CHGS PAYROLL
	MSDLAF	US BANK	3042	74.95	US BANK ARP CHGS RECEIPT

**MTD TOTALS**

3,077,693.82



**DONATIONS**  
**INTERMEDIATE DISTRICT 287**  
**2009-2010**

**November 2009**

<b>DON. DATE</b>	<b>DESCRIPTION</b>	<b>VIN#</b>	<b>EST VALUE</b>	<b>DONOR</b>	<b>SS# OR FED ID#</b>	<b>PROGRAM</b>
11/20/09	CHECK		\$ 400.00	MYKLEBUST, CHARLENE/RICHARD		BREN ROAD
11/06/09	CHECK		\$ 100.00	RESIDENTIAL MORTGAGE GROUP		NORTH VISTA
11/05/09	WHEEL CHAIRS - 2		\$ 200.00	UNIVERSAL HOSPITAL SERVICE		SOUTH EDUCATION CENTER
11/11/09	OFFICE FURNITURE		\$ 1,250.00	VANDERHAM DONNA		HOSTERMAN
09/01/09	GIFT CARDS		\$ 60.00	WEDGE THE		SOUTH EDUCATION CENTER
			\$ 2,010.00			

# **Intermediate School District #287**

## **Purchase of Edgewood Elementary School**

### **Participants in Financing**

#### **Financial Advisor (Springsted Incorporated)**

- Professionals who offer unbiased advice on financial matters to their clients – represent solely the interests of the issuer
- Recommend suitable financial products from the whole of the market
- Conduct a detailed survey of their client's financial position, preferences and objectives
- Advise appropriate action(s) to meet the client's objectives
- Recommend a suitable financial product to match the client's needs
- Coordinates financing process

#### **Bond Attorney (Dorsey & Whitney)**

- For a bond issue: provides transcript of the proceeds of the bond sale and closing documents
- For a lease purchase: may provide lease documents and resolutions
- For a bond or levy referendum election: prepares appropriate resolutions and related documents
- Issues the legal opinion
- Provides necessary legal notices, resolutions and related documents

#### **Underwriter (Piper-Jaffray)**

- Purchases bonds and resells to investors
- Can be an investment bank, commercial bank, local bank
- Participates
  - Competitively – not involved in structuring of the issue
  - Negotiated – assists in the development of the structure and preparation for sale

#### **Trustee/Paying Agent (Wells Fargo)**

- An agent who makes principal and interest payments to bondholders on behalf of the issuer of those bonds
- Required for Minnesota school districts participating in the state's credit enhancement bonds

# Intermediate School District #287

## Purchase of Edgewood Elementary School

### Financing Methods Used

#### **2010A - Certificates of Participation (COP)- (287 Board Action Form 8.1c)**

- No voter approval needed
- Provides upfront money for projects
- Funds can be used for any real or personal property
- Length of lease determined by useful life of asset
- Tax exempt financing
- Subject to annual appropriation
- Leases can be set up through various means
  - Direct negotiation with bank or leasing company
  - Competitive proposals

#### **2010B - Build America Bonds (BAB) – Taxable bonds – (287 Board Action Form 8.1d)**

- New type of funding through America Recovery & Reinvestment Act
- Two types of BAB
  - Issuer Subsidy – Municipal issue receives subsidy directly from Treasury at 35% of interest of bonds (*this type used in this sale*)
  - Investor Subsidy – Investor receives a tax credit equal to 35% of interest received

#### **Transaction:**

	<b>2010A - COP</b>	<b>2010B - BAB</b>	<b>Total Financing</b>
Amount	\$3,200,000	\$2,050,000	\$5,250,000
Type	Tax Exempt	Taxable	Tax Exempt/Taxable
Interest Rate (TIC)	2.6922%	3.6292%	3.22%



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2887

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dlifto@springsted.com  
www.springsted.com

MEMORANDUM

TO: Board of Education  
Sandy Lewandowski, Superintendent  
Colleen Baumtrog, Executive Director of Administration  
Janet Johnson, Finance Director

FROM: Don Lifto, Senior Vice President and Client Representative  
Carter Christie, Consultant

DATE: December 17, 2009

SUBJECT: Summary of COP Funding of Edgewood Project

Springsted Incorporated served as Intermediate 287's independent financial advisor for the District's recent financing for the acquisition of the Edgewood property. We are pleased to inform you that we were successful in negotiating the Certificates of Participation lease financing with Piper Jaffray. Your legal counsel has prepared the appropriate resolution to ratify the transaction. A summary of the transaction follows:

**Certificates of Participation Lease Financing**

<b>Par Amount of Sale:</b>	\$5,250,000
(\$3,200,000 Tax Exempt – Series A	
\$2,050,000 Taxable BABs – Series B)	
<b>Method of Sale:</b>	Negotiated
<b>Underwriter:</b>	Piper Jaffray
<b>Estimated Interest Rate Pre-sale:</b>	3.48%
<b>Actual Interest Rate (blended):</b>	3.22%
<b>Estimated Annual Debt Service at Authorization:</b>	\$464,000
<b>Actual Annual Debt Service:</b>	\$454,500
<b>Moody's Rating:</b>	Aa3

On behalf of Springsted, we want to thank you for the opportunity to assist Intermediate 287 on this project.

Moody's Rating Scale and Comments

The Aa3 assigned by Moody's is a very positive rating and positions Intermediate 287 well for any additional debt issued in 2010. A strong rating will result in reduced borrowing costs and the lower lease levies of member districts.

In assigning the rating, Moody's emphasized the following positive factors:

- Essential nature of the special education programs;
- Annual risk of non-appropriation;
- Availability of levy by member districts to finance lease payments;
- Credit quality of the member districts;
- Long-term strength and viability of the economic base of the area served;
- Stable and well-managed operations in Intermediate 287.

	Moody's	S & P	Fitch
<b>Highest</b>	<b>Aaa</b>	<b>AAA</b>	<b>AAA</b>
	<b>Aa1</b>	<b>AA+</b>	<b>AA+</b>
	<b>Aa2</b>	<b>AA</b>	<b>AA</b>
	<b>Aa3</b>	<b>AA-</b>	<b>AA-</b>
	<b>A1</b>	<b>A+</b>	<b>A+</b>
	<b>A2</b>	<b>A</b>	<b>A</b>
	<b>A3</b>	<b>A-</b>	<b>A-</b>
	<b>Baa1</b>	<b>BBB+</b>	<b>BBB+</b>
	<b>Baa2</b>	<b>BBB</b>	<b>BBB</b>
	<b>Baa3</b>	<b>BBB-</b>	<b>BBB-</b>
<b>Lowest (Investment Grade)</b>			



**Moody's Investors Service**

100 N. Riverside Plaza  
Suite 2220  
Chicago, IL 60606

December 10, 2009

Ms. Janet Johnson  
Director of Finance  
Plymouth Intermediate School District No. 287  
1820 Xenium Lane North  
Plymouth, MN 55441

Henrietta Chang  
Vice President/Sr. Analyst  
Tel: 312-706-9960  
Fax: 312-706-9999  
Email: [henrietta.chang@moodys.com](mailto:henrietta.chang@moodys.com)

Dear Ms. Johnson:

We wish to inform you that on December 9, 2009, Moody's Investors Service reviewed and assigned a rating of **Aa3** to the Plymouth Intermediate School District No. 287, MN Certificates of Participation, Series 2010A, and Taxable Certificates of Participation, Series 2010B (Build America Bonds – Direct Pay).

In order for us to maintain the currency of our ratings, we request that you provide ongoing disclosure, of current financial and statistical information.

Moody's will monitor this rating and reserves the right, at its sole discretion, to revise or withdraw this rating at any time in the future.

The rating, as well as any revisions or withdrawals thereof, will be publicly disseminated by Moody's through normal print and electronic media and in response to verbal requests to Moody's Rating Desk.

Should you have any questions regarding the above, please do not hesitate to contact me or the analyst assigned to this transaction, Rachel Cortez at 312-706-9956

Sincerely,

Henrietta Chang

cc:  
Ms. Alyssa Lehnertz  
Springsted, Inc.



Moody's Investors Service

**New Issue: MOODY'S ASSIGNS Aa3 RATING TO PLYMOUTH INTERMEDIATE SCHOOL DISTRICT NO. 287 (MN) \$1.2 MILLION COPS, SERIES 2010A, AND \$4.1 MILLION TAXABLE COPS, SERIES 2010B (BUILD AMERICA BONDS - DIRECT PAY)**

Global Credit Research - 09 Dec 2009

**Aa3 RATING APPLIES TO \$13.9 MILLION OF OUTSTANDING COP DEBT, INCLUDING CURRENT OFFERINGS**

Primary & Secondary Education  
MN

**Moody's Rating**

<b>ISSUE</b>	<b>RATING</b>
Certificates of Participation, Series 2010A	Aa3
<b>Sale Amount</b>	\$1,205,000
<b>Expected Sale Date</b>	12/10/09
<b>Rating Description</b>	Certificates of Participation
 Taxable Certificates of Participation, Series 2010B (Build America Bonds - Direct Pay)	 Aa3
<b>Sale Amount</b>	\$4,130,000
<b>Expected Sale Date</b>	12/10/09
<b>Rating Description</b>	Certificates of Participation

**Opinion**

NEW YORK, Dec 9, 2009 -- Moody's Investors Service has assigned a Aa3 rating to the Plymouth Intermediate School District No. 287 (MN) \$1.2 million Certificates of Participation, Series 2010A, and \$4.1 million Taxable Certificates of Participation, Series 2010B (Build America Bonds - Direct Pay). Concurrently, Moody's has affirmed the Aa3 rating on the district's outstanding certificate of participation debt. Plymouth ISD 287 has \$13.9 million of total certificate of participation debt, including the current issues. Proceeds of the Series 2010A and 2010B certificates will finance the purchase of a school building (which the district currently leases) that is used to provide special education and other services to students. Debt service on the Series 2010A and 2010B certificates is secured by a pledge of lease payments to be received by the trustee (Wells Fargo Bank, NA, senior unsecured rated Aa2/stable outlook) from ISD 287, subject to annual appropriation by ISD 287. The primary source of the lease payments will be capital levy revenues from the 13 member school districts of ISD 287, as well as tuition payments from non-member school districts that use ISD 287 facilities and services. Assignment and affirmation of the Aa3 rating reflects the essentiality of the facility to be purchased with proceeds of the current issues; the annual risk of non-appropriation by ISD 287; the availability of a dedicated, though limited, capital levy for member school districts to use for lease payments; the limited revenue raising ability of the obligor; the district's role as a provider of special education and other essential services for independent school districts; and the general obligation credit characteristics of the 13 member districts and several non-member districts.

**INTERMEDIATE SCHOOL DISTRICT PROVIDES SPECIAL EDUCATION AND OTHER ESSENTIAL PROGRAMMING FOR MULTIPLE INDEPENDENT DISTRICTS**

Established in 1967, ISD 287 provides vocational, technical, and special education programs to students from numerous Minnesota school districts, primarily those located in Hennepin County (general obligation rated Aaa/stable outlook). ISD 287 membership consists of 13 districts: Hopkins Independent School District No. 270 (A2); Bloomington Independent School District No. 271 (Aa2); Eden Prairie Independent School District No. 272 (Aa2); Edina Independent School District No. 273 (Aa1); Minnetonka Independent School District No. 276 (Aa1); Westonka Independent School District No. 277 (not rated); Orono Independent School District No. 278 (Aa3); Osseo Independent School District No. 279 (Aa2); Richfield

Independent School District No. 280 (not rated); Robbinsdale Independent School District No. 281 (A1); St. Louis Park Independent School District No. 283 (A2); Wayzata Independent School District No. 284 (Aa1); and Brooklyn Center Independent School District No. 286 (Baa2). A representative from each of the 13 member districts serves on the board of ISD 287. In addition, students from non-member districts attend ISD 287, with Minneapolis Special School District No. 1 (Aa3) and Anoka-Hennepin Independent School District No. 11 (Aa3) representing the largest share of students from non-member districts. Moody's believes that ISD 287 provides essential services to member districts that may lack the resources to provide special education and other educational programs.

#### CAPITAL LEVIES OF MEMBER DISTRICTS ARE PRIMARY SOURCE OF DEBT SERVICE PAYMENTS

Proceeds of the current certificates will finance the purchase of a school building (which the *district currently* leases) that is used to provide special education and other services to students. As required by state law, ISD 287 received approval for this project and its financing from the Minnesota Department of Education. The revenue source for certificate payments on the current issues are semi-annual payments to ISD 287 from the state on behalf of member and non-member districts. Payments are based on enrollment. Each September, ISD 287 notifies the State Department of Education of the lease payment amounts due in the upcoming fiscal year, as well as each district's enrollment in ISD 287 programs. The state certifies levies for each member and non-member school district in an amount sufficient to cover the district's proportional share of ISD 287 lease payments.

Each member district can raise revenue for its share of lease payments through a \$43 per pupil capital levy. Independent and special school districts in the State of Minnesota may levy up to \$43 per pupil for capital costs related to membership in an intermediate school district. Each member district currently contributes revenues from this capital levy for existing ISD 287 lease payments. Moody's notes that 5 of the 13 member districts (Westonka ISD 277, Osseo ISD 279, Richfield ISD 280, Robbinsdale ISD 281, and Brooklyn Center ISD 286) do not generate sufficient revenues for ISD 287 lease payments from the \$43 levy. These districts can use revenues available under another \$150 per pupil capital levy, which is available to all Minnesota independent school districts. Projected annual payments on the current certificates and other outstanding lease obligations compares favorably to the districts' available revenues under these two capital levies. Should a district's capital levies not generate sufficient revenues in the future, the district can use its operating revenues for lease payments. Non-member districts do not have the \$43 levy authority, but they can use the \$150 levy and/or operating revenues to fund their portions of the lease payments.

Moody's has reviewed the Lease Purchase Agreement between Wells Fargo, NA (the lessor) and ISD 287 (the lessee), as well as the Trust Agreement between Wells Fargo, NA (the trustee) and ISD 287. Revenues to be used by ISD 287 for lease payments are typically received by ISD 287 directly from the state on behalf of the districts each June and November. ISD 287 must remit lease payments to the trustee on January 20 for certificate payments due each February 1, and on July 20 for certificate payments due each August 1. In the event of non appropriation by ISD 287, the lease purchase agreement will be terminated at the end of the current fiscal year, and the district will surrender the land and facilities to the trustee.

#### LEASE PAYMENTS SUBJECT TO ANNUAL APPROPRIATION; LIMITED REVENUE RAISING ABILITY OF OBLIGOR

Moody's believes the legal provisions outlined in the lease purchase agreement and trust indenture provide investors with adequate protection. However, several risks to investors exist. First, lease payments are payable solely from funds that are annually appropriated by ISD 287. Once appropriated, the pledge to pay debt service cannot be modified or eliminated from the budget for the fiscal year. However, ISD 287 can choose to terminate the lease through non-appropriation in the budget for an upcoming fiscal year. While unlikely, ISD 287 can choose to terminate the lease even if all member districts are not in agreement.

A second risk to investors is that any or all of the member districts may terminate membership in ISD 287, which could potentially impact revenues available for debt service. Moody's notes that given the 42 year history of ISD 287 and the essentiality of ISD 287 special education services, it is unlikely that a district would discontinue membership. However, should a member district withdraw, a notification period of 17 months is required. ISD 287 officials have expressed to Moody's their intention to make lease payments from any available revenue source should payments from member and non-member districts be insufficient for any reason, including the withdrawal of a member district. In that event, ISD 287 would most likely fund lease payments with the continued payments of the remaining member and non-member districts, whose proportionate shares would be adjusted accordingly. If necessary, ISD 287 can, without limitation, increase

tuition and administrative fees on member and non-member districts. However, unlike independent and special school districts in Minnesota, ISD 287 has no taxing authority, which significantly limits its revenue raising flexibility.

A third risk to investors is the possibility of significant declines in ISD 287 enrollment. As revenues from tuition and capital levies are based on enrollment, potential declines in ISD 287 student enrollment would reduce the revenues available for lease payments. During the past five years, ISD 287 enrollment levels have fluctuated somewhat, ranging from 9,614 students in fiscal 2007 to 10,238 students in fiscal 2010. However, Moody's believes that enrollment levels are unlikely to drop significantly, given the essential nature of the programs provided by ISD 287, as well as the overall enrollment trends of the Hennepin County school districts that use ISD 287 programs.

#### GENERAL OBLIGATION CREDIT CHARACTERISTICS OF MEMBER DISTRICTS FACTORED INTO RATING; MAJORITY ENJOY STRONG CREDIT FUNDAMENTALS

The Aa3 rating on the current certificates incorporates the general obligation credit characteristics of the 13 member school districts. The majority of the member school districts have strong general obligation ratings and sound credit fundamentals. While these districts are not legally responsible for lease payments, a representative from each district is a member of the ISD 287 board, and the majority of ISD 287 revenues are derived from tuition payments for students from the member districts. Osseo ISD 279 (Aa2), Robbinsdale ISD 281 (A1), Bloomington ISD 271 (Aa2), and Wayzata ISD 284 (Aa1) fund the largest share of ISD 287 lease payments, representing 20.3%, 10.6%, 10.2%, and 10.1%, respectively. Many of the districts served by ISD 287 are located in the relatively affluent communities in the western portion of the Twin Cities Metropolitan Area. Moody's believes that despite recent valuation declines, increased layoffs, and increased unemployment, the region's economy will remain relatively healthy in the long run due to the presence of significant government, health care, educational, and corporate components that provide a measure of insulation from severe economic downturn. Minnesota school districts are highly dependent on the state for operating revenues, and fiscal shortfalls at the state level are expected to continue to impact the timing and amounts of payments to school districts in upcoming fiscal years. Despite state revenue pressures, Moody's believes that the overall credit quality of the member districts will remain sound in the near term. In addition, a review of recent audited financial statements indicate stable and well-managed financial operations for ISD 287.

#### KEY STATISTICS

ISD 287 district estimated population: 731,617

ISD 287 fiscal 2010 total enrollment: 10,238

ISD 287 2008 full value: \$104.4 billion

Hennepin County 1999 per capita income: \$28,789 (133% of US)

Hennepin County 1999 median family income: \$65,985 (132% of US)

Hennepin County 2000 median home value: \$143,400 (120% of US)

ISD 287 fiscal 2008 General Fund balance: \$5.5 million (9% of General Fund revenues)

ISD 287 direct debt as % of full value: 0.05%

ISD 287 overall debt as % of full value: 2.25%

Principal amortization (10 years) of outstanding COPs: 56%

#### RATING METHODOLOGIES AND LAST RATING ACTION

The rating on the Plymouth Intermediate School District No. 287 (MN) was assigned by evaluating factors believed to be relevant to the credit profile of the district such as i) the business risk and competitive position of the issuer versus others within its industry or sector, ii) the capital structure and financial risk of the issuer, iii) the projected performance of the issuer over the near to intermediate term, iv) the issuer's history of achieving consistent operating performance and meeting budget or financial plan goals, v) the nature of the dedicated revenue stream pledged to the issue, vi) the debt service coverage provided by

such revenue stream, vii) the legal structure that documents the revenue stream and the source of payment, and viii) and the issuer's management and governance structure related to payment. These attributes were compared against other issuers both within and outside of the issuer's core peer group. The issuer's rating is believed to be comparable to ratings assigned to other issuers of similar credit risk.

The last rating action with respect to the Plymouth Intermediate School District No. 287 (MN) was on October 8, 2009, when a MIG 2 rating was assigned to the district's Aid Anticipation Certificates of Indebtedness, Series 2009B.

### **Analysts**

Rachel Cortez  
Analyst  
Public Finance Group  
Moody's Investors Service

Soo Yun Chun  
Backup Analyst  
Public Finance Group  
Moody's Investors Service

Henrietta Chang  
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**Moody's Investors Service**

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CERTIFICATION OF MINUTES RELATING TO  
\$3,200,000 CERTIFICATES OF PARTICIPATION, SERIES 2010A

Issuer: Intermediate District No. 287, Plymouth, Minnesota

Governing Body: School Board

Kind, date, time and place of meeting: A regular meeting held December 17, 2009, at 6:30 p.m., at the School District offices.

Members present:

Members absent:

Documents Attached:

Minutes of said meeting (including):

RESOLUTION NO. \_\_\_\_\_

RESOLUTION RELATING TO LEASE PURCHASE OF LAND AND  
FACILITIES; AUTHORIZING THE EXECUTION AND DELIVERY OF A  
LEASE PURCHASE AGREEMENT AND APPROVING AND AUTHORIZING  
EXECUTION OF RELATED DOCUMENTS

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

WITNESS my hand officially as such recording officer this 17<sup>th</sup> day of December, 2009.

\_\_\_\_\_  
School District Clerk

Member \_\_\_\_\_ introduced the following resolution and moved its adoption, which motion was seconded by Member \_\_\_\_\_:

**RESOLUTION RELATING TO LEASE PURCHASE OF LAND AND FACILITIES; AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE PURCHASE AGREEMENT AND APPROVING AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS**

BE IT RESOLVED by the School Board (the Board) of the Intermediate District No. 287, Plymouth, Minnesota (the District), as follows:

**SECTION 1. AUTHORIZATION AND SALE.**

1.1. AUTHORIZATION. By resolution duly adopted on November 12, 2009 (the Authorizing Resolution), this Board authorized the sale of its Certificates of Participation to Piper Jaffray & Co., in Minneapolis, Minnesota (the Purchaser), provided that the aggregate principal amount of the Certificates shall not exceed \$5,500,000 and that the true interest cost shall not exceed 5.00% per annum net of any subsidy to the District, and further authorized the Superintendent and Executive Director of Administrative Services to approve the sale of the Certificates and enter into a purchase agreement with the Purchaser. This Board hereby determines that it is in the best interests of the District to enter into a lease purchase transaction as described below and authorizes the issuance and sale of its \$3,200,000 Certificates of Participation, Series 2010A (the Certificates) bearing interest at a true interest cost per annum of 2.97% to provide funds to acquire certain real estate located at 6601 Xylon Avenue North, Brooklyn Park, Minnesota (the Project) pursuant to Minnesota Statutes, Sections 123B.51, 136D.24 and 465.71. The Commissioner of Education of the State of Minnesota authorized, by its Review and Comment Statement dated September 29, 2009, the lease purchase of the Project and the making of an additional capital expenditure levy for this purpose pursuant to Minnesota Statutes, Sections 126C. 40, Subdivision 1(h).

1.2. SALE. A proposal that meets the requirements set forth in the Authorizing Resolution has been received from the Purchaser to purchase the Certificates at a price of \$3,294,627.89, on the further terms and conditions hereinafter set forth.

1.3. RATIFICATION OF AWARD. Pursuant to the Authorizing Resolution, the sale of the Certificates has been awarded by the Superintendent and Executive Director of Administrative Services to the Purchaser. The sale of the Certificates to the Purchaser and the execution of the Certificate Purchase Agreement by the Superintendent and Executive Director of Administrative Services for the sale of the Certificates with the Purchaser are hereby ratified in all respects.

**SECTION 2. DOCUMENTS.**

2.1. LEASE PURCHASE AGREEMENT. The District has agreed with Wells Fargo Bank, National Association in Minneapolis, Minnesota (the Trustee) that the Trustee will lease

and agree to sell the Project to the District pursuant to a Lease Purchase Agreement between the Trustee and the District (the Lease).

2.2. TRUST AGREEMENT. The Trustee will execute and deliver a Trust Agreement (the Trust Agreement), joined in by the District, pursuant to which the Trustee will (i) issue the Certificates representing interests in the Rental Payments (as defined in the Lease) to be made by the District under the Lease and (ii) receive the proceeds of the sale of the Certificates and disburse such proceeds to acquire the Project and pay costs of issuance of the Certificates.

2.3. FORM OF DOCUMENTS. In connection with the proposed financing and the issuance of the Certificates, forms of the Lease and Trust Agreement have been prepared, submitted to the District and filed with the Clerk.

### SECTION 3. APPROVAL OF DOCUMENTS.

3.1. The Lease and Trust Agreement are hereby approved. The Lease and Trust Agreement shall be executed in the name and on behalf of the District by the Chairperson and Clerk in substantially the form on file, but with such final changes therein as may be approved by the officers executing the same, which approval shall be conclusively evidenced by the execution thereof. The Chairperson and Clerk are also authorized and directed to execute such closing certificates and other documents as may be necessary to complete the issuance and delivery of the Certificates.

3.2. The District hereby consents to the circulation of a final Official Statement to be prepared substantially in the form of the preliminary Official Statement on file with the District. The Chairperson and Clerk are authorized to approve the final terms of the final Official Statement and to execute such certificates relating to the sufficiency, accuracy and completeness of the information contained therein as may be reasonably necessary in connection with the issuance and sale of the Certificates.

SECTION 4. ISSUANCE OF CERTIFICATES. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Certificates having been done, now existing, having happened and having been performed, the District shall proceed forthwith to cause the Trustee to issue the Certificates in the form and upon the terms set forth in the Trust Agreement and the proposal received by the Purchaser described in Section 1.2 herein. The Chairperson and Clerk are authorized to approve the final terms of the Certificates, which approval shall be conclusively evidenced by the execution of the Trust Agreement by said officers. The Certificates shall be prepared, executed and delivered as prescribed in the Trust Agreement and the officers of the District shall deliver to the Trustee a certified copy of this resolution and other documents required by the Trust Agreement, for authentication and delivery to the Purchaser. The Trustee is hereby appointed authenticating agent with respect to the Certificates, and as paying agent for the Certificates pursuant to the Trust Agreement.

SECTION 5. PAYMENT OF RENTAL PAYMENTS. The District will pay to the Trustee promptly when due, all of the Rental Payments and other amounts required by the Lease. The

agreements of the District in this section are subject to the provisions for termination set forth in the Lease, which shall provide that the Lease will be subject to termination by the District, without penalty, at the end of any fiscal year of the District, in accordance with the terms thereof, and the full faith and credit and ad valorem taxing powers of the District are not pledged to the payment of the District's obligations under the Lease or the Certificates.

## SECTION 6. TAX AND ARBITRAGE MATTERS.

6.1. COVENANT. The District covenants and agrees with the 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 component of the Rental Payments received by the registered owners of the Certificates to become subject to taxation under the Internal Revenue Code of 1986, as amended (the Code) and any regulations issued thereunder (the Treasury Regulations), in effect at the time of such action, and that it will take, or it will cause its officers, employees or agents to take, all affirmative actions within its powers which may be necessary to insure that the interest component of the Rental Payments received by the registered owners of the Certificates will not become subject to taxation under the Code and the Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Certificates. So long as the Certificates are outstanding, the District will not enter into any lease, use agreement or other contract or agreement respecting the Land and Facilities subject to the Lease which would cause the Lease and Certificates to be considered a "private activity bond" or "private loan bond" pursuant to the provisions of Section 141 of the Code.

6.2. ARBITRAGE CERTIFICATION. The Chairperson and Clerk being the officers of the District charged with the responsibility for issuing the Lease and Certificates pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Treasury Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Lease and Certificates which make it reasonable to expect that the proceeds of the Lease and Certificates will not be used in a manner that would cause the Lease and Certificates to be an arbitrage bond within the meaning of the Code and Treasury Regulations. The District reserves the right to avail itself of any of the spending exceptions to arbitrage rebate set forth in Section 148(f) of the Code and related Treasury Regulations.

6.3. QUALIFIED TAX-EXEMPT OBLIGATIONS. The Board hereby designates the Lease as it relates to the Certificates, and the Certificates as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of qualified tax-exempt obligations which are not private activity bonds which will be issued by the District during calendar year 2010 does not exceed \$30,000,000.

6.4. ARBITRAGE REBATE. The District acknowledges that the arbitrage rebate requirements of Section 148(f)(4)(D) of the Code are applicable to the Certificates. The District hereby covenants and agrees to make computations, retain records and pay amounts to the United States at the times and in the manner required by said Section 148(f)(4)(D) of the Code.

The District reserves the right to avail itself of any of the spending exceptions to arbitrage rebate set forth in Section 148(f) of the Code and related Treasury Regulations.

**SECTION 7. CONTINUING DISCLOSURE.** (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Certificates and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Certificates to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Certificates, the District hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Certificates. The District is the only obligated person in respect of the Certificates within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. The District has complied in all material respects with any undertaking previously entered into by it under the Rule. If the District fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any outstanding Certificates, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Certificates or under any other provision of this resolution. As used in this section, Owner or Certificateowner means, in respect of a Certificate, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Certificate, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Certificate (including persons or entities holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Certificate for federal income tax purposes.

(b) Information To Be Disclosed. The District will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the District, the following information at the following times:

- (1) on or before 365 days after the end of each fiscal year of the District, commencing with the fiscal year ending June 30, 2009, the following financial information and operating data in respect of the District (the Disclosure Information):
  - (A) the audited financial statements of the District for such fiscal year, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the District, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in

accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the District, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the District; and

- (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: District Property Values; District Indebtedness; Funds on Hand; District Enrollment; District Employment; and Employee Pension Plans, which information may be unaudited.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the District shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the District shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been filed with the SEC or have been made available to the public on the Internet Web site of the Municipal Securities Rulemaking Board (the MSRB). The District shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the District have materially changed or been discontinued, such Disclosure Information need no longer be provided if the District includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other District operations in respect of which data is not included in the Disclosure Information and the District determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the District shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner, notice of the occurrence of any of the following events which is a Material Fact (as hereinafter defined):
  - (A) Principal and interest payment delinquencies;
  - (B) Non-payment related defaults;
  - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
  - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;

- (E) Substitution of credit or liquidity providers, or their failure to perform;
- (F) Adverse tax opinions or events affecting the tax-exempt status of the security;
- (G) Modifications to rights of security holders;
- (H) Certificate calls;
- (I) Defeasances;
- (J) Release, substitution, or sale of property securing repayment of the securities;  
and
- (K) Rating changes.

As used herein, a Material Fact is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Certificate or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a Material Fact is also an event that would be deemed material for purposes of the purchase, holding or sale of a Certificate within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

- (3) In a timely manner, notice of the occurrence of any of the following events or conditions:

- (A) the failure of the District to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
- (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the District under subsection (d)(2);
- (C) the termination of the obligations of the District under this section pursuant to subsection (d);
- (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared;  
and
- (E) any change in the fiscal year of the District.

(c) Manner of Disclosure.

- (1) The District agrees to make available to the MSRB, in an electronic format as prescribed by the MSRB from time to time, the information described in subsection (b).
- (2) The District further agrees to make available, by electronic transmission, overnight delivery, mail or other means, as appropriate, the information described in subsection (b) to any rating agency then maintaining a rating of the Certificates at the request of the District and, at the expense of such Certificateowner, to any Certificateowner who requests in writing such information, at the time of transmission under paragraph (1) of this subsection (c), or, if such information is

transmitted with a subsequent time of release, at the time such information is to be released.

- (3) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the District in this section shall remain in effect so long as any Certificates are outstanding. Notwithstanding the preceding sentence, however, the obligations of the District under this section shall terminate and be without further effect as of any date on which the District delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the District to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Certificates to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.
- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the District from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Certificates, by a resolution of this Board filed in the office of the recording officer of the District accompanied by an opinion of Bond Counsel, who may rely on certificates of the District and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the District or the type of operations conducted by the District, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Certificates, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Certificateowners under the Rule.

If the Disclosure Information is so amended, the District agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

- (3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SECTION 8. ADDITIONAL AUTHORIZATIONS. In the absence or other unavailability of the Chairperson, any document authorized in this resolution to be executed by the Chairperson may be executed by the Acting Chairperson and, in the absence or other unavailability of the Clerk, any document authorized in this resolution to be executed by the Clerk may be executed by the Acting Clerk.

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Upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted.

**INTERMEDIATE DISTRICT 287**  
**PLYMOUTH, MINNESOTA**  
**BOARD OF EDUCATION**

Regular Meeting – December 17, 2009

**AGENDA SECTION:** ADMINISTRATIVE SERVICES REPORT

**ITEM:** 8.1c Series 2010A Certificates of Participation

**PRESENTED BY:** Janet Johnson, Director of Finance Services

**1. Background Information**

Resolution relating to lease purchase of land and facilities; authorizing the execution and delivery of a lease purchase agreement and approving and authorizing execution of related documents. Relevant documents will be presented to the Board.

Series 2010A \$3,200,000 plus interest.

**2. Fiscal Impact/Funding Source:**

- 3. RECOMMENDED ACTION:** The Board passes the attached resolution authorizing the execution and delivery of a lease purchase agreement and approving and authorizing execution of related documents as presented.

Motion by: \_\_\_\_\_ Yes \_\_\_\_ Passed \_\_\_\_

Second by: \_\_\_\_\_ Yes \_\_\_\_ Failed \_\_\_\_

Abstentions: \_\_\_\_\_

CERTIFICATION OF MINUTES RELATING TO  
\$2,050,000 TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2010B

Issuer: Intermediate District No. 287, Plymouth, Minnesota

Governing Body: School Board

Kind, date, time and place of meeting: A regular meeting held December 17, 2009, at 6:30 p.m., at the School District offices.

Members present:

Members absent:

Documents Attached:

Minutes of said meeting (including):

RESOLUTION NO. \_\_\_\_\_

RESOLUTION RELATING TO LEASE PURCHASE OF LAND AND  
FACILITIES; AUTHORIZING THE EXECUTION AND DELIVERY OF A  
LEASE PURCHASE AGREEMENT AND APPROVING AND AUTHORIZING  
EXECUTION OF RELATED DOCUMENTS

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

WITNESS my hand officially as such recording officer this 17<sup>th</sup> day of December, 2009.

\_\_\_\_\_  
School District Clerk

Member \_\_\_\_\_ introduced the following resolution and moved its adoption, which motion was seconded by Member \_\_\_\_\_:

RESOLUTION RELATING TO LEASE PURCHASE OF LAND AND FACILITIES; AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE PURCHASE AGREEMENT AND APPROVING AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS

BE IT RESOLVED by the School Board (the Board) of the Intermediate District No. 287, Plymouth, Minnesota (the District), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.1. AUTHORIZATION. By resolution duly adopted on November 12, 2009 (the Authorizing Resolution), this Board authorized the sale of its Certificates of Participation to Piper Jaffray & Co., in Minneapolis, Minnesota (the Purchaser), provided that the aggregate principal amount of the Certificates shall not exceed \$5,500,000 and that the true interest cost shall not exceed 5.00% per annum net of any subsidy to the District, and further authorized the Superintendent and Executive Director of Administrative Services to approve the sale of the Certificates and enter into a purchase agreement with the Purchaser. This Board hereby determines that it is in the best interests of the District to enter into a lease purchase transaction as described below and authorizes the issuance and sale of its \$2,050,000 Taxable Certificates of Participation, Series 2010B (the Certificates) bearing interest at a true interest cost per annum of 3.75% to provide funds to acquire certain real estate located at 6601 Xylon Avenue North, Brooklyn Park, Minnesota (the Project) pursuant to Minnesota Statutes, Sections 123B.51, 136D.24 and 465.71. The Commissioner of Education of the State of Minnesota authorized, by its Review and Comment Statement dated September 29, 2009, the lease purchase of the Project and the making of an additional capital expenditure levy for this purpose pursuant to Minnesota Statutes, Sections 126C. 40, Subdivision 1(h). The District hereby irrevocably designates the Certificates as "Build America Bonds," elects to have Section 54AA of the Internal Revenue Code of 1986, as amended (the Code) apply to the Certificates, and irrevocably elects to have Section 54AA(g) of the Code apply to the Certificates, with the result that the District shall be entitled to the credit provided in Section 6431 of the Code.

1.2. SALE. A proposal that meets the requirements set forth in the Authorizing Resolution has been received from the Purchaser to purchase the Certificates at a price of \$2,035,675.41, on the further terms and conditions hereinafter set forth.

1.3. RATIFICATION OF AWARD. Pursuant to the Authorizing Resolution, the sale of the Certificates has been awarded by the Superintendent and Executive Director of Administrative Services to the Purchaser. The sale of the Certificates to the Purchaser and the execution of the Certificate Purchase Agreement by the Superintendent and Executive Director of Administrative Services for the sale of the Certificates with the Purchaser are hereby ratified in all respects.

SECTION 2. DOCUMENTS.

2.1. LEASE PURCHASE AGREEMENT. The District has agreed with Wells Fargo Bank, National Association in Minneapolis, Minnesota (the Trustee) that the Trustee will lease and agree to sell the Project to the District pursuant to a Lease Purchase Agreement between the Trustee and the District (the Lease).

2.2. TRUST AGREEMENT. The Trustee will execute and deliver a Trust Agreement (the Trust Agreement), joined in by the District, pursuant to which the Trustee will (i) issue the Certificates representing interests in the Rental Payments (as defined in the Lease) to be made by the District under the Lease and (ii) receive the proceeds of the sale of the Certificates and disburse such proceeds to acquire the Project and pay costs of issuance of the Certificates.

2.3. FORM OF DOCUMENTS. In connection with the proposed financing and the issuance of the Certificates, forms of the Lease and Trust Agreement have been prepared, submitted to the District and filed with the Clerk.

### SECTION 3. APPROVAL OF DOCUMENTS.

3.1. The Lease and Trust Agreement are hereby approved. The Lease and Trust Agreement shall be executed in the name and on behalf of the District by the Chairperson and Clerk in substantially the form on file, but with such final changes therein as may be approved by the officers executing the same, which approval shall be conclusively evidenced by the execution thereof. The Chairperson and Clerk are also authorized and directed to execute such closing certificates and other documents as may be necessary to complete the issuance and delivery of the Certificates.

3.2. The District hereby consents to the circulation of a final Official Statement to be prepared substantially in the form of the preliminary Official Statement on file with the District. The Chairperson and Clerk are authorized to approve the final terms of the final Official Statement and to execute such certificates relating to the sufficiency, accuracy and completeness of the information contained therein as may be reasonably necessary in connection with the issuance and sale of the Certificates.

SECTION 4. ISSUANCE OF CERTIFICATES. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Certificates having been done, now existing, having happened and having been performed, the District shall proceed forthwith to cause the Trustee to issue the Certificates in the form and upon the terms set forth in the Trust Agreement and the proposal received by the Purchaser described in Section 1.2 herein. The Chairperson and Clerk are authorized to approve the final terms of the Certificates, which approval shall be conclusively evidenced by the execution of the Trust Agreement by said officers. The Certificates shall be prepared, executed and delivered as prescribed in the Trust Agreement and the officers of the District shall deliver to the Trustee a certified copy of this resolution and other documents required by the Trust Agreement, for authentication and delivery to the Purchaser. The Trustee is hereby appointed authenticating agent with respect to the Certificates, and as paying agent for the Certificates pursuant to the Trust Agreement.

SECTION 5. PAYMENT OF RENTAL PAYMENTS. The District will pay to the Trustee promptly when due, all of the Rental Payments and other amounts required by the Lease. The agreements of the District in this section are subject to the provisions for termination set forth in the Lease, which shall provide that the Lease will be subject to termination by the District, without penalty, at the end of any fiscal year of the District, in accordance with the terms thereof, and the full faith and credit and ad valorem taxing powers of the District are not pledged to the payment of the District's obligations under the Lease or the Certificates.

SECTION 6. TAX AND ARBITRAGE MATTERS.

6.1. COVENANT. The District covenants and agrees with the 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 Rental Payments received by the registered owners of the Certificates and the provisions of the Lease relating thereto to lose their status as "Build America Bonds" under the Code and Regulations, and covenants to take any and all actions within its powers to ensure that the Rental Payments received by the registered owners of the Certificates and the provisions of the Lease relating thereto will remain "Build America Bonds" under the Code and the Regulations. So long as the Certificates are outstanding, the District will not enter into any lease, use agreement or other contract or agreement respecting the Land and Facilities subject to the Lease which would cause the Lease and Certificates to be considered a "private activity bond" or "private loan bond" pursuant to the provisions of Section 141 of the Code.

6.2. ARBITRAGE CERTIFICATION. The Chairperson and Clerk being the officers of the District charged with the responsibility for issuing the Lease and Certificates pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Treasury Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Lease and Certificates which make it reasonable to expect that the proceeds of the Lease and Certificates will not be used in a manner that would cause the Lease and Certificates (if the interest component of the Rental Payments received by the registered owners of the Certificates were intended to be tax-exempt) to be an arbitrage bond within the meaning of the Code and Treasury Regulations. The District reserves the right to avail itself of any of the spending exceptions to arbitrage rebate set forth in Section 148(f) of the Code and related Treasury Regulations.

6.3. NO DESIGNATION AS QUALIFIED TAX-EXEMPT OBLIGATIONS. The Board does not designate the Certificates and the provisions of the Lease relating thereto as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

6.4. ARBITRAGE REBATE. The District acknowledges that the arbitrage rebate requirements of Section 148(f)(4)(D) of the Code are applicable to the Certificates. The District hereby covenants and agrees to make computations, retain records and pay amounts to the United States at the times and in the manner required by said Section 148(f)(4)(D) of the Code.

The District reserves the right to avail itself of any of the spending exceptions to arbitrage rebate set forth in Section 148(f) of the Code and related Treasury Regulations.

**SECTION 7. CONTINUING DISCLOSURE.** (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Certificates and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Certificates to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Certificates, the District hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Certificates. The District is the only obligated person in respect of the Certificates within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. The District has complied in all material respects with any undertaking previously entered into by it under the Rule. If the District fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any outstanding Certificates, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Certificates or under any other provision of this resolution. As used in this section, Owner or Certificateowner means, in respect of a Certificate, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Certificate, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Certificate (including persons or entities holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Certificate for federal income tax purposes.

(b) Information To Be Disclosed. The District will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the District, the following information at the following times:

- (1) on or before 365 days after the end of each fiscal year of the District, commencing with the fiscal year ending June 30, 2009, the following financial information and operating data in respect of the District (the Disclosure Information):
  - (A) the audited financial statements of the District for such fiscal year, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the District, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in

accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the District, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the District; and

- (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: District Property Values; District Indebtedness; Funds on Hand; District Enrollment; District Employment; and Employee Pension Plans, which information may be unaudited.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the District shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the District shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been filed with the SEC or have been made available to the public on the Internet Web site of the Municipal Securities Rulemaking Board (the MSRB). The District shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the District have materially changed or been discontinued, such Disclosure Information need no longer be provided if the District includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other District operations in respect of which data is not included in the Disclosure Information and the District determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the District shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner, notice of the occurrence of any of the following events which is a Material Fact (as hereinafter defined):
  - (A) Principal and interest payment delinquencies;
  - (B) Non-payment related defaults;
  - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
  - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;

- (E) Substitution of credit or liquidity providers, or their failure to perform;
- (F) Adverse tax opinions or events affecting the tax-exempt status of the security;
- (G) Modifications to rights of security holders;
- (H) Certificate calls;
- (I) Defeasances;
- (J) Release, substitution, or sale of property securing repayment of the securities;  
and
- (K) Rating changes.

As used herein, a Material Fact is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Certificate or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a Material Fact is also an event that would be deemed material for purposes of the purchase, holding or sale of a Certificate within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

- (3) In a timely manner, notice of the occurrence of any of the following events or conditions:

- (A) the failure of the District to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
- (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the District under subsection (d)(2);
- (C) the termination of the obligations of the District under this section pursuant to subsection (d);
- (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared;  
and
- (E) any change in the fiscal year of the District.

(c) Manner of Disclosure.

- (1) The District agrees to make available to the MSRB, in an electronic format as prescribed by the MSRB from time to time, the information described in subsection (b).
- (2) The District further agrees to make available, by electronic transmission, overnight delivery, mail or other means, as appropriate, the information described in subsection (b) to any rating agency then maintaining a rating of the Certificates at the request of the District and, at the expense of such Certificateowner, to any Certificateowner who requests in writing such information, at the time of transmission under paragraph (1) of this subsection (c), or, if such information is

transmitted with a subsequent time of release, at the time such information is to be released.

- (3) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the District in this section shall remain in effect so long as any Certificates are outstanding. Notwithstanding the preceding sentence, however, the obligations of the District under this section shall terminate and be without further effect as of any date on which the District delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the District to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Certificates to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.
- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the District from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Certificates, by a resolution of this Board filed in the office of the recording officer of the District accompanied by an opinion of Bond Counsel, who may rely on certificates of the District and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the District or the type of operations conducted by the District, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Certificates, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Certificateowners under the Rule.

If the Disclosure Information is so amended, the District agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

- (3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SECTION 8. ADDITIONAL AUTHORIZATIONS. In the absence or other unavailability of the Chairperson, any document authorized in this resolution to be executed by the Chairperson may be executed by the Acting Chairperson and, in the absence or other unavailability of the Clerk, any document authorized in this resolution to be executed by the Clerk may be executed by the Acting Clerk.

.

Upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted.

**INTERMEDIATE DISTRICT 287**  
**PLYMOUTH, MINNESOTA**  
**BOARD OF EDUCATION**

Regular Meeting – December 17, 2009

**AGENDA SECTION:** ADMINISTRATIVE SERVICES REPORT

**ITEM:** 8.1d Series 2010B Taxable Certificates of Participation

**PRESENTED BY:** Janet Johnson, Director of Finance Services

**1. Background Information**

Resolution relating to lease purchase of land and facilities; authorizing the execution and delivery of a lease purchase agreement and approving and authorizing execution of related documents. Relevant documents will be presented to the Board.

Series 2010B \$2,050,000 plus interest

**2. Fiscal Impact/Funding Source:**

- 3. RECOMMENDED ACTION:** The Board passes the attached resolution authorizing the execution and delivery of a lease purchase agreement and approving and authorizing execution of related documents as presented.

Motion by: \_\_\_\_\_ Yes \_\_\_\_ Passed \_\_\_\_

Second by: \_\_\_\_\_ Yes \_\_\_\_ Failed \_\_\_\_

Abstentions: \_\_\_\_\_

## ASSIGNMENT AND ASSUMPTION OF PURCHASE AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF PURCHASE AGREEMENT (“Agreement”) is made as of this \_\_\_\_\_ day of December, 2009 (the “Effective Date”), by and between Independent School District No. 279, a Minnesota municipal corporation and political subdivision of the State of Minnesota (“Seller”), Intermediate District 287, a Minnesota municipal corporation and political subdivision of the State of Minnesota (“Buyer”) and Wells Fargo Bank, National Association, a banking association duly organized and existing under the laws of the United States (“Assignee”).

### Recitals

- A. Seller has entered into a Purchase Agreement with Buyer dated \_\_\_\_\_, 2009 (the “Purchase Agreement”) for the purchase by Buyer of certain real estate located in the City of Brooklyn Park, County of Hennepin legally described on the attached Exhibit A (the “Property”).
- B. Buyer is entering into a Lease Purchase Agreement with Assignee, under which Assignee will finance the Buyer’s purchase of the Property by taking title to the Property as Trustee. Buyer will make rental payments to Assignee. Upon payment of all rental payments or prepayment to Assignee, title to the Property will pass to Buyer.
- C. In order to allow for Assignee to take title to the Property, Assignee must assume Buyer’s rights under the Purchase Agreement and Assignee agrees to accept the assumption of said rights and to assume Assignee’s obligations under the Purchase Agreement.
- D. Section 17 of the Purchase Agreement requires consent of Seller for Buyer to be able to assign its rights under the Purchase Agreement.
- E. Seller is willing to consent to Assignee assuming Buyer’s rights under the Purchase Agreement.

### Terms

- 1. Assumption. Assignee hereby assumes Buyer’s rights under the Purchase Agreement and assumes all of Buyer’s obligations under the Purchase Agreement.
- 2. Consent to Assumption. Seller hereby consents to Assignee assuming the Buyer’s rights under the Purchase Agreement.

BUYER:  
Intermediate District 287

By: \_\_\_\_\_  
Its: Chair

By: \_\_\_\_\_  
Its: Clerk

SELLER

Independent School District No. 279

By: \_\_\_\_\_  
Its: Chair

By: \_\_\_\_\_  
Its: Clerk

ASSIGNEE

Wells Fargo Bank, National Association

By: \_\_\_\_\_  
Its: Vice President

## **EXHIBIT A**

### **Legal Description of the Property**

That North 726.5 feet of the East 720 feet of the Southwest Quarter of the Northeast Quarter (SW  $\frac{1}{4}$  of the NE  $\frac{1}{4}$ ) of Section 31, Township 119, Range 21, Hennepin County, Minnesota.

EXTRACT OF MINUTES OF A MEETING  
OF THE SCHOOL BOARD  
OF INTERMEDIATE DISTRICT NO. 287

HELD: DECEMBER 17, 2009

Pursuant to due call and notice thereof, a regular meeting of the Board of Intermediate District No. 287, State of Minnesota, was duly held on December 17, 2009, at 6:30 p.m.

Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION APPROVING THE ASSIGNMENT AND ASSUMPTION OF PURCHASE AGREEMENT TO WELLS FARGO BANK FOR THE PURCHASE OF THE EDGEWOOD SCHOOL PROPERTY LOCATED AT: 6601 XYLON AVENUE NORTH, BROOKLYN PARK, MINNESOTA**

WHEREAS, Intermediate District 287 (the "District") has entered into a Purchase Agreement with Independent School District No. 279 for the purchase of the Edgewood School Property located at: 6601 Xylon Avenue North, Brooklyn Park, Minnesota (the "Property"); and

WHEREAS, the District is entering into a Lease Purchase Agreement with Wells Fargo Bank, N.A. ("Wells Fargo") under which Wells Fargo will finance the District's purchase of the Property by taking title to the Property as Trustee; and

WHEREAS, the District will make rental payments to Wells Fargo and upon payment of all rental payments or prepayment to Wells Fargo, title to the Property will pass to the District; and

WHEREAS, in order for Wells Fargo to take title to the Property, the District must assign its rights under the Purchase Agreement to Wells Fargo; and

WHEREAS, Wells Fargo has agreed to accept the assignment from the District of the District's rights and has agreed to assume the District's obligations under the Purchase Agreement; and

NOW, THEREFORE, BE IT RESOLVED by the School Board of Intermediate District 287, State of Minnesota, as follows:

1. The Assignment and Assumption of Purchase Agreement between the District, Independent School District No. 279 and Wells Fargo is hereby approved; and

2. The Chair and the Clerk are hereby authorized to execute the Assignment and Assumption of Purchase Agreement.

The motion for the adoption of the foregoing resolution was duly seconded by Member \_\_\_\_\_, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

**TRUST AGREEMENT**

**by**

**WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee**

**and**

**INTERMEDIATE DISTRICT NO. 287, PLYMOUTH, MINNESOTA**

**Dated as of the 1st day of January, 2010**

**Relating to**

**CERTIFICATES OF PARTICIPATION, SERIES 2010A**

**&**

**TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2010B**

---

This instrument drafted by:

Dorsey & Whitney LLP  
Suite 1500  
50 South Sixth Street  
Minneapolis, Minnesota 55402  
(612) 340-2600

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## **TRUST AGREEMENT**

TRUST AGREEMENT, made and entered into as of January 1, 2010 (the Trust Agreement), by **WELLS FARGO BANK, NATIONAL ASSOCIATION**, in Minneapolis, Minnesota, a banking association duly organized and existing under the laws of the United States, as trustee (the Trustee) and joined in by **INTERMEDIATE DISTRICT NO. 287, PLYMOUTH, MINNESOTA**, a political subdivision of the State of Minnesota (the District);

### **W I T N E S S E T H:**

**WHEREAS**, the Trustee, as Lessor, and the District have entered into a Lease Purchase Agreement dated as of the date hereof (the Lease), and among other things, the Lease provides for the lease and sale by Lessor to Lessee certain Land and Facilities described on Exhibit A hereto and for the payment of periodic Rental Payments to Lessor by Lessee with respect thereto; and

**WHEREAS**, for the purpose of obtaining the money required for the financing of the costs of acquiring the Land and Facilities, the Trustee holds in trust, for the benefit of the Owners of the Certificates of Participation, Series 2010A and Taxable Certificates of Participation, Series 2010B herein authorized to be issued (the Certificates), all of its right, title and interest in and to the Lease, the Rental Payments and other amounts due under the Lease, the Land and Facilities, and the right to exercise all rights of Trustee under the Lease; and in consideration of the execution of this Trust Agreement, the Trustee has agreed to execute and deliver the Certificates, each evidencing a proportionate undivided interest of the Owner thereof in the Lease and the Rental Payments due thereunder;

**WHEREAS**, Piper Jaffray & Co., in Minneapolis, Minnesota (the Original Purchaser) has agreed to purchase the Certificates;

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained and for other valuable consideration, the parties hereto do hereby recite and agree as follows:

## ARTICLE I

### DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions. For the purposes of this Trust Agreement the terms defined in the Lease and capitalized herein shall have the meanings ascribed to them in the Lease unless the context requires some other meaning. In addition, the terms defined below shall have the meanings ascribed to them as set forth below.

Acquisition Account: means the Acquisition Account within the Trust Fund established pursuant to Article IV hereof.

Acquisition Costs: means the amounts necessary to acquire the Land and Facilities.

Additional Certificates: means any additional Certificates issued pursuant to Section 3.24 hereof.

Authorized Officer: when used with respect to the District, means the Chairperson or Clerk or any other person who is designated in writing by the Chairperson or Clerk as an Authorized Officer for purposes of this Trust Agreement. The term "Authorized Officer," when used with respect to the Trustee, means any vice president and/or trust officer who is authorized to take the action in question on behalf of the Trustee.

Bond Year: the first Bond Year is the period ending on February 1, 2011 and each subsequent Bond Year is the year ending each February 1;

Certificates: means the Series 2010A Certificates and the Series 2010B Certificates prepared and delivered by the Trustee pursuant to this Trust Agreement.

Certificate Payment Date: means February 1 and August 1 of each year commencing August 1, 2010.

Closing Date: means January 7, 2010.

Costs of Issuance: means all fees and expenses incurred by the District in connection with the execution and delivery of the Lease and the issuance of the Certificates, including, but not limited to, costs of preparing the Certificates, this Trust Agreement, the Lease, the Official Statement relating to the Certificates, and related documents; legal fees (including those of counsel to the Trustee, the District and the Original Purchaser); and the Trustee's initial fees.

Federal Subsidy Payment: The subsidy payment to be made to the District pursuant to the American Recovery and Reinvestment Act of 2009 upon filing the Form 8038-CP with the Internal Revenue Service.

Lease: means the Lease Purchase Agreement, dated as of January 1, 2010, between the Trustee, as lessor, and the District, as lessee, and any amendment thereof or supplement thereto.

Original Purchaser: means Piper Jaffray & Co., in Minneapolis, Minnesota.

Outstanding: when used with reference to the Certificates and as of any particular date, means all Certificates theretofore delivered except: (i) any Certificate canceled or fully paid by the Trustee at or before said date; (ii) any Certificate in lieu of or in substitution for which another Certificate shall have been delivered pursuant to this Trust Agreement; and (iii), for the sole purpose of determining the percentage of Certificate Owners consenting to an amendment to this Trust Agreement or authorizing any action by the Trustee or the exercise of any remedy hereunder, any Certificate owned by the District or any of its departments, agencies, institutions, instrumentalities or political subdivisions. For all other purposes Certificates owned by the District or any such entity which are not described in paragraphs (i) and (ii) shall be treated as Outstanding hereunder.

Owner: or “Certificate Owner” or “Owner of Certificates” or any similar term, when used with respect to the Certificates, means the registered owner of any Outstanding Certificate.

Permitted Investments: means any investments legal for the investment of the funds of District under Minnesota law.

Principal Office: when used with respect to the Trustee, means the principal office of the Trustee situated in Minneapolis, Minnesota, at which the Trustee conducts its corporate trust business; or any office so designated by a successor trustee.

Record Date: means the 15th day of the calendar month next preceding any Certificate Payment Date, regardless whether such day is a Business Day.

Redemption Account: means the Redemption Account within the Trust Fund established pursuant to Article IV hereof.

Rental Payment: The payment due from the District to the Lessor on each Rental Payment Date during the Term of the Lease, as shown on Exhibit B of the Lease.

Rental Payment Accounts: means the Series 2010A Rental Payment Account and the Series 2010B Rental Payment Account within the Trust Fund established pursuant to Article IV hereof.

Register: means the Register maintained by the Registrar pursuant to Section 3.13 of this Trust Agreement.

Registrar: means the Trustee or any successor Registrar appointed by the Trustee pursuant to Section 6.3 hereof.

Series 2010A Certificates: means the \$3,200,000 Certificates of Participation, Series 2010A authorized by this Trust Agreement.

Series 2010B Certificates: means the \$2,050,000 Taxable Certificates of Participation, Series 2010B authorized by this Trust Agreement.

Series 2010A Rental Payment: The payment due, with respect to the Series 2010A Certificates from the District to the Lessor on each Rental Payment Date during the Term of the Lease, as shown on Schedule B-1 to Exhibit B of the Lease.

Series 2010B Rental Payment: The payment due, with respect to the Series 2010B Certificates, from the District to the Lessor on each Rental Payment Date during the Term of the Lease, as shown on Schedule B-2 to Exhibit B of the Lease

Supplemental Trust Agreement: means any trust agreement supplemental or amendatory to this Trust Agreement entered into by the District and the Trustee pursuant to Article VII hereof.

Section 1.2. Rules of Construction. Words of the masculine and feminine genders shall be deemed and construed to include the neuter gender. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Trust Agreement, refer to this Trust Agreement.

## ARTICLE II

### RECITALS AND REPRESENTATIONS

Section 2.1. Lease of the Land and Facilities. The Trustee and the District have entered into the Lease whereby the Trustee agrees to lease the Land and Facilities to the District and the District agrees to lease the Land and Facilities from the Trustee.

Section 2.2. Creation of Trust. The Trustee hereby, at the request of the District, creates a trust for the benefit of the Owners, from time to time of the Certificates issued hereunder. The trust created hereunder shall be irrevocable while any Certificates are Outstanding hereunder. The corpus of the trust shall consist of (i) all of the Trustee's right, title and interest in and to the Lease, except the rights of the Trustee to compensation, reimbursement or indemnity from the District thereunder, which rights are specifically reserved by the Trustee, (ii) the Trust Fund created in Article IV hereof, including all money and securities held in the accounts created therein and (iii) any other property or rights hereafter assigned or contributed to the trust by the District or the Trustee by amendment or supplement hereto.

Section 2.3. Conditions Precedent Satisfied. All acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the execution and entering into of this Trust Agreement have happened and have been performed in regular and due time, form and manner as required by law and the parties hereto are now duly empowered to execute and enter into this Trust Agreement.

**ARTICLE III**

**CERTIFICATES; TERMS AND PROVISIONS**

Section 3.1. Preparation of Certificates. The Trustee is hereby directed to prepare, execute and deliver to the Original Purchaser, Series 2010A Certificates in an aggregate principal amount of \$3,200,000 evidencing undivided ownership interests in the Series 2010A Rental Payments to be paid by the District under the Lease, in exchange for the purchase price thereof. The total stated principal amount of Series 2010A Certificates that may be issued hereunder is hereby expressly limited to \$3,200,000. The Trustee is hereby directed to prepare, execute and deliver to the Original Purchaser, Series 2010B Certificates in an aggregate principal amount of \$2,050,000 evidencing undivided ownership interests in the Series 2010B Rental Payments to be paid by the District under the Lease, in exchange for the purchase price thereof. The total stated principal amount of 2010B Certificates that may be issued hereunder is hereby expressly limited to \$2,050,000.

Section 3.2. Form; Denominations; Medium of Payment. The Certificates shall be delivered in fully registered form without coupons in the denominations of \$5,000 each or any integral multiple thereof (which form shall be substantially in the forms set forth in Exhibit B, Schedule B-1 and Schedule B-2, hereto attached and by this reference herein incorporated), with such further appropriate particular designation added to or incorporated in such title for the Certificates as may be set forth in the provisions of this Trust Agreement. The Certificates shall be payable in any lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 3.3. Date of Certificates. The Certificates shall be originally dated as of January 7, 2010. Interest with respect to Certificates shall accrue from their date of original issue or from the most recent date to which interest has been paid or duly provided for.

Section 3.4. Payment of Principal and Interest with Respect to Certificates.

(a) The Certificates shall mature on February 1 in the amounts set forth below, and shall bear interest from date of issue to the next succeeding Certificate Payment Date or to maturity or prior redemption at the annual rates set forth below:

<u>Series 2010A</u>			<u>Series 2010A</u>		
<u>Certificates</u>	<u>Principal</u>	<u>Interest</u>	<u>Certificates</u>	<u>Principal</u>	<u>Interest</u>
<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>
2011	\$275,000	2.000%	2016	\$325,000	3.000%
2012	290,000	2.000	2017	330,000	3.000
2013	300,000	2.000	2018	340,000	3.000
2014	305,000	3.000	2019	355,000	4.000
2015	315,000	3.000	2020	365,000	4.000

<u>Series 2010B</u>		
<u>Certificates</u>	<u>Principal</u>	<u>Interest</u>
<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>

2025            \$2,050,000            5.480%

Principal due on the Certificates, shall represent the sum of the portion of the Rental Payments designated as principal coming due on the Certificate Payment Date in each year.

(b) Interest with respect to the Series 2010A Certificates shall be payable on February 1 and August 1 of each year to and including the date of maturity or redemption, whichever is earlier, commencing August 1, 2010. Interest with respect to the Series 2010B Certificates shall be payable on February 1 and August 1 of each year to and including the date of maturity or redemption, whichever is earlier, commencing August 1, 2010. Said interest shall represent the sum of the portion of Rental Payments coming due on the twentieth day of January and July immediately preceding said February 1 and August 1 dates, respectively, designated as Interest.

(c) the Certificates shall be subject to redemption as provided in Sections 3.5 and 3.6, and 3.7 or cancellation as hereinafter provided in this Article III.

Section 3.5. Optional Redemption of Certificates. The 2010B Certificates maturing on and after February 1, 2021 are subject to redemption at the option of the District, on February 1, 2020, and on any date thereafter in whole or in part in such order as the District shall determine and within a maturity by lot as selected by the Registrar in multiples of \$5,000, at a redemption price equal to the principal amount plus accrued interest to the redemption date from prepayments of the Rental Payments under Articles V and VI of the Lease. If the District determines that it does not need certain portions of the Land, the District may sell such excess Land at fair market value, the proceeds of such excess Land sale to be deposited with the Trustee and used to defease the Certificates to their maturity date or earlier optional redemption date as provided in this Section 3.5 contingent upon the receipt of an opinion of counsel nationally recognized in the area of municipal finance to the effect that such deposit will not result in amounts representing interest payable with respect to any Series 2010A Certificates then Outstanding (including such Additional Certificates) becoming includable in gross income for federal income tax purposes and that the Series 2010B Certificates then Outstanding (including Additional Certificates), and the provisions of the Lease relating thereto will remain "Build America Bonds" under the Code and the Regulations.

Section 3.6. Mandatory Sinking Fund Redemption. The Series 2010B Certificates maturing on February 1, 2025 shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 3.6 at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Series 2010B Rental Payments which are to be paid to the Trustee and deposited into the 2010B Rental Payment Account shall be sufficient to redeem and pay, and the Trustee shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts of Series 2010B Certificates:

Series 2010B Certificates Maturing February 1, 2025

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

2021	\$380,000
2022	395,000
2023	410,000
2024	425,000

The remaining \$440,000 stated principal amount of the Series 2010B Certificates shall be payable at maturity on February 1, 2025.

Section 3.7. Extraordinary Redemption of Certificates. The Certificates shall be subject to extraordinary redemption and prepayment, in whole but not in part, at the option of the District on any date upon the conditions and terms set forth below if there occurs an event of damage, destruction or condemnation relating to the Land and Facilities and the District determines that rebuilding, restoration and replacement of the Land and Facilities to an acceptable condition would not be economically feasible. The Series 2010B Certificates shall be subject to extraordinary redemption at the direction of the District if the Internal Revenue Service determines, or is expected by the District to determine, either prospectively or otherwise, that Federal Subsidy Payments are not payable with respect to the Series 2010B Certificates, or if there is a change in law eliminating or decreasing Federal Subsidy Payments with respect to the Series 2010B Certificates. Such extraordinary optional redemption shall be at a price equal to the principal amount to be redeemed plus accrued interest to the redemption date without premium.

Section 3.8. Legends. The Certificates may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Trust Agreement as may be necessary or desirable to comply with custom, or otherwise as may be determined by the District prior to delivery thereof.

Section 3.9. Execution. The Certificates shall be executed in the name of and by the Trustee, as trustee under this Trust Agreement, by the manual signature of an Authorized Officer of the Trustee. The Trustee shall execute and deliver the Certificates upon delivery to the Trustee of the following:

- (1) An original or certified copy of the resolution adopted by the governing body of the District authorizing or approving the issuance of such Certificates and the execution of this Trust Agreement and Lease;
- (2) An original executed Trust Agreement providing for the issuance of such Certificates;
- (3) An original executed Lease.

Section 3.10. Interchangeability of Certificates. Certificates, upon surrender thereof at the Principal Office of the Trustee with a written instrument of transfer satisfactory to the Registrar, duly executed by the Owner or the Owner's attorney duly authorized in writing, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Certificates of the same maturity of other authorized denominations.

Section 3.11. Negotiability, Transfer and Registry. All the Certificates issued pursuant to this Trust Agreement shall be negotiable as provided by law subject to the provisions for registration and transfer contained in this Article and in the Certificates.

Section 3.12. Transfer of Certificates.

(a) The registration of each Certificate shall be transferable only upon the Register, which shall be kept for the purpose at the Principal Office of the Registrar, upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the Owner or the Owner's duly authorized attorney. Upon the registration of the transfer and the surrender of any such Certificate, the Registrar shall provide, in the name of the transferee, a new Certificate or Certificates of the same aggregate principal amount and maturity as the surrendered Certificates.

(b) The Registrar shall deem and treat the person in whose name any Outstanding Certificate shall be registered upon the Register as the absolute Owner of such Certificate, whether such Certificate shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest payments with respect to such Certificate and for all other purposes, and all such payments so made to any such 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, and neither the Registrar, the District nor the Trustee shall be affected by any notice to the contrary.

Section 3.13. Regulations with Respect to Exchange and Transfer. In all cases in which the privilege of exchanging or transferring Certificates is exercised, the Registrar shall execute and deliver Certificates in accordance with the provisions of this Article. All Certificates surrendered in any such exchanges or transfers shall forthwith be canceled and destroyed by the Registrar. For every such exchange or transfer of Certificates, whether temporary or definitive, the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge, required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The cost of transfers and exchanges of Certificates shall be charged to the person requesting them.

Section 3.14. Register. The Registrar shall keep or cause to be kept at its Principal Office a Register, which shall at all times be open to inspection by the Original Purchaser and the District; and, upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Register, Certificates as hereinbefore provided.

Section 3.15. Temporary Certificates. Pending preparation of the definitive Certificates, any Certificates delivered under this Trust Agreement may be initially delivered in temporary form exchangeable for definitive Certificates when ready for delivery. The temporary Certificates may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the District, shall be without coupons and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Certificate shall

be executed by the Registrar and be delivered by the Registrar upon the same conditions and in substantially the same manner as definitive Certificates. If the Registrar delivers temporary Certificates, it shall execute and furnish definitive Certificates without delay and, thereupon, the temporary Certificates shall be surrendered for cancellation at the Principal Office of the Registrar and the Registrar shall deliver in exchange for such temporary Certificates an equal aggregate principal amount of definitive Certificates of authorized denominations and of the same maturity and interest rate or rates. Until so exchanged, the temporary Certificates shall be entitled to the same benefits under this Trust Agreement as definitive Certificates delivered pursuant hereto.

Section 3.16. Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Registrar, at the expense of the Owner of said Certificate shall execute and deliver a new Certificate of like tenor, maturity and number in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Registrar of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Registrar shall be canceled by it and either destroyed or delivered upon the order of the District. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Registrar, and, if such evidence is satisfactory to the Registrar and if an indemnity satisfactory to the Registrar shall be given, the Registrar, at the expense of the Certificate Owner, shall execute and deliver a new Certificate of like tenor and maturity and numbered as the Registrar shall determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Registrar may require payment of an appropriate fee for each new Certificate delivered under this Section and of the expenses which may be incurred by the Registrar in carrying out the duties under this Section, from the person requesting the same. Any Certificate issued under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Certificates secured by this Trust Agreement. The Registrar shall not be required to treat both the original Certificate and any duplicate Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be issued hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and duplicate Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Certificate for a Certificate which has been mutilated, lost, destroyed or stolen and which has matured, the Registrar may make payment of such Certificate.

Section 3.17. Place of Payment. The Trustee is hereby appointed as the paying agent for the Certificates. The principal of all Certificates shall be payable at the principal office of the Trustee. Interest with respect to Certificates shall be payable by check or draft of the Trustee mailed on the Certificate Payment Date to the Owner of record as of the Record Date at the address shown on the Certificate Register

Section 3.18. Evidence of Signatures of Certificate Owners and Ownership of Certificates. Any request, direction, consent, revocation of consent, or other instruments in writing required or permitted by this Trust Agreement to be signed or executed by Certificate Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Certificate Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any

instrument appointing any such attorney or agent, and of the holding and ownership of Certificates shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Certificate Owner or the Owner's attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions that the person signing such instrument acknowledged before him or her the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of authority.

(b) The ownership of Certificates shall be proved by the Register held by the Registrar under the provision of this Trust Agreement.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which may reasonably seem sufficient to the Trustee. Any request or consent of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or suffered to be done by the District or the Trustee in pursuance of such request or consent.

Section 3.19. Securities Depository for Certificates. For purposes of this section the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Certificate, the person in whose name such Certificate is recorded as the beneficial owner of such Certificate by a Participant on the records of such Participant, or such person's subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Certificates.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Certificates as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the sender agrees to comply with DTC's Operational Arrangements.

(A) The Certificates shall be initially issued as authenticated fully registered Certificates, and one Certificate shall be issued in the principal amount of each stated maturity of the Certificates. Upon initial issuance, the ownership of such Certificates shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Trustee and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Certificates registered in its name for the

purposes of payment of the principal of or interest on the Certificates, selecting the Certificates or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Certificates under the Trust Agreement, registering the transfer of Certificates, and for all other purposes whatsoever; and neither the Trustee nor the District shall be affected by any notice to the contrary. Neither the Trustee nor the District shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Certificates under or through DTC or any Participant, or any other Person which is not shown on the Bond Register as being a registered owner of any Certificates, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Certificates, with respect to any notice which is permitted or required to be given to owners of Certificates under the Trust Agreement, with respect to the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption of the Certificates, or with respect to any consent given or other action taken by DTC as registered owner of the Certificates. So long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, the Trustee shall pay all principal of and interest on such Certificate, and shall give all notices with respect to such Certificate, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal of and interest on the Certificates to the extent of the sum or sums so paid. No Person other than DTC shall receive an authenticated Certificate for each separate stated maturity evidencing the obligation of the District to make payments of principal and interest. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Certificates will be transferable to such new nominee in accordance with paragraph (D) hereof.

- (B) In the event the District determines that it is in the best interest of the Beneficial Owners that they be able to obtain Certificates in the form of bond certificates, the District may notify DTC and the Trustee, whereupon DTC shall notify the Participants of the availability through DTC of Certificates in the form of certificates. In such event, the Certificates will be transferable in accordance with paragraph (D) hereof. DTC may determine to discontinue providing its services with respect to the Certificates at any time by giving notice to the District and the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event the Certificates will be transferable in accordance with paragraph (D) hereof.
- (C) A Representation Letter, executed by an appropriate officer of the District, is on file with DTC. The Representation Letter sets forth certain matters with respect to, among other things, notices, consents and approvals by registered owners of the Certificates and Beneficial Owners and payments on the Certificates. The Trustee shall have the same rights with respect to its actions thereunder as it has with respect to its actions under the Trust Agreement.

- (D) In the event that any transfer or exchange of Certificates is permitted under paragraph (A) or (B) hereof, such transfer or exchange shall be accomplished upon receipt by the Trustee of the Certificates to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of the Trust Agreement. In the event Certificates in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Certificates, or another securities depository as owner of all the Certificates, the provisions of the Trust Agreement shall also apply to all matters relating thereto, including, without limitation, the printing of such Certificates in the form of bond certificates and the method of payment of principal of and interest on such Certificates in the form of bond certificates.

Section 3.20. Selection of Certificates for Redemption. The Certificates shall be called for redemption in such order as the District shall determine and within a maturity by lot as selected by the Registrar, in accordance with Section 3.5. If less than all Certificates maturing on the same dates are to be redeemed, the Certificates shall be selected by lot in such manner as the Trustee shall determine; provided, however, that the portion of any Certificate to be redeemed shall be in the principal amount of \$5,000 or any multiple thereof, and that in selecting portions of Certificates for redemption, the Trustee shall treat each such Certificate as representing that number of Certificates which is obtained by dividing the principal amount of such Certificate by \$5,000.

Section 3.21. Notice of Redemption. When redemption is authorized or required pursuant to the provisions hereof, the Trustee shall give to the Certificate Owners notice at the expense of the District of the redemption of the Certificates. Such notice shall specify: (a) the Certificates to be redeemed, (b) the date of redemption, and (c) the place or places where the redemption will be made. Such notice shall further state that on the specified date of redemption there shall become due and payable upon each Certificate to be redeemed, the principal thereof and premium, if any, together with interest accrued to said date of redemption, and that from and after such date of redemption interest thereon shall cease to accrue and be payable. Notice of such redemption shall be given not less than thirty (30) days prior to the redemption date by mailing a copy of the redemption notice by first class, postage prepaid, to the Original Purchaser and to the Owners whose Certificates are to be redeemed; provided that notice shall be given to any securities depository in accordance with its operational arrangements. Failure to mail such notice or any defect therein shall not affect the validity of the proceedings for the redemption of any Certificates not affected by such failure or defect.

Section 3.22. Effect of Redemption. Notice having been given as aforesaid, and the moneys for the redemption, including premium, if any and interest to the applicable date of redemption, having been set aside in the Redemption Account, the Certificates to be redeemed shall become due and payable on said date of redemption, and, upon presentation and surrender thereof at the office or offices specified in said notice, said Certificates shall be paid at the unpaid principal amount thereof, plus any premium due, plus any unpaid and accrued interest to said date of redemption. If, on said date of redemption, moneys for the redemption of all the Certificates to be redeemed, together with interest to said date of redemption, shall be held by the Trustee so as to be available therefor on such date of redemption, and, if notice of redemption thereof shall have been given as aforesaid, then, from and after said date of redemption, interest

on the Certificates to be redeemed shall cease to accrue and become payable. If said moneys shall not be available on said date of redemption, such Certificates shall continue to bear interest until paid at the same rates as they would have borne had they not been notified for redemption. All moneys held by or on behalf of the Trustee for the redemption of particular Certificates shall be held in trust for the account of the Owners of the Certificates so to be redeemed for a period ending fifty-nine months from the date of redemption. All such moneys held by the Trustee at the end of such period, including interest or other investment income thereon, shall be paid to the District, and thereafter the Trustee shall have no responsibility for the redemption of Certificates presented for redemption after such date.

Section 3.23. Parity Obligations. The Series 2010A Certificates and Series 2010B Certificates are issued under and are equally and ratably secured and entitled to the protection given by this Trust Agreement. Subject to the terms and conditions set forth herein, this Trust Agreement permits the issuance of Additional Certificates pursuant to Section 3.24 hereof secured by this Trust Agreement on a parity with the Certificates.

Section 3.24. Additional Certificates.

(a) Additional Certificates may be issued under and be equally and ratably secured by this Trust Agreement on a parity with the Certificates and any other Additional Certificates Outstanding, at any time and from time to time, upon compliance with the provisions of this Section, for any of the following purposes:

(1) To provide funds to pay all or any part of the costs of acquisition, construction, furnishing and equipping of additions or expansions to the Facilities.

(2) To provide funds to pay all or any part of the costs of repairing, replacing or restoring the Facilities in the event of damage, destruction or condemnation thereto or thereof, but only to the extent that such costs exceed the Net Proceeds of the insurance or condemnation awards out of which such costs are to be paid pursuant to Article VI or Article VII of the Lease.

(3) To provide funds for refunding all or any portion of the Certificates of any series then Outstanding, including the payment of any premium thereon and interest to accrue to the designated redemption date and any expenses in connection with such refunding.

(b) Such Additional Certificates shall have received a rating identical to or higher than that received with respect to the Certificates from the nationally recognized bond rating agency that provided the rating for the Certificates, and the rating on the Certificates shall be confirmed.

(c) Before any Additional Certificates shall be issued under the provisions of this Section, the District shall adopt a resolution (i) authorizing or approving the issuance of such Additional Certificates; (ii) authorizing or approving the execution of a

Supplemental Trust Agreement for the purpose of issuing such Additional Certificates and fixing the amount and terms thereof and describing the purpose or purposes for which such Additional Certificates are being issued or describing the Certificates to be refunded; and, if required, (iii) authorizing the execution of an amendment to the Lease to provide for Rental Payments at least sufficient to pay, on any Rental Payment Date, amounts representing principal, premium, if any, and interest with respect to the Certificates then to be Outstanding (including the Additional Certificates to be issued) as the same become due during such Rental Payment Date.

(d) Such Additional Certificates shall have the same designation as the Certificates (except for an identifying series designation and the addition of the word “Refunding” when applicable), shall be dated, shall mature on February 1 or August 1 in such year or years, shall provide for amounts representing interest at such rate or rates not exceeding the maximum rate then permitted by law, and shall be redeemable at such times and prices (subject to the provisions of Article III of this Trust Agreement), all as may be provided by the Supplemental Trust Agreement authorizing the issuance of such Additional Certificates. Except as to any difference in date, maturity, interest rate or redemption provisions, such Additional Certificates shall be on a parity with and shall be entitled to the same benefit and security of this Trust Agreement as the Certificates and any other Additional Certificates Outstanding after the issuance of such Additional Certificates.

(e) Such Additional Certificates shall be executed substantially in the form and manner set forth in Exhibit B hereto, but prior to or simultaneously with the execution of such Additional Certificates there shall be filed with the Trustee the following:

(1) An original or certified copy of the resolutions adopted by the School Board of the District authorizing or approving the issuance of such Additional Certificates and the execution of such Supplemental Trust Agreement.

(2) An original executed counterpart of the Supplemental Trust Agreement providing for the issuance of such Additional Certificates.

(3) An original executed counterpart of the amendment to the Lease, if required, which amendment shall clearly establish that the District has agreed that the Additional Certificates shall constitute Certificates for the purpose of computing the required Rental Payments.

(4) A request and authorization to the Trustee, on behalf of the District, executed by a Authorized Officer, to execute the Additional Certificates and to deliver them to the Original Purchaser therein identified upon payment of the purchase price thereof to the Trustee. The Trustee shall be entitled to rely conclusively upon such request and authorization as to the name of the Original Purchaser and the amount of such purchase price.

(5) An opinion of counsel nationally recognized in the area of municipal finance to the effect that the issuance of such Additional Certificates will not

result in amounts representing interest payable with respect to any Series 2010A Certificates then Outstanding (including such Additional Certificates) becoming includable in gross income for federal income tax purposes and that the Series 2010B Certificates then Outstanding (including Additional Certificates), and the provisions of the Lease relating thereto will remain “Build America Bonds” under the Code and the Regulations.

(6) Such other certificates, statements, receipts, opinions and documents as the Trustee shall reasonably require for the delivery of such Additional Certificates.

(f) When the documents described in subsection (e) of this Section have been filed with the Trustee, and when such Additional Certificates have been executed as required by this Trust Agreement, the Trustee shall deliver such Additional Certificates to or upon the order of the Original Purchaser thereof upon payment to the Trustee of the purchase price of such Additional Certificates as specified by the request and authorization of the Authorized Officer of the District. The proceeds of the sale of such Additional Certificates (except Additional Certificates issued to refund Outstanding Certificates), including any accrued interest and premium thereon paid over to the Trustee, shall be deposited in accordance with Article IV hereof and the provisions of the Supplemental Trust Agreement authorizing the issuance of such Additional Certificates. The proceeds of all Additional Certificates issued to refund Outstanding Certificates (excluding any accrued interest and premium, which shall be deposited in the Certificate Fund) shall be deposited by the Trustee, after payment or making provision for payment of all expenses incident to such financing, to the credit of a special trust fund, to be held in trust for the sole and exclusive purpose of paying amounts representing principal, premium, if any, and interest with respect to the Certificates to be refunded, as provided in the Supplemental Trust Agreement authorizing the issuance of such Additional Certificates.

(g) Except as provided in this Section, no obligations payable from the sources pledged for payment or security of the Certificates shall be issued.

## ARTICLE IV

### ESTABLISHMENT AND ADMINISTRATION OF FUNDS AND ACCOUNTS

Section 4.1. Trust Fund; Accounts; Payment of Costs of Issuance. There is hereby established with the Trustee a special trust fund to be designated as the “Intermediate District No. 287, Plymouth, Minnesota, Lease Purchase Agreement Trust Fund” (the “Trust Fund”). The Trustee shall keep the Trust Fund separate and apart from all other funds and moneys held by it. Within the Trust Fund, there are hereby established the Acquisition Account more particularly described in Section 4.2 hereof, the Rental Payment Account more particularly described in Section 4.3 hereof and the Redemption Account more particularly described in Section 4.4 hereof. On the Closing Date the Trustee will receive and deposit in the Trust Fund the proceeds of the Certificates in the amount of \$5,255,790. Proceeds in the amount of \$73,700 shall be held by the Trustee and used to pay Costs of Issuance immediately upon receipt of written statements therefor and the balance of the proceeds shall be deposited in the Acquisition Account and applied to the Acquisition Costs.

Section 4.2. Establishment and Application of Acquisition Account.

(a) Within the Trust Fund, there is hereby established a special account to be designated and referred to herein as the “Acquisition Account.” The Trustee shall administer the Acquisition Account as provided in this Section and Section 4.5.

(b) Except as provided in subsection (c) all moneys deposited in or transferred to the Acquisition Account pursuant to Sections 4.1 and 4.5 shall be disbursed only for the payment of Acquisition Costs upon written direction of the District.

(c) Following payment of all Acquisition Costs, the Acquisition Account shall be closed and any remaining balance transferred to the Rental Payment Account.

Section 4.3. Establishment and Application of Rental Payment Accounts. Within the Trust Fund, there is hereby established a separate account to be designated and referred to herein as the “Series 2010A Rental Payment Account” and a separate account to be designated and referred to herein as the “Series 2010B Rental Payment Account.” Such Rental Payment Accounts shall be maintained by the Trustee until the Rental Payments are prepaid or paid in full pursuant to the terms of the Lease or this Trust Agreement is terminated. The Trustee shall administer the Rental Payment Accounts as provided in this Section and Section 4.5.

(a) In addition to the moneys required to be deposited in the Rental Payment Accounts pursuant to Sections 4.1, 4.2 and 4.5, except as provided in Section 4.4, all Rental Payments, and all other moneys received by the Trustee with respect to the Lease or the Land and Facilities shall be deposited by the Trustee in the Rental Payment Accounts immediately upon their receipt. The Series 2010A Rental Payments shall be deposited into the Series 2010A Rental Payment Account. The Series 2010B Rental Payments shall be deposited into the Series 2010B Rental Payment Account.

(b) The Trustee shall withdraw from the Series 2010A Rental Payment Account, on or before each Series 2010A Certificate Payment Date, an amount equal to the principal and interest payments due with respect to the Series 2010A Certificates on such Certificate Payment Date, and shall transmit the same to the Registrar to be applied to the payment of principal and interest payments due with respect to the Series 2010A Certificates on such Certificate Payment Date. The Trustee shall withdraw from the Series 2010B Rental Payment Account, on or before each Series 2010B Certificate Payment Date, an amount equal to the principal and interest payments due with respect to the Series 2010B Certificates on such Certificate Payment Date, and shall transmit the same to the Registrar to be applied to the payment of principal and interest payments due with respect to the Series 2010B Certificates on such Certificate Payment Date.

(c) The Trustee shall transfer to the Redemption Account from the Rental Payment Accounts, all moneys on hand or received in the Rental Payment Accounts which are to be used for the redemption of Certificates in accordance with Section 3.6.

(d) No amounts shall be withdrawn or transferred from or paid out of the Rental Payment Accounts except as provided in this Article IV and Section 5.9.

(e) At least ninety-five (95) days prior to each Series 2010B Rental Payment Date, the Trustee shall deliver to the District by a delivery method that provides the Trustee with evidence of delivery (i) a completed Form 8038-CP, which is to be signed by an Authorized Officer of the District, and (ii) a certification by an Authorized Officer of the Trustee stating that, to its knowledge, the Form 8038-CP is accurate and complete. The Form 8038-CP and certification shall be sent to the attention of the District's Director of Finance. The District shall return such signed Form 8038-CP to the Trustee not later than ninety (90) days prior to each Series 2010B Rental Payment Date with respect to the Certificates, by a delivery method which provides the District with evidence of delivery. The District, at their own expense, may hire an independent consultant to review the Form 8038-CP.

(f) Not more than ninety (90) and not less than forty-five (45) days prior to each Series 2010B Rental Payment Date, the Trustee shall file, or cause to be filed a Form 8038-CP with the Internal Revenue Service Center, Ogden, Utah 84201, or any successor location specified by the Internal Revenue Service, or take such other or additional actions as may be required from time to time under the Code as are within its power and are requested by the District and agreed to by the Trustee, to request the Federal Subsidy Payment with respect to such Series 2010B Rental Payment Date. Upon completion and filing, the Trustee shall deliver a copy of such Form 8038-CP to the District. The District hereby authorizes and directs the Trustee to take all actions necessary to prepare and file the Form 8038-CP, or take such other or additional actions as may be required from time to time under the Code as are within its power and are requested by the District and agreed to by the Trustee, to request the Federal Subsidy Payment with respect to such Series 2010B Rental Payment Date. Failure by the Trustee to prepare or file the Form 8038-CP shall not affect any payment obligations of the District hereunder or under the Lease.

(g) The Form 8038-CP shall authorize the Federal Subsidy Payment requested in accordance with clause (a) above to be paid to the Trustee. Upon receipt of any Federal Subsidy Payment, the Trustee shall promptly deposit such payment in the Series 2010B Rental Payment Account of the Trust Fund as a credit against the next Series 2010B Rental Payment required to be made.

The Trustee shall charge a fee based on a schedule it will establish from time to time for performing its responsibilities under this clause (g), which fee will be paid by the District in accordance with the Trustee's applicable fee schedule. The Trustee may also require reimbursement of any additional expenses incurred in connection with the filing required by clause (b) above.

#### Section 4.4. Establishment and Application of Redemption Account.

(a) Within the Trust Fund there is hereby established a separate account to be designated and referred to herein as the "Redemption Account." The Trustee shall administer the Redemption Account as provided in this Section and Section 4.5.

(b) The Trustee shall deposit in the Redemption Account, moneys received; in the event of termination of the Lease pursuant to Section 4.5 or 13.2 of the Lease, including, without limitation, all net proceeds received from the sale or other disposition of the Land and Facilities. In the event of termination of the Lease pursuant to Section 4.5 or 13.2 of the Lease or Section 6.5 of the Lease, the Trustee shall transfer to the Redemption Account, all moneys on hand in the Rental Payment Accounts not needed to pay principal and interest due or past due on the Certificates. All of said moneys shall be set aside in the Redemption Account for the purpose of redeeming the Certificates in advance of their maturity and shall be applied on or after the date of redemption to the payment of principal and interest with respect to the Certificates to be redeemed upon presentation and surrender of such Certificates.

(c) Notwithstanding any other provision of this Trust Agreement, except as provided in subsection (d), all moneys on hand in the Redemption Account which will not be used for the redemption of the Certificates within 30 days after the date of its deposit or transfer to said Account, shall be invested at a yield not exceeding the yield on the Certificates, each computed in accordance with the United States Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, unless the District obtains and delivers to the Trustee an opinion of an attorney or firm of attorneys nationally recognized as bond counsel stating that the investment of such moneys may be made without restriction as to yield or may be made subject to another yield limitation, in which event the moneys in said Redemption Account may be invested in accordance with such opinion. Investment of moneys subject to the yield restrictions herein provided may be made by the purchase of United States Treasury Certificates of Indebtedness - State and Local Government Series, or United States Treasury Notes - State and Local Government Series, or United States Treasury Bonds - State and Local Government Series maturing on or immediately preceding the date of redemption of the Certificates to be redeemed.

(d) Moneys held by the Trustee for the payment of Certificates which have been called for redemption and the interest thereon, after the date set for redemption, may be invested, at the written request of the District, in Permitted Investments without restriction as to yield. Moneys held in the Redemption Account after the date on which such moneys are to be applied for the redemption of the Certificates, shall, upon redemption of all Outstanding Certificates, or upon expiration of the applicable time period specified in Section 3.22 hereof, whichever occurs first, be paid to the District.

Section 4.5. Deposit and Investment of Moneys in Funds.

(a) All moneys held by the Trustee in the Trust Fund shall be deposited or invested in Permitted Investments, pursuant to written instructions of an Authorized Officer of the District. If the District does not provide the Trustee with written instructions for such investment, the Trustee shall invest such moneys in Permitted Investments so as to obtain the highest yield which Trustee deems practicable, having due regard for the safety of such moneys and for the dates upon which such moneys will be required for uses and purposes specified in this Trust Agreement. Any Permitted Investments may be purchased from or sold to the Trustee or any of its affiliates.

(b) All interest or income on the Acquisition Account shall be retained in the Acquisition Account until such Acquisition Account is closed pursuant to Section 4.2(c) hereof.

(c) All interest or income received by the Trustee on investment of the Rental Payment Accounts established pursuant to Section 4.3 hereof shall be retained in said Rental Payment Accounts and be applied to the payment of delinquent payments due on the Certificates, if any, and otherwise shall be applied as set forth in subsection (d) of this Section.

(d) Subsequent to the closing of the Acquisition Account, and provided that there are no delinquent Rental Payments, amounts retained or deposited in or transferred to the Rental Payment Accounts pursuant to subsection (c) shall be applied as a credit against the next Rental Payment due from the District under the Lease following the date of deposit or transfer. At the time of deposit or transfer of said moneys in or to the Rental Payment Accounts, the Trustee shall report the amount thereof to the District and the amount of the next Rental Payment payable by the District under the Lease shall be reduced by an amount equal to the amount of said deposit or transfer.

(e) The Trustee shall not be liable for any loss resulting from the making or disposition of any investment pursuant to this Section, except where such loss arises out of the Trustee's wrongful or negligent act or failure to act. Any loss not resulting from the Trustee's wrongful or negligent conduct shall be charged to the account with respect to which such investment was made.

(f) The District covenants and agrees that it will at all times direct the Trustee to invest the moneys held in the Trust Fund in a manner which will not violate the provisions of the Code and the regulations promulgated thereunder from time to time.

(g) Upon payment by the District of all Rental Payments set forth in Exhibit B to the Lease, or prepayment by the District of all its obligations under the Lease pursuant to Section 6.5 thereof, and the payment of all Certificates and the interest coming due thereon or the provision for the payment thereof as provided in Section 7.3 hereof, and the payment of all amounts owed to the Trustee under Section 6.6 hereof, all moneys remaining on hand in the Trust Fund shall be paid to the District.

Section 4.6. Arbitrage Rebate. The District acknowledges that the arbitrage rebate requirements of Section 148(f)(4)(D) of the Code are applicable to the Series 2010A Certificates, the District hereby covenants and agrees to make computations, retain records and pay amounts to the United States at the times and in the manner required by said Section 148(f)(4)(D) of the Code. The District reserves the right to avail itself of any of the spending exceptions to arbitrage rebate set forth in Section 148(f) of the Code and related Treasury Regulations.

Section 4.7. Unclaimed Moneys. All moneys held by the Trustee for the payment or redemption of Certificates shall be held in trust for the account of the Owners of the Certificates so to be paid or redeemed for a period ending fifty-nine months from the date of redemption or the date such payment was due. All such moneys held by the Trustee at the end of such period, including interest or other investment income thereon, shall be paid to the District, and thereafter the Trustee shall have no responsibility for the payment or redemption of such Certificates presented for payment or redemption after such date.

## ARTICLE V

### COVENANTS; DEFAULT AND LIMITATION OF LIABILITY

Section 5.1. District to Perform Agreement. The District covenants and agrees with the Owners of the Certificates, to perform all obligations and duties imposed on it under the Lease.

Section 5.2. Trustee to Perform Agreement. The Trustee covenants and agrees with the Owners of the Certificates, to perform all obligations and duties imposed on it under the Lease.

Section 5.3. Notice of Non-Payment. In the event of delinquency in the payment of Rental Payments due by the District pursuant to the Lease, the Trustee shall, after five (5) business days following the date upon which such delinquent Rental Payments were due, immediately give written notice of the delinquency and the amount thereof to the District and the Original Purchaser.

Section 5.4. Notice of Event of Default. In the event the District is in default under the terms of the Lease, the Trustee shall give, within ten (10) business days of an Authorized Officer learning of such occurrence of default, written notice of such default to the Owners of the Certificates by mail at their addresses as they appear on the Register. Such notice shall specify that the District is in default of the Lease, together with a brief description of such default; provided, however, that failure to give such notice shall not affect any rights of the Owners of the Certificates. Notwithstanding the foregoing, except in the case of default with respect to the payment of one or more Rental Payments, the Trustee shall be protected in withholding such notice if and so long as the board of directors or trustees, the executive committee, or a trust committee of directors or trustees of the Trustee in good faith determine that the withholding of such notice is in the interests of the Owners of Certificates.

Section 5.5. Action on Default, Nonappropriation or Termination.

(a) Upon the occurrence of an event of default by the District under Section 13.1 of the Lease, and in each and every such case during the continuance of such event of default, or the termination of the Lease pursuant to Section 4.5 thereof, the Trustee or, pursuant to Section 5.11 hereof, the Owners of not less than a majority in aggregate principal amount of Certificates at the time Outstanding shall be entitled, upon notice in writing to the District and the Original Purchaser, to enforce the rights and exercise the remedies provided to the Trustee in the Lease, as appropriate.

(b) Upon the failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Trust Agreement, other than as such failure may constitute a default under the Lease, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the defaulting party by any other party hereto or the Owners of not less than five percent (5%) in aggregate principal amount of Certificates then Outstanding, the Trustee or the Owners of not less than a majority in

aggregate principal amount of Certificates at the time Outstanding shall be entitled, upon notice in writing to the District and the Original Purchaser to take whatever action at law or in equity may appear necessary or desirable to protect and enforce any of the rights vested in the Trustee or the Owners of Certificates by this Trust Agreement or by the Certificates, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Trust Agreement or in aid of the exercise of any power granted in this Trust Agreement or for the enforcement of any other legal or equitable right vested in the Trustee by this Trust Agreement or by law.

(c) Upon termination of the Lease by the Trustee pursuant to Section 13.2 thereof, or the District pursuant to Section 4.5 thereof, the Trustee shall take whatever actions are reasonably necessary to lease or sell the Land and Facilities pursuant to the terms of the Lease, and shall apply the proceeds of such lease or sale to the redemption of Certificates as soon as reasonably practicable.

Section 5.6. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Trust Agreement or under the Lease to the Trustee, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it, it shall not be necessary to give any notice other than such notice as may be required in this Article V or by law.

Section 5.7. Agreement to Pay Attorneys' Fees and Expenses. In the event the District shall default under or otherwise breach any of the provisions contained herein and the Trustee should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the District herein contained, the District agrees that it will on demand therefor pay to the Trustee the reasonable fees of such attorneys and such other related expenses incurred by the Trustee.

Section 5.8. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Trust Agreement should be breached by a party and thereafter waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 5.9. Application of Moneys Upon Default or Nonappropriation. If at any time after an event of default or termination of the Lease pursuant to Section 4.6 thereof has occurred the moneys in the Rental Payment Accounts shall not be sufficient to pay the Rental Payments as the same become due and payable, such moneys together with any moneys available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for herein or otherwise, shall be applied by the Trustee as follows:

First: To the payment of costs, expenses and fees, and reasonable compensation of the Trustee, its agents and attorneys, and all expenses and liabilities incurred and advances made by the Trustee;

Second: To the payment to the persons entitled thereto of all interest components of Rental Payments with respect to Certificates as they become due, in the order of the maturity of such Certificates and, if the amount available shall not be sufficient to pay in full any particular interest component of a Rental Payment when due, then to the payment ratably, according to the amounts due on such interest component, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Certificates;

Third: To the payment to the persons entitled thereto of the principal components of Rental Payments with respect to Certificates as they become due, in the order of the maturity of such Certificates, and, if the amount available shall not be sufficient to pay in full any particular principal component of a Rental Payment due, then to the payment ratably, according to the amounts due on such principal component, to the persons entitled thereto, without any discrimination or preference; and

Fourth: To the District.

Section 5.10. Collection of Rental Payments. Upon written request and authorization by the Owners of a majority in aggregate principal amount of the Certificates then Outstanding and unpaid, and upon being satisfactorily indemnified by such Owners against any expense and liability with respect thereto, the Trustee shall take any and all appropriate action to collect any Rental Payment not paid when due.

Section 5.11. Action by Owners. In the event the Trustee fails to take any action to eliminate or cure an event of default under the terms of this Trust Agreement or the Lease, the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding may institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any right under this Trust Agreement or the Lease, but only if the Trustee shall have been given written notice of such default (unless such default shall consist of a failure to pay a Rental Payment when due) and the continuance thereof and if such percentage of Certificate Owners have first made written request of the Trustee to institute such action or proceedings in its own name as Trustee hereunder and shall have afforded the Trustee 60 days either to proceed to exercise the powers granted therein or granted under law or to institute such action, suit or proceeding in its name and only if, the Trustee shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

Section 5.12. No Obligation by the District to Owners. Except for the payment of Rental Payments when due in accordance with the Lease and the performance of the other covenants and agreements of the District contained in the Lease and in this Trust Agreement, the District shall have no obligation or liability to the Owners of the Certificates with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Rental Payments to the Owners by the Trustee.

Section 5.13. No Obligation with Respect to Performance by Trustee. Neither the District nor the Trustee shall have any obligation or liability to any of the other parties or to the

Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

Section 5.14. No Liability to Owners for Payment. Except as provided in this Trust Agreement, the Trustee shall not have any obligation or liability to the Owners of the Certificates with respect to the payment of the Rental Payments by the District when due, or with respect to the performance by the Trustee or the District of any other covenant made by it in the Lease.

Section 5.15. No Responsibility for Sufficiency. The Trustee shall not be responsible for the sufficiency of the Lease or of the assignment made to it of rights to receive moneys pursuant to the Lease, or the value of or title to the Land and Facilities. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it under the terms of and in accordance with this Trust Agreement, except where such loss arises out of the Trustee's wrongful or negligent act or failure to act.

Section 5.16. Indemnification to Trustee. The District shall and hereby agrees to indemnify and hold harmless the Trustee, without any payment being made by the Trustee, from and against all claims, losses, liability and damages, including legal fees and expenses, arising out of (i) any breach or default on the part of the District in the performance of any of its obligations under this Trust Agreement or the Lease, (ii) any tortious act or failure to act of the District or of any officer, servant or employee of the District with respect to the Land and Facilities, or (iii) the authorization of payment of the Acquisition Costs by the District. Indemnification for any tort mentioned in this Section shall be limited to the extent and in the amounts provided for by Minnesota law.

## ARTICLE VI

### THE TRUSTEE

Section 6.1. Employment of Trustee. In consideration of the recitals hereinabove set forth and for other valuable consideration, the Trustee and the District hereby agree to employ the Trustee to receive, hold, invest and disburse the moneys to be paid to it pursuant to the Lease for credit to the various accounts in the Trust Fund established by this Trust Agreement; to prepare, execute, deliver and deal with the Certificates; and to apply and disburse the Rental Payments received from the District to the Owners of Certificates; and to perform certain other functions; all as herein provided and subject to the terms and conditions of this Trust Agreement.

Section 6.2. Acceptance of Employment. In consideration of the compensation herein provided for, the Trustee accepts the employment above referred to subject to the terms and conditions of this Trust Agreement.

Section 6.3. Trustee; Duties, Removal and Resignation. By executing and delivering this Trust Agreement, the Trustee accepts the duties and obligations of the Trustee provided in this Trust Agreement, but only upon the terms and conditions set forth in this Trust Agreement. In carrying out its duties and exercising its powers under this Trust Agreement, the Trustee shall exercise that degree of care under the circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own business affairs. The Trustee and the District may by written agreement between themselves, or the holders of a majority in aggregate principal amount of all Certificates Outstanding may by written request, remove the Trustee initially a party to this Trust Agreement and any successor thereto, and may appoint a successor Trustee, but any such successor shall be a trust company or bank having trust powers and having a reported capital and surplus not less than \$25,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms. The Trustee and any successor trustee may at any time resign from the trusts hereby created by giving thirty (30) days written notice to the District and by first class mail to each Certificate Owner as shown on the Bond Register, and such resignation shall take effect upon the appointment of a successor trustee by the Owners or by the District. Such notice to the District may be served personally or sent by registered or certified mail. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within sixty (60) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 6.4. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to the District, and signed by the Owners of a majority in aggregate principal amount of then Outstanding Certificates.

The Trustee may be removed at any time by an instrument in writing delivered to the Trustee and signed by the District, which instrument shall take effect 60 days after the date of delivery to the Trustee unless disapproved in writing prior to that date by a majority in aggregate principal amount of then Outstanding Certificates. The District shall give mailed notice of

removal of the Trustee to the Owners of all then Outstanding Certificates within 10 days after the date of delivery of the instrument of removal to the Trustee.

Section 6.5. Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Owners of a majority in aggregate principal amount of the then Outstanding Certificates, by an instrument or concurrent instrument in writing signed by such Owners, or by their attorney-in-fact, duly authorized. Nevertheless, in case of such vacancy the District by resolution of its governing body may appoint a temporary trustee to fill such vacancy until a successor trustee shall be appointed by the Owners in the manner above provided; and any such temporary trustee so appointed by the District shall immediately and without further act be superseded by the Trustee so appointed by such Owners. Every such Trustee appointed pursuant to the provisions of this Section 6.5 shall be a trust company or bank having trust powers and having a reported capital and surplus not less than \$25,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

Section 6.6. Compensation of the Trustee. The District shall from time to time pay to the Trustee reasonable compensation for the acceptance, administration and performance of the trust created hereby, and shall reimburse the Trustee for all its advances and expenditures made in accordance with the provisions of this Trust Agreement (including the reasonable expenses and disbursements of its counsel), from the date of execution of this Trust Agreement through the date of redemption or maturity of all the Certificates.

Section 6.7. Protection to the Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any written resolution, notice, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or provided pursuant to any of the provisions of this Trust Agreement, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to recognize any person as an Owner of any Certificate or to take any action at his request unless such Certificate shall be deposited with the Trustee or satisfactory evidence of the ownership of such Certificate shall be furnished to the Trustee. The Trustee may consult with Independent Counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith. Whenever in the administration of its duties under this Trust Agreement, the Trustee shall deem it necessary to or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by the certificate of an Authorized Officer of the District and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions of this Trust Agreement upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable. The Trustee may buy, sell, own, hold and deal in any of the Certificates issued pursuant to this Trust

Agreement, and may join in any action which any Owner may be entitled to take with like effect as if the Trustee were not a party to this Trust Agreement. The Trustee, either as principal or agent, may also engage in or be interested in any other unrelated financial or other transaction with the District or the Trustee, and may act as depository, trustee, or agent for any committee or body of Owners of Certificates or other obligations of the District as freely as if it were not Trustee hereunder.

The recitals, statements and representations in this Trust Agreement or in the Certificates shall be taken and construed as made by and on the part of the Trustee, and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duties hereunder, and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent or receiver selected by it with reasonable care.

## ARTICLE VII

### AMENDMENT; DEFEASANCE; ADMINISTRATIVE PROVISIONS

Section 7.1. Amendment. This Trust Agreement and the Lease may be amended in writing by agreement among all of the parties hereto or thereto, but, except as provided in Section 7.2 hereof no such amendment shall become effective without the prior written consent of two-thirds in aggregate principal amount of the Certificates then Outstanding; provided that no such amendment shall impair the right of any Owner to receive the Owner's proportionate share of any Rental Payment in accordance with the Owner's Certificate.

Section 7.2. Amendment to Trust Agreement or Lease Not Requiring Consent of Certificate Owners. The District and the Trustee may, without the consent of or notice to any of the Owners of the Certificates, enter into one or more amendments to the Trust Agreement or the Lease for one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission herein or to correct or supplement any provision herein or therein which may be inconsistent with any other provision herein or therein, or to make provisions with respect to matters or questions arising hereunder or thereunder provided such action shall not, in the judgment of the Trustee (with respect to which the Trustee may rely on an opinion of counsel), materially adversely affect the interests of the Owners of the Certificates;

(b) To grant or confer upon the Owners of the Certificates any additional rights, remedies, power or authority that may lawfully be granted or conferred upon them;

(c) To comply with the requirements of any State or federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder;

(d) To provide for the appointment of a successor trustee or co-trustee pursuant to the terms hereof;

(e) To subject to this Trust Agreement additional revenues, properties or collateral.

Section 7.3. Defeasance. If and when the Certificates delivered pursuant hereto shall become due and payable in accordance with their terms, or shall become subject to redemption and have been called or redemption, and the whole amount of the principal and interest due and payable upon all of the Certificates shall be paid, or provision shall have been made for the payment of the same, by the deposit of cash or the types of securities listed in the definition of Permitted Investments or investments of the type described in Section 4.4, subsection (c), in an amount sufficient (together with interest earnings thereon) to provide for payment of said principal and interest to the maturity or earliest optional redemption date of the Certificates, and all administrative expenses shall have been paid or provided for, then and in that case, the right, title and interest of the District and the Trustee under this Trust Agreement shall thereupon cease,



Section 7.9. Headings. Headings preceding the text of the several Articles and Sections hereof, and the table of contents, are solely for convenience of reference and shall not constitute a part of this Trust Agreement or affect its meaning, construction or effect.

Section 7.10. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[Signatures continue on the following page.]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement by their officers thereunto duly authorized as of the date and year first written above.

WELLS FARGO BANK, NATIONAL  
ASSOCIATION, as Trustee

By \_\_\_\_\_  
Its Vice President

[Signatures continued on the following page.]

[Counterpart signature page to the Trust Agreement.]

INTERMEDIATE DISTRICT NO. 287,  
PLYMOUTH, MINNESOTA

By \_\_\_\_\_  
Its Chairperson

By \_\_\_\_\_  
Its Clerk

## **EXHIBIT A**

### **Land**

That North 726.5 feet of the East 720 feet of the Southwest Quarter of the Northeast Quarter (SW ¼ of the NE ¼) of Section 31, Township 119, Range 21, Hennepin County, Minnesota.

### **Facilities**

Edgewood Elementary School

### **Permitted Encumbrances**

**EXHIBIT B**

**Schedule B-1**

(Form of Certificate of Participation)

CERTIFICATES OF PARTICIPATION, SERIES 2010A  
In a Lease Purchase Agreement  
between  
Wells Fargo Bank, National Association  
and  
Intermediate District No. 287, Plymouth, Minnesota

R-\_\_\_ \$\_\_\_\_\_

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
%	_____, 20__	January 7, 2010	

REGISTERED OWNER:

PRINCIPAL SUM: THOUSAND DOLLARS

This is to certify that the registered owner named above of this Certificate of Participation (the "Certificate") is the owner of the proportionate interest hereinafter stated in that certain Lease Purchase Agreement, dated as of January 1, 2010 (the "Lease"), by and between Wells Fargo Bank, National Association, as trustee (the "Trustee"), having a principal office at which it conducts corporate business in Minneapolis, Minnesota, and Intermediate District No. 287, Plymouth, Minnesota (the "District").

The registered owner of this Certificate is entitled to receive, subject to the terms of the Trust Agreement described below, on the maturity date specified above (the "Maturity Date"), without the option of redemption and prepayment prior to maturity except extraordinary optional redemption, as described below, the principal sum specified above, representing a portion of the Series 2010A Rental Payment designated as principal coming due on or before the Maturity Date, and to receive the registered owner's proportionate share of Rental Payments designated as interest coming due on or before the first day of February and the first day of August of each year commencing August 1, 2010, and continuing to and including the Maturity Date or the date of redemption, whichever is earlier. Said proportionate share of the Rental Payments designated as interest is the result of the multiplication of the aforesaid portion of the Rental Payment designated as principal coming due on the Rental Payment date, as defined in the Lease, immediately preceding the Maturity Date by the interest rate specified above per annum. Amounts representing interest payable with respect to this Certificate on any Rental Payment date are payable by check or draft drawn on the Trustee and mailed to the person in whose name this Certificate is registered at the close of business on the 15th day (whether or not a business day) of the calendar month preceding such Rental Payment date.

The Certificates have been designated by the District as “qualified tax exempt obligations” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Notwithstanding any other provisions of this Certificate, so long as this Certificate is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Certificate, and shall give all notices with respect to this Certificate, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the District.

The Certificates are payable from the Series 2010A Rental Payments (as defined in the Lease) and the moneys held in the funds and accounts established pursuant to the Trust Agreement, dated as of January 1, 2010 (the Trust Agreement), by the Trustee and joined in by the District, subject to the provisions of the Trust Agreement permitting the application thereof for or to the purposes and on the terms and conditions set forth in the Trust Agreement. The obligations of the District under the Lease, including the obligation to make Rental Payments, is subject to termination by the District at the end of any fiscal year, if the governing body of the District fails, for any reason, to appropriate sufficient funds to continue the Lease for the subsequent fiscal year.

The Certificates and the Series 2010B Certificates (as defined in the Trust Agreement) are issued under and are equally and ratably secured and entitled to the protection given by the Trust Agreement. Subject to the terms and conditions set forth therein, the Trust Agreement permits the issuance of Additional Certificates (as defined in the Trust Agreement) secured by the Trust Agreement on a parity with the Certificates and the Series 2010B Certificates. Reference is hereby made to the Trust Agreement for a description of the provisions, among others, with respect to the nature and extent of the security for the Certificates, the rights, duties and obligations of the District and the Trustee and the registered owners of the Certificates, and the terms upon which the Certificates are issued and secured.

The Trustee has no obligation or liability to the Certificate owners for the payment of interest or principal portions pertaining to the Certificates; the Trustee’s sole obligation is to administer, for the benefit of the District and the Certificate owners, the various funds and accounts established in the Trust Agreement. The Trustee has no obligation to pay any portion of the interest or principal pertaining to the Certificates from any source other than the funds and accounts established in the Trust Agreement as described herein and the payment of such interest or principal is not a liability or charge upon the credit of the Trustee.

All amounts payable hereunder are to be paid in lawful money of the United States of America, which at the time of payment is legal tender. The principal payable on all Certificates shall be payable at the principal office of the Trustee. Interest payable on all Certificates shall be paid by check or draft of the Trustee mailed on the Certificate Payment Dates to the owners at their addresses recorded on the register maintained by the Trustee.

This Certificate has been executed by the Trustee pursuant to the terms of the Trust Agreement. Copies of the Trust Agreement are on file at the office of the District and at the

principal office of the Trustee, and reference to the Trust Agreement and any and all amendments thereto is made for a description of the pledges and covenants of the District securing the Certificates, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the Certificates with respect thereto and the other terms and conditions upon which the Certificates are delivered thereunder. To the extent and in the manner permitted by the terms of the Trust Agreement, certain provisions of the Trust Agreement may be amended by the parties thereto without consent of the owners of the Certificates, while other amendments are permitted only with the written consent of the owners of at least two-thirds in principal amount of the Certificates then outstanding.

This Certificate shall be transferable only upon the register maintained by the Trustee, which shall be kept for that purpose at the principal corporate trust office of the Trustee, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the owner's duly authorized attorney. Upon the registration of the transfer, and the surrender of this Certificate, the Trustee shall provide in the name of the transferee, a new fully registered Certificate or Certificates of the same maturity and aggregate principal amount as the surrendered Certificates. The Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the Trustee shall not be affected by any notice to the contrary.

The Certificates are issuable in fully registered form, without coupons in denominations of \$5,000 or any integral multiple thereof. The Certificates, upon surrender thereof at the office of the Trustee with a written request for exchange satisfactory to the Trustee duly executed by the registered owner or the owner's attorney duly authorized in writing, may be exchanged for an equal aggregate principal amount of fully registered Certificates without coupons of any other authorized denomination of the same maturity.

The Certificates are subject to extraordinary redemption and prepayment, in whole but not in part, at the option of the District on any date upon if there occurs an event of damage, destruction or condemnation relating to the Land and Facilities. Certificates redeemed as a result of any of the events described above in this paragraph shall be redeemed at a price equal to the principal amount to be redeemed plus accrued interest to the redemption date without premium.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of Minnesota and the Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of this Certificate, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an authorized officer of the Trustee.

Date of Authentication: \_\_\_\_\_

WELLS FARGO BANK, NATIONAL  
ASSOCIATION, as Trustee

By: \_\_\_\_\_  
Authorized Representative

\_\_\_\_\_

The following abbreviations, when used in the inscription on the face of this Certificate, shall be construed as though they were written out in full according to the applicable laws or regulations:

TEN COM — as tenants in common

UTMA \_\_\_\_\_ as Custodian for \_\_\_\_\_  
(Cust) (Minor)  
under Uniform Transfers to Minors Act \_\_\_\_\_

TEN ENT — as tenants by the entireties

(State)

JT TEN — as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used.

\_\_\_\_\_

#### ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Certificate and all rights thereunder, and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Certificate on the books kept for registration of the within Certificate, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed: \_\_\_\_\_

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF ASSIGNEE:

\_\_\_\_\_

Schedule B-2

(Form of Taxable Certificate of Participation)

**TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2010B**

In a Lease Purchase Agreement

between

Wells Fargo Bank, National Association

and

Intermediate District No. 287, Plymouth, Minnesota

R-\_\_ \$\_\_\_\_\_

Interest Rate

Maturity Date

Date of Original Issue

CUSIP

%

\_\_\_\_\_, 20\_\_

January 7, 2010

REGISTERED OWNER:

PRINCIPAL SUM: THOUSAND DOLLARS

This is to certify that the registered owner named above of this Taxable Certificate of Participation (the "Certificate") is the owner of the proportionate interest hereinafter stated in that certain Lease Purchase Agreement, dated as of January 1, 2010 (the "Lease"), by and between Wells Fargo Bank, National Association, as trustee (the "Trustee"), having a principal office at which it conducts corporate business in Minneapolis, Minnesota, and Intermediate District No. 287, Plymouth, Minnesota (the "District").

The registered owner of this Certificate is entitled to receive, subject to the terms of the Trust Agreement described below, on the maturity date specified above (the "Maturity Date"), the principal sum specified above, representing a portion of the Series 2010B Rental Payment designated as principal coming due on or before the Maturity Date, and to receive the registered owner's proportionate share of Rental Payments designated as interest coming due on or before the first day of February and the first day of August of each year commencing August 1, 2010, and continuing to and including the Maturity Date or the date of redemption, whichever is earlier. Said proportionate share of the Series 2010B Rental Payments designated as interest is the result of the multiplication of the aforesaid portion of the Series 2010B Rental Payment designated as principal coming due on the Rental Payment date, as defined in the Lease, immediately preceding the Maturity Date by the interest rate specified above per annum. Amounts representing interest payable with respect to this Certificate on any Rental Payment date are payable by check or draft drawn on the Trustee and mailed to the person in whose name this Certificate is registered at the close of business on the 15th day (whether or not a business day) of the calendar month preceding such Rental Payment date.

Notwithstanding any other provisions of this Certificate, so long as this Certificate is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Certificate, and shall give all notices with

respect to this Certificate, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the District.

The Certificates are payable from the Series 2010B Rental Payments (as defined in the Lease) and the moneys held in the funds and accounts established pursuant to the Trust Agreement, dated as of January 1, 2010 (the Trust Agreement), by the Trustee and joined in by the District, subject to the provisions of the Trust Agreement permitting the application thereof for or to the purposes and on the terms and conditions set forth in the Trust Agreement. The obligations of the District under the Lease, including the obligation to make Rental Payments, is subject to termination by the District at the end of any fiscal year, if the governing body of the District fails, for any reason, to appropriate sufficient funds to continue the Lease for the subsequent fiscal year.

The Certificates and the Series 2010A Certificates (as defined in the Trust Agreement) are issued under and are equally and ratably secured and entitled to the protection given by the Trust Agreement. Subject to the terms and conditions set forth therein, the Trust Agreement permits the issuance of Additional Certificates (as defined in the Trust Agreement) secured by the Trust Agreement on a parity with the Certificates and the Series 2010A Certificates. Reference is hereby made to the Trust Agreement for a description of the provisions, among others, with respect to the nature and extent of the security for the Certificates, the rights, duties and obligations of the District and the Trustee and the registered owners of the Certificates, and the terms upon which the Certificates are issued and secured.

The Trustee has no obligation or liability to the Certificate owners for the payment of interest or principal portions pertaining to the Certificates; the Trustee's sole obligation is to administer, for the benefit of the District and the Certificate owners, the various funds and accounts established in the Trust Agreement. The Trustee has no obligation to pay any portion of the interest or principal pertaining to the Certificates from any source other than the funds and accounts established in the Trust Agreement as described herein and the payment of such interest or principal is not a liability or charge upon the credit of the Trustee.

All amounts payable hereunder are to be paid in lawful money of the United States of America, which at the time of payment is legal tender. The principal payable on all Certificates shall be payable at the principal office of the Trustee. Interest payable on all Certificates shall be paid by check or draft of the Trustee mailed on the Certificate Payment Dates to the owners at their addresses recorded on the register maintained by the Trustee.

This Certificate has been executed by the Trustee pursuant to the terms of the Trust Agreement. Copies of the Trust Agreement are on file at the office of the District and at the principal office of the Trustee, and reference to the Trust Agreement and any and all amendments thereto is made for a description of the pledges and covenants of the District securing the Certificates, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the Certificates with respect thereto and the other terms and conditions upon which the Certificates are delivered thereunder. To the extent and in the manner permitted by the terms of the Trust Agreement, certain provisions of the Trust Agreement may be amended by the parties thereto without consent of the owners of the

Certificates, while other amendments are permitted only with the written consent of the owners of at least two-thirds in principal amount of the Certificates then outstanding.

This Certificate shall be transferable only upon the register maintained by the Trustee, which shall be kept for that purpose at the principal corporate trust office of the Trustee, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the owner's duly authorized attorney. Upon the registration of the transfer, and the surrender of this Certificate, the Trustee shall provide in the name of the transferee, a new fully registered Certificate or Certificates of the same maturity and aggregate principal amount as the surrendered Certificates. The Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the Trustee shall not be affected by any notice to the contrary.

The Certificates are issuable in fully registered form, without coupons in denominations of \$5,000 or any integral multiple thereof. The Certificates, upon surrender thereof at the office of the Trustee with a written request for exchange satisfactory to the Trustee duly executed by the registered owner or the owner's attorney duly authorized in writing, may be exchanged for an equal aggregate principal amount of fully registered Certificates without coupons of any other authorized denomination of the same maturity.

The Certificates are subject to mandatory redemption prior to maturity by lot or other manner deemed fair pursuant to the mandatory sinking fund requirements of the Trust Agreement at a redemption price equal to the stated principal amount thereof to be redeemed plus interest accrued thereon to the redemption date, without premium.

The Certificates maturing on and after February 1, 2021 are subject to redemption at the option of the District, on February 1, 2020, and on any date thereafter in whole or in part, in such order as the District shall determine and within a maturity by lot as selected by the Registrar in multiples of \$5,000, at a redemption price equal to the principal amount to be redeemed, plus accrued interest to the date fixed for redemption.

The Certificates are subject to extraordinary redemption and prepayment, in whole but not in part, at the option of the District on any date upon if there occurs an event of damage, destruction or condemnation relating to the Land and Facilities. Further, the Certificates are subject to extraordinary redemption at the direction of the District if the Internal Revenue Service determines, or is expected by the District to determine, either prospectively or otherwise, that Federal Subsidy Payments are not payable with respect to the Series 2010B Certificates, or if there is a change in law eliminating or decreasing Federal Subsidy Payments with respect to the Series 2010B Certificates. Certificates redeemed as a result of any of the events described above in this paragraph shall be redeemed at a price equal to the principal amount to be redeemed plus accrued interest to the redemption date without premium.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of Minnesota and the Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of this Certificate, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an authorized officer of the Trustee.

Date of Authentication: \_\_\_\_\_

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By: \_\_\_\_\_  
Authorized Representative

\_\_\_\_\_

The following abbreviations, when used in the inscription on the face of this Certificate, shall be construed as though they were written out in full according to the applicable laws or regulations:

TEN COM — as tenants in common

UTMA \_\_\_\_\_ as Custodian for \_\_\_\_\_  
(Cust) (Minor)

under Uniform Transfers to Minors Act \_\_\_\_\_

TEN ENT — as tenants by the entireties

(State)

JT TEN — as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used.

\_\_\_\_\_

### ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Certificate and all rights thereunder, and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Certificate on the books kept for registration of the within Certificate, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed: \_\_\_\_\_

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in

substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF ASSIGNEE:

---

**LEASE PURCHASE AGREEMENT**

**between**

**WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee  
As Lessor**

**and**

**INTERMEDIATE DISTRICT NO. 287, PLYMOUTH, MINNESOTA  
As Lessee**

**Dated as of the 1st day of January, 2010**

**Relating to**

**CERTIFICATES OF PARTICIPATION, SERIES 2010A**

**&**

**TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2010B**

---

This instrument drafted by:

Dorsey & Whitney LLP  
Suite 1500  
50 South Sixth Street  
Minneapolis, Minnesota 55402  
(612) 340-2600

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## **LEASE PURCHASE AGREEMENT**

**THIS LEASE-PURCHASE AGREEMENT** dated as of the 1st day of January, 2010 (the Lease), by and between **WELLS FARGO BANK, NATIONAL ASSOCIATION**, as trustee, a banking association duly organized and existing under the laws of the United States as lessor (Lessor or Trustee), and **INTERMEDIATE DISTRICT NO. 287, PLYMOUTH, MINNESOTA**, a political subdivision of the State of Minnesota as lessee (Lessee or District);

### **W I T N E S S E T H:**

**WHEREAS**, the District is authorized by Minnesota Statutes, Sections 123B.51 and 465.71 to acquire real and personal property by entering into lease-purchase agreements; and

**WHEREAS**, Lessor and Lessee will enter into this Lease, whereby Lessee will finance the acquisition of land which is legally described in Exhibit A (the Land) and facilities including the Edgewood Elementary School (collectively, the Facilities) located upon the Land;

**NOW THEREFORE**, in the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

## ARTICLE I

### DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. For the purposes of this Lease and Exhibits attached hereto, the terms defined in the Trust Agreement and capitalized herein shall have the meaning ascribed to them in the Trust Agreement, unless the context requires some other meaning. In addition, the terms defined in this Section shall, for all purposes of this Lease and Exhibits attached hereto, have the meanings herein specified.

Certificates: The \$3,200,000 Certificates of Participation, Series 2010A and the \$2,050,000 Taxable Certificates of Participation, Series 2010B.

Closing Date: The date upon which the Certificates are delivered to the Original Purchaser (as defined in the Trust Agreement) against payment therefore.

Facilities: The improvements, including the Edgewood Elementary School, existing on the Land during the term of this Lease.

Fiscal Year: The twelve month fiscal period of the District which commences on July 1 every year and ends on the following June 30.

Independent Counsel: An attorney duly admitted to the practice of law before the highest court of the State who is not a full-time employee of the Lessor or the District.

Interest: The portion of any Rental Payment designated as and comprising interest as shown in the attached Exhibit B.

Land: The interests in real property described in Exhibit A hereto.

Net Proceeds: Any insurance proceeds or condemnation award, paid with respect to the Land and Facilities, remaining after payment therefrom of all expenses incurred in the collection thereof.

Non-appropriation: The failure of the School Board of the District to appropriate money for any Fiscal Year of the District sufficient for the continued performance of this Lease by the District, as evidenced by the passage of a resolution specifically prohibiting the District from performing its obligations under this Lease, and from using any moneys to pay the Rental Payments due under this Lease for a designated Fiscal Year and all subsequent Fiscal Years.

Permitted Encumbrances: As of any particular time: (i) liens for taxes and assessments not then delinquent, or which the District may, pursuant to provisions of Section 8.3 hereof, permit to remain unpaid, (ii) this Lease and amendments hereto, and (iii) any mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right not filed or perfected in the manner prescribed by law, other than any lien arising through a Contractor or which the District may, pursuant to Article VIII hereof, permit to remain unpaid.

Principal: The portion of any Rental Payment designated as principal in the attached Exhibit B.

Rental Payment: The payment due from the District to the Lessor on each Rental Payment Date during the Term of this Lease, as shown on Exhibit B, including both the Series 2010A Rental Payments and the Series 2010B Rental Payments.

Rental Payment Date: The date upon which any Rental Payment is due and payable as provided in Exhibit B.

Series 2010A Certificates: means the \$3,200,000 Certificates of Participation, Series 2010A authorized by the Trust Agreement.

Series 2010B Certificates: means the \$2,050,000 Taxable Certificates of Participation, Series 2010B authorized by the Trust Agreement.

Series 2010A Rental Payment: The payment due, with respect to the Series 2010A Certificates, from the District to the Lessor on each Rental Payment Date during the Term of this Lease, as shown on Schedule B-1 to Exhibit B.

Series 2010B Rental Payment: The payment due, with respect to the Series 2010B Certificates, from the District to the Lessor on each Rental Payment Date during the Term of this Lease, as shown on Schedule B-2 to Exhibit B.

State: The State of Minnesota.

State and Federal Law or Laws: The Constitution and any law of the State and any rule or regulation of any agency or political subdivision of the State; and any law of the United States, and any rule or regulation of any federal agency.

Term of this Lease or Lease Term: The period during which this Lease is in effect as specified in Section 4.1.

Trustee: Wells Fargo Bank, National Association, in Minneapolis, Minnesota, acting pursuant to the Trust Agreement.

Trust Agreement: The Trust Agreement, of even date herewith, by the Trustee, and joined in by the District and any amendment thereof or supplement thereto.

Trust Fund: The Trust Fund so designated which is established by the Trustee under Section 4.1 the Trust Agreement.

Section 1.2. Exhibits. The following Exhibits are attached to and by reference made a part of this Lease:

Exhibit A: A legal description of the Land, a description of the Facilities being leased by the District pursuant to this Lease and a listing of the Permitted Encumbrances.

Exhibit B: Schedules indicating the date and amount of each Rental Payment coming due during the Lease Term, including Schedule B-1 with respect to the Series 2010A Rental Payments and Schedule B-2 with respect to the Series 2010B Rental Payments.

## ARTICLE II

### REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of the District. The District represents, covenants and warrants as follows:

- (a) The District is a duly formed and validly existing political subdivision of the State, governed by the Constitution and laws of the State.
- (b) The District is authorized under the Constitution and laws of the State to enter into this Lease, the Trust Agreement and the transactions contemplated thereby, and to perform all of its obligations thereunder.
- (c) The officers of the District executing this Lease and the Trust Agreement have been duly authorized to execute and deliver such documents under the terms and provisions of a resolution of the District's governing body, or by other appropriate official action.
- (d) In authorizing and executing this Lease, the District has complied with the requirements of the Review and Comment Statement, dated September 29, 2009, received by the District from the Commissioner of the Department of Education of the State of Minnesota, all public bidding and other State and Federal Laws applicable to this Lease and the acquisition of the Land and Facilities by the District.
- (e) The District will not pledge, mortgage or assign this Lease, or its duties and obligations hereunder to any other person, firm or corporation except as provided under the terms of this Lease.
- (f) The District will use the Land and Facilities during the Lease Term to carry out the governmental or proprietary purposes of the District.
- (g) Subject to the provisions of Section 4.5 hereof, the officers of the District responsible for budget preparation will include in the annual budget, for each Fiscal Year during the Term of this Lease, commencing with the Fiscal Year ending on June 30, 2011, moneys sufficient to pay and for the purpose of paying all Rental Payments and other obligations of the District under this Lease, and will take all actions necessary to seek to have that portion of the budget approved. The District has moneys available and sufficient to pay all obligations under this Lease in the current Fiscal Year. This Lease does not constitute a general obligation of the District, and the full faith and credit and taxing powers of the District are not pledged for the payment of the Rental Payments or other amounts coming due, or other actions required to be performed, hereunder.
- (h) Except to the extent specifically provided herein, the governing body is not obligated to appropriate or otherwise provide moneys for the payment of the Rental Payments or any other amounts coming due hereunder; and in the event of Non-Appropriation by the governing body, the District shall not be liable for general, special,

incidental, consequential or other damages resulting therefrom, except as provided in Section 4.6 hereof.

(i) The District presently intends to continue this Lease for its entire stated Term and to pay all Rental Payments specified in Exhibit B. The District reasonably believes that moneys in an amount sufficient to make all such Rental Payments can and will lawfully be appropriated or budgeted and made available for this purpose.

(j) The District will file with the Internal Revenue Service the information reporting statement required by Section 149(e) of the Internal Revenue Code of 1986, as amended (the Code), and Treasury Regulations promulgated thereunder (the Regulations).

(k) The District will take no action that would cause the Interest portion of the Series 2010A Rental Payments to become includible in gross income of the registered owners of the Series 2010A Certificates for federal income tax purposes under the Code and Regulations, and the District will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the Interest portion of the Series 2010A Rental Payments does not become includible in gross income of the registered owners of the Series 2010A Certificates for federal income tax purposes under the Code and Regulations.

(l) The District will take no action that would cause the Series 2010B Rental Payments received by the registered owners of the Series 2010B Certificates to lose their status as “Build America Bonds” under the Code and Regulations, and the District will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that Series 2010B Rental Payments received by the registered owners of the Series 2010B Certificates and this Lease as it relates thereto will remain “Build America Bonds” under the Code and the Regulations.

Section 2.2. Representations, Covenants and Warranties of the Lessor. The Lessor represents, covenants and warrants as follows:

(a) The Lessor is a banking association duly organized, existing and in good standing under and by virtue of the laws of the United States; has power to enter into this Lease and the Trust Agreement; is possessed of full power to own and hold real and personal property, and to lease the same; and has duly authorized the execution and delivery of this Lease and the Trust Agreement.

(b) Neither the execution and delivery of this Lease and the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions thereof, nor the consummation of the transactions contemplated thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Lessor is now a party or by which the Lessor is bound, constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Lessor, or upon the Land and Facilities except Permitted Encumbrances.

## ARTICLE III

### LEASE OF LAND AND FACILITIES

Section 3.1. Lease and Sale of Land and Facilities. The Trustee hereby leases the Land and Facilities to the District, and the District hereby leases the Land and Facilities from the Trustee, upon the terms and conditions set forth in this Lease. The Land and Facilities are leased in their present condition without representation or warranty of any kind by the Trustee, and subject to the rights of parties in possession, to the existing state of title, to all applicable legal requirements now or hereafter in effect, and to Permitted Encumbrances. The District has examined the Land and title thereto and the Facilities and has found all of the same to be satisfactory for the purposes of this Lease.

Section 3.2. Possession and Enjoyment. The Trustee hereby covenants to provide the District during the Term of this Lease with quiet use and enjoyment of the Land and Facilities, and the District shall during such Term peaceably and quietly have and hold and enjoy the Land and Facilities, without suit, trouble or hindrance from the Trustee, except as expressly set forth in this Lease. The Trustee will, at the request of the District and at the District's cost, join in any legal action in which the District asserts its right to such possession and enjoyment to the extent the Trustee may lawfully do so.

Section 3.3. Trustee Access to Land and Facilities. The Trustee shall have the right at all reasonable times to examine and inspect the Land and Facilities, and shall have such rights of access to the Land and Facilities as may be reasonably necessary to cause the proper maintenance thereof in the event of failure by the District to perform its obligations hereunder.

Section 3.4. Compliance with Trust Agreement. During the Term of this Lease, the District agrees to perform all obligations imposed upon it by the Trust Agreement.

## ARTICLE IV

### TERM OF LEASE TRANSFER OR SURRENDER OF LAND AND FACILITIES

Section 4.1. Lease Term. This Lease shall be in effect for a Term commencing upon the execution hereof and ending as provided in Section 4.2.

Section 4.2. Termination of Lease Term. The Term of this Lease will terminate upon the occurrence of the first of the following events:

- (a) termination by the District pursuant to Section 4.5 hereof;
- (b) the payment by the District of its obligation to pay the Rental Payments required to be paid by it hereunder;
- (c) a default by the District and the Trustee's election to terminate this Lease pursuant to Article XIII; or
- (d) the prepayment by the District of all Rental Payments required to be paid by it hereunder pursuant hereto.

Section 4.3. Trustee's Interest in the Land and Facilities. Upon payment of all Rental Payments due hereunder, or prepayment pursuant hereto, full and unencumbered legal title to the Land and Facilities shall pass to the District, and the Trustee shall have no further interest therein. In such event the Trustee and its officers shall take all actions necessary to authorize, execute and deliver to the District a quitclaim deed vesting in the District, all of the Trustee's right, title and interest in and to the Land and Facilities, including, if necessary, a release of any and all interests or liens created under the provisions of this Lease.

Section 4.4. Surrender of Land and Facilities. Upon termination of the Term of this Lease pursuant to Section 4.2, clauses (a) or (c), or upon exercise by the Trustee of its right to take possession of the Land and Facilities under Section 13.2, the District shall surrender the Land and Facilities to the Trustee in the condition in which they were originally received from the Trustee, except as repaired, rebuilt, restored, altered or added to as permitted or required hereby, ordinary wear and tear excepted.

Section 4.5. Termination by the District. The District shall have the right to terminate this Lease, in whole but not in part, at the end of any Fiscal Year of the District, in the manner and subject to the terms specified in this Section and Section 4.6, if the governing body does not appropriate or budget moneys sufficient to pay the Rental Payments coming due in the next Fiscal Year, as determined by the District's budget for the Fiscal Year in question. The District may effect such termination by giving the Trustee a written notice of termination, as evidenced by a resolution of the governing body specifically determining not to provide moneys to pay Rental Payments for the succeeding Fiscal Year and all future Fiscal Years, and stating the governing body's determination to terminate this Lease, and by paying to the Trustee any Rental Payments which are due and have not been paid at or before the end of its then current Fiscal Year. In the event of termination of this Lease as provided in this Section, the District shall

surrender possession of the Land and Facilities to the Trustee in accordance with Section 4.4 and convey to the Trustee or release its interest in the Land and Facilities under this Lease within ten (10) days after the expiration of the then-current term of this Lease.

Section 4.6. Effect of Termination. Upon termination of this Lease as provided in Section 4.5, the District shall not be responsible for the payment of any additional Rental Payments coming due with respect to succeeding Fiscal Years, but if the District has not delivered possession of the Land and Facilities to the Trustee in accordance with Section 4.4 and conveyed to the Trustee or released its interest in the Land and Facilities granted under this Lease within ten (10) days after the termination date, the termination shall nevertheless be effective, but the District shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments thereafter coming due which are attributable to the number of days during which the District fails to take such actions and for any other loss suffered by the Trustee as a result of the District's failure to take such actions as required.

## ARTICLE V

### RENTAL PAYMENTS

Section 5.1. Rental Payments. The District agrees to pay Rental Payments during the Term of this Lease, in the amounts and on the dates specified in Exhibit B. All Rental Payments shall be paid to the Lessor at its offices at the address specified in Section 14.1 of this Lease, or to such other person or entity to which the Lessor has assigned such Rental Payments as specified in Article XII, at such place as such assignee may from time to time designate by written notice to the District. The District shall pay the Rental Payments exclusively from moneys legally available therefor, in lawful money of the United States of America, to the Lessor or, in the event of assignment of the right to receive Rental Payments by the Lessor, to its assignee.

Section 5.2. Current Expense. The obligations of the District under this Lease, including its obligation to pay the Rental Payments, in any Fiscal Year for which this Lease is in effect, shall constitute a current expense of the District for such Fiscal Year and shall not constitute an indebtedness of the District within the meaning of the Constitution and laws of the State. Nothing herein shall constitute a pledge by the District of any taxes or other moneys, other than moneys lawfully appropriated from time to time by or for the benefit of the District in the annual budget of the School Board and the proceeds or Net Proceeds of the Land and Facilities, to the payment of any Rental Payment or other amount coming due hereunder.

Section 5.3. Interest Component. A portion of each Rental Payment is paid as and represents the payment of Interest. Exhibit B sets forth the Interest component of each Rental Payment.

Section 5.4. Rental Payments to be Unconditional. Except as provided in Section 4.5, the obligation of the District to make Rental Payments or any other payments required hereunder shall be absolute and unconditional in all events. Notwithstanding any dispute between the District and the Lessor or any other person, the District shall make all Rental Payments and other payments required hereunder when due and shall not withhold any Rental Payment or other payment pending final resolution of such dispute nor shall the District assert any right of set-off or counterclaim against its obligation to make such Rental Payments or other payments required under this Lease. The District's obligation to make Rental Payments or other payments during the Lease Term shall not be abated through accident or unforeseen circumstances (including, without limitation, the occurrence of any environmental liability). However, nothing herein shall be construed to release the Lessor from the performance of its obligations hereunder; and if the Lessor should fail to perform any such obligation, the District may institute such legal action against the Lessor as the District may deem necessary to compel the performance of such obligation or to recover damages therefor.

## ARTICLE VI

### DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 6.1. Damage, Destruction and Condemnation. If the Facilities or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty or title to or the temporary use of the Land and Facilities or any part thereof, or the interest of the District or the Trustee in the Land and Facilities or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the District shall have the rights with respect to the Net Proceeds of any insurance or condemnation award specified in this Section. All Net Proceeds shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Land and Facilities by the District and this Lease shall continue in effect, or if the District elects not to repair or rebuild, all Net Proceeds shall be applied to prepay Rental Payments in accordance with Section 6.5; in either event all Net Proceeds not needed for such purposes shall belong to the District.

Section 6.2. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Land and Facilities, the District shall either: (a) complete the work and pay any cost in excess of the amount of the Net Proceeds, and the District agrees that if by reason of any such insufficiency of the Net Proceeds, the District shall make any payments pursuant to the provisions of this Section 6.2, the District shall not be entitled to any reimbursement therefor from the Trustee nor shall the District be entitled to any diminution of the Rental Payments due with respect to the Land and Facilities; or (b) prepay the Rental Payments, in which event the Net Proceeds shall be used for this purpose in accordance with Section 6.5.

Section 6.3. Cooperation of Trustee. The Trustee shall cooperate fully with the District at the expense of the District in filing any proof of loss with respect to any insurance policy covering the casualties described in Section 6.1 hereof and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Land and Facilities or any part thereof and will, to the extent it may lawfully do so, permit the District to litigate in any proceeding resulting therefrom in the name of and on behalf of the Trustee. In no event will the Trustee voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim or any prospective or pending condemnation proceeding with respect to the Land and Facilities or any part thereof without the written consent of the District.

Section 6.4. Condemnation of Other Property Owned by the District. The District shall be entitled to the Net Proceeds of any condemnation award or portion thereof made for destruction of, damage to or taking of its property not included in the Land and Facilities.

Section 6.5. Prepayment. In the event of destruction of the Land and Facilities or taking thereof by eminent domain as described in Section 6.1, the District may prepay its obligations with this Lease by paying to the Trustee an amount equal to all Rental Payments and other amounts then due and owing and unpaid under this Lease, the principal portion of all Rental Payments thereafter coming due as set forth on Exhibit B, and any unpaid interest accrued

to the date of payment or redemption of the Certificates pursuant to Section 3.7 of the Trust Agreement. Upon such payment the provisions of Section 4.3 shall apply.

## ARTICLE VII

### INSURANCE AND INDEMNIFICATION

Section 7.1. Liability Insurance. Unless self-insurance is provided by the District, as evidenced by a written certificate satisfactory to the Lessor specifying the terms and amounts thereof and subject further to the annual verification of the adequacy of the amount of such self-insurance by an independent actuary, upon receipt of possession of the Land and Facilities, the District shall take such measures as may be necessary to insure that any liability for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the condition or the operation of the Land and Facilities or any part thereof, is covered by a blanket or other general liability insurance policy maintained by the District. The Net Proceeds of all such insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which any Net Proceeds may be paid.

Section 7.2. Property Insurance. The District shall have and assume the risk of loss with respect to the Land and Facilities. Unless self-insurance is provided by the District, as evidenced by a written certificate satisfactory to the Lessor specifying the terms and amounts thereof and subject further to the annual verification of the adequacy of the amount of such self-insurance by an independent actuary, the District shall procure and maintain continuously in effect during the Term of this Lease, all-risk insurance, subject only to the standard exclusions contained in the policy, in such amount as will be at least sufficient so that a claim may be made for the full replacement cost of any part of the Land and Facilities damaged or destroyed. Such insurance may be provided by a rider to an existing policy or under a separate policy. Such insurance may be written with customary deductible amounts and need not cover land and building foundations. The Net Proceeds of insurance required by this Section shall be applied to the prompt repair, restoration or replacement of the Land and Facilities, or to the prepayment of Rental Payments as provided in Section 6.5. Any Net Proceeds not needed for those purposes shall be paid to the District.

Section 7.3. Worker's Compensation Insurance. If required by State law, and unless self-insurance is provided by the District, as evidenced by a written certificate satisfactory to the Lessor specifying the terms and amounts thereof and subject further to the annual verification of the adequacy of the amount of such self-insurance by an independent actuary, the District shall carry worker's compensation insurance covering all employees on, in, near or about the Land and Facilities, and upon request, shall furnish to the Lessor certificates evidencing such coverage throughout the Term of this Lease.

Section 7.4. Requirements For All Insurance. All insurance policies (or riders) required by this Article shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State; and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least ten (10) days before the cancellation or revision becomes effective. All insurance policies or riders required by Sections 7.1 and 7.2 shall name the District and the Lessor as insured parties, and any insurance policy or rider required by Section 7.3 shall name the District as insured party. The District shall

provide the Lessor annually, on or about July 1, a certificate of Authorized Officer of the District stating that the District is in compliance with Sections 7.1 through 7.4 of this Lease.

Section 7.5. District Negligence. As between the Trustee and the District, the District assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Land and Facilities and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of the District, the Trustee or of third parties, and whether such property damage be to the District or the Trustee's property or the property of others, which is proximately caused by the negligent conduct of the District, its officers, employees, agents and lessees, or arising out of the operation, maintenance or use of the Land and Facilities by the District, its officers, employees, agents and lessees. The District hereby assumes responsibility for and agrees to indemnify, defend and hold harmless the Trustee, its directors, officers, employees and agents, and any assignee of the Trustee, without payment being made by the Trustee, from and against all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorney's fees) of whatsoever kind and nature, imposed on, incurred by or asserted against the Trustee or its directors, officers, employees, agents or assignees that in any way relate to or arise out of a claim, suit or proceeding based in whole or in part on the foregoing, to the maximum extent permitted by law.

## ARTICLE VIII

### GENERAL MATTERS

Section 8.1. Use; Permits. The District shall exercise due care in the use, operation and maintenance of the Land and Facilities, and shall not use, operate or maintain the Land and Facilities improperly, carelessly, in violation of any State and Federal Law or for a purpose or in a manner contrary to that contemplated by this Lease. The District shall obtain all permits and licenses necessary for the installation, operation, possession and use of the Land and Facilities. The District shall comply with all State and Federal Laws applicable to the installation, use, possession and operation of the Land and Facilities, and if compliance with any such State and Federal Law requires changes or additions to be made to the Land and Facilities, such changes or addition shall be made by the District at its expense.

Section 8.2. Maintenance and Modification of Land and Facilities by the District. During the Term of this Lease the District shall, at its own expense, maintain, preserve and keep the Land and Facilities in good repair, working order and condition, and shall from time to time make all repairs, replacements and improvements necessary to keep the Land and Facilities in such condition. The Trustee shall have no responsibility for any of these repairs, replacements or improvements. In addition, the District shall, at its own expense, have the right to remodel the Land and Facilities or to make additions, modifications and improvements thereto. All such additions, modifications and improvements shall thereafter comprise part of the Land and Facilities and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage the Land and Facilities; and the Land and Facilities, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value not less than the value of the Land and Facilities immediately prior to the making of such additions, modifications and improvements. Any property for which a substitution or replacement is made pursuant to this Section may be disposed of by the District in such manner and on such terms as are determined by the District. The District will not permit any mechanic's or other lien to be established or remain against the Land and Facilities for labor or materials furnished in connection with any improvements made by the District pursuant to this Section; provided that if any such lien is established and the District shall first notify the Trustee of the District's intention to do so, the District may in good faith contest any lien filed or established against the Land and Facilities, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Trustee shall notify the District that, in the opinion of counsel, by non-payment of any such item the interest of the Trustee in the Land and Facilities will be materially endangered or the Land and Facilities or any part thereof will be subject to loss or forfeiture, in which event the District shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide the Trustee with full security against any such loss or forfeiture, in form satisfactory to the Trustee. The Trustee will cooperate fully with the District in any such contest, upon the request and at the expense of the District.

Section 8.3. Taxes, Other Governmental Charges and Utility Charges; Compliance with Governmental Requirements. Except as expressly limited by this Section, the District shall pay all taxes and other charges of any kind which are at any time lawfully assessed or levied against or with respect to the Land and Facilities, the Rental Payments or any part thereof, or

which become due during the Term of this Lease, whether assessed against the District or the Lessor. The District shall also pay when due all gas, water, steam, electricity, heat, power, telephone, and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Land and Facilities, and all special assessments and charges lawfully made by any governmental body for public improvements that may be secured by alien on the Land and Facilities; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District shall be obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due. The District shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate, or other similar tax payable by the Lessor, its successors or assigns, unless such tax is made in lieu of or as a substitute for any tax, assessment or charge which is the obligation of the District under this Section.

The District may, at its own expense and in its own name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments, utility or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Lessor shall notify the District that, in the opinion of Independent Counsel, by nonpayment of any such items the interest of the Lessor in the Land and Facilities will be materially endangered or the Land and Facilities or any part thereof will be subject to loss or forfeiture, in which event the District shall promptly pay such taxes, assessments, utility or other charges or provide the Lessor with full security against any loss which may result from nonpayment, in form satisfactory to the Lessor.

The District, at its expense, will comply with all applicable laws to the extent any failure to comply would have a material adverse effect on the Land and Facilities or the Lessor's rights hereunder, or would result in the levying of any criminal or civil penalties on either party, whether or not such compliance shall require changes in the Land and Facilities or property owned by the District or interfere with the use and enjoyment of the Land and Facilities or any part thereof. The District will take such actions, at the District's cost and expense, to enable the District to obtain all permits and similar authorizations needed for the use of the Land and Facilities.

Section 8.4. Easements. The Trustee will from time to time, at the request of the District and at the District's cost and expense, cooperate and join with the District: (a) in granting easements and other rights in the nature of easements, releasing existing easements or other rights in nature of easements which are for the benefit of the Land and Facilities and (b) in executing and delivering to any person any instrument appropriate (i) to confirm or to the effect that such grant, release or execution is not detrimental to the proper conduct of the operations of the District on or in the Land and Facilities, (ii) to show the consideration, if any, being paid for such grant, release or amendment, (iii) to show that such grant, release, dedication, transfer, petition or amendment does not materially impair the use of the Land and Facilities or reduce their value, or (iv) to confirm that the District will remain obligated hereunder to the same extent as if such grant, release, or amendment had not been made, and the District will perform all obligations of the Trustee under such instrument. The consideration, if any, received for such grant, release, or amendment shall be paid to the Trustee and applied against the next succeeding Rental Payment.

Section 8.5. Covenants Regarding Hazardous Material. The District shall comply with all regulations concerning the environment, health and safety relating to the generation, use, handling, production, disposal, discharge and storage of Hazardous Materials, as defined herein, in, on, under, or about the Land and Facilities. The District shall promptly take any and all necessary action in response to the presence, storage, use, disposal, transportation or discharge of any Hazardous Materials in, on, under or about the Land and Facilities by the District or persons acting on behalf of or at the direction of the District as all applicable laws, rules, regulations, or ordinances may require. The District agrees promptly to:

(a) Transmit to the Trustee copies of any governmental citations, orders or notices received with respect to Hazardous Materials which may result in a penalty, liability or cost greater than \$1,000.

(b) Observe and comply with any and all laws, ordinances, rules, regulations, licensing requirements or conditions relating to the use, maintenance or disposal of Hazardous Materials and all orders or directives from any official, court or governmental agency of competent jurisdiction relating to the use or maintenance or requiring the removal, treatment, containment or other disposal of such Hazardous Material.

(c) Pay or otherwise dispose of any lien, charge or imposition relating thereto which, if paid, would constitute a lien upon the Land and Facilities.

(d) Indemnify and hold harmless the Trustee from any and all liabilities and obligations relating to or arising from the presence, at any time, of Hazardous Materials in, on, under or about the Land and Facilities to the maximum extent permitted by law. The Trustee shall not be liable for any payment whatsoever with regards to section 8.5 (a)-(c).

As used herein, the term Hazardous Material shall mean: (i) oil, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other substances, materials or pollutants which (1) pose a hazard to the Land and Facilities, to adjacent premises or to persons on or about the Land and Facilities or adjacent premises, (2) substances which cause the Land and Facilities to be in violation of any local, state or federal law, rule, regulation or ordinance, or (3) substances which are defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" or words of similar import under any applicable local, state or federal law or under the regulations, policy guidelines or other publications adopted or promulgated pursuant thereto, including, but not limited to: (A) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.; (B) the Hazardous Materials Transportation Act, as amended, 49 U.S.C. § 1601, et seq.; (C) the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, et seq.; (D) the Clean Air Act, 42 U.S.C. § 7412; (E) the Toxic Substance Control Act, 15 U.S.C. § 2601 et seq.; (F) The Clean Water Act, 33 U.S.C. § 1317 and 1321(b)(2)A and (G) rules, regulations, ordinances and other publications adopted or promulgated pursuant to the aforesaid laws; (ii) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, and (iii) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or may or could pose a hazard to the health and safety or property interests of the

District or its employees, the occupants of the Land and Facilities or the owners and/or occupants of property adjacent to or surrounding the Land and Facilities.

## ARTICLE IX

### TITLE

Section 9.1. Title. During the Term of this Lease, legal title to the Land and Facilities and any and all repairs, replacements, substitutions and modifications thereto shall be in the Lessor, subject to the District's interests under this Lease. Upon the payment by the District of all Rental Payments as indicated in Exhibit B, or prepayment by the District thereof pursuant hereto, full and unencumbered legal title to the Land and Facilities shall pass to the District, and the Lessor shall have no further interest therein; and the Lessor shall execute and deliver to the District a quitclaim deed to evidence the passage of legal title to the Land and Facilities to the District and the termination of the Lessor's interest therein.

Section 9.2. Liens. During the Term of this Lease, the District shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Land and Facilities, other than the respective rights of the Lessor and the District as herein provided and Permitted Encumbrances. Except as expressly provided in Section 8.3 and this Article, the District shall promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The District shall reimburse the Lessor for any expense incurred by the Lessor in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 9.3. Installation of Personal Property. The District may, at any time and from time to time, in its sole discretion and at its own expense, install items of personal property in or upon the Land and Facilities, which items shall be identified by tags or other symbols affixed thereto as property of the District. All such items so identified shall remain the sole property of the District, in which the Lessor shall have no interest, and may be modified or removed by the District at any time provided that the District shall repair and restore any and all damage to the Land and Facilities resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent the District from purchasing items to be installed pursuant to this Section under a conditional sale or lease with option to purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Land and Facilities.

## ARTICLE X

### WARRANTIES

Section 10.1. Maintenance of Land and Facilities. The District will, at its expense, keep the Land and Facilities in reasonable order and condition in light of the use to which the Facilities will be put and will repair, restore and rebuild all building enclosures and other structures and improvements located therein to the extent provided for under this Lease. The Lessor has no obligation to make or pay for any repairs, replacements, restorations, improvements, alterations, or additions whatsoever on or to the Land. The Lessor shall have no obligation to test, inspect, service or maintain the Facilities under any circumstances, but such actions shall be the obligation of the District.

Section 10.2. Contractor's Warranties. The Lessor hereby assigns to the District for and during the Term of this Lease, all of its interest in all contractor's warranties and guarantees, express or implied, issued on or applicable to the Land and Facilities or any portion thereof, and the Lessor hereby authorizes the District to obtain the customary services furnished in connection with such warranties and guarantees at the District's expense.

Section 10.3. Patent Infringement. The Lessor hereby assigns to the District for and during the Term of this Lease all of its interest in patent indemnity protection provided by any Contractor with respect to the Land and Facilities. Such assignment of patent indemnity protection by the Lessor to the District shall constitute the entire liability of the Lessor for any patent infringement by Land and Facilities furnished pursuant to this Lease.

Section 10.4. Disclaimer of Warranties. THE LAND AND FACILITIES ARE DELIVERED AS IS, AND LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT OF THE LAND AND FACILITIES, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LAND AND FACILITIES.

## **ARTICLE XI**

### **OPTIONAL REDEMPTION OF CERTIFICATES**

Section 11.1. Option to Prepay. The Certificates maturing on and after February 1, 2021 are subject to redemption at the option of the District, on February 1, 2020, and on any date thereafter in whole or in part in such order as the District shall determine and within a maturity by lot as selected by the Registrar in multiples of \$5,000, at a redemption price equal to the principal amount plus accrued interest to the redemption date from prepayments of the Rental Payments under Article V hereof.

## ARTICLE XII

### ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 12.1. Assignment by the Lessor. The Lessor shall not assign its obligations under this Lease, and no purported assignment thereof shall be effective, except to a successor Trustee as described in Section 6.5 of the Trust Agreement. All of the Lessor's rights, title and/or interest in and to this Lease, the Rental Payments and other amounts due hereunder and the Land and Facilities may be assigned and reassigned in whole or in part to one or more successor Trustees as described in Section 6.5 of the Trust Agreement. The District shall pay all Rental Payments due hereunder to or at the direction of the Lessor or the assignee named in the most recent assignment or notice of assignment filed with the District. During the Lease Term the District shall keep a complete and accurate record of all such assignments. The District hereby consents to assignment of the Lease to the Trustee for the purposes as set forth in the Trust Agreement. The District hereby consents to the issuance of the Certificates by the Trustee pursuant to the Trust Agreement.

Section 12.2. Assignment and Subleasing by the District. Neither this Lease nor the District's interest in the Land and Facilities may be assigned or subleased by the District without the written consent of the Lessor.

Section 12.3. Restriction on Mortgage or Sale of Land and Facilities by the District. Except as described below, the District will not mortgage, sell, assign, transfer or convey the Land and Facilities or any portion thereof during the Term of this Lease without the written consent of the Lessor. If the District determines that it does not need certain portions of the Land, the District may sell such excess Land at fair market value, the proceeds of such excess Land sale to be deposited with the Trustee and used to defease the Certificates to their maturity date or earlier optional redemption date as provided in Section 3.5 of the Trust Agreement. Such excess Land sale is contingent upon the receipt of an opinion of counsel nationally recognized in the area of municipal finance to the effect that such excess Land sale will not result in amounts representing interest payable with respect to any Series 2010A Certificates then Outstanding (including such Additional Certificates) becoming includable in gross income for federal income tax purposes and that the Series 2010B Certificates then Outstanding (including Additional Certificates), and the provisions of this Lease relating thereto will remain "Build America Bonds" under the Code and the Regulations.

## ARTICLE XIII

### EVENTS OF DEFAULT AND REMEDIES

Section 13.1. Events of Default Defined. The following shall be “events of default” under this Lease and the terms “events of default” and “default” shall mean, whenever they are used in this Lease, any one or more of the following events:

(i) Failure by the District to pay any Rental Payment or other payment required to be paid under this Lease at the time specified herein and the continuation of said failure for a period of three (3) days after telephonic, telegraphic or other electronic notice given by the Lessor that the payment referred to in such notice has not been received, such telephonic, telegraphic or other electronic notice to be subsequently confirmed in writing, or after written notice.

(ii) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (i) of this Section, for a period of forty-five (45) days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Lessor, unless the Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected.

(iii) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of the District to carry on its governmental or proprietary function or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Statute, as amended, or under any similar acts which may hereafter be enacted.

The provisions of this Section 13.1 and Section 13.2 are subject to the following limitation: if by reason of *force majeure* the District is unable in whole or in part to carry out its obligations under this Lease, *other than its obligation to pay Rental Payments with respect thereto which shall be paid when due notwithstanding the provisions of this paragraph*, the District shall not be deemed in default during the continuance of such inability. The term “*force majeure*” as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the State or their respective departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or

any other cause or event not reasonably within the control of the District and not resulting from its negligence. The District agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the District from carrying out its obligations under this Lease; provided that the settlement of strikes, lockouts and other labor disturbances shall be entirely within the discretion of the District and the District shall not be required to make settlement of strikes, lockouts and other labor disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the District unfavorable to the District.

Section 13.2. Remedies on Default. Whenever any event of default referred to in Section 13.1 hereof shall have happened and be continuing with respect to the Land and Facilities, the Lessor shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

(i) The Lessor, with or without terminating this Lease, may declare all Rental Payments due or to become due during the Fiscal Year in effect when the default occurs to be immediately due and payable by the District, whereupon such Rental Payments shall be immediately due and payable.

(ii) The Lessor, with or without terminating this Lease, may repossess the Land and Facilities by giving the District written notice to surrender the Land and Facilities to the Lessor for the remaining term of the Lease, whereupon the District shall do so in the manner provided in Section 13.3. If the Land and Facilities or any portion of it has been destroyed or damaged beyond repair, the District shall pay the principal amount of all unpaid Rental Payments as set forth in Exhibit B (less credit for Net Proceeds), to the Lessor. Notwithstanding the fact that the Lessor has taken possession of the Land and Facilities, the District shall continue be responsible for the Rental Payments due during the Fiscal Year then in effect. If this Lease has not been terminated, the Lessor shall return the Land and Facilities to the District at the District's expense when the event of default is cured.

(iii) If the Lessor terminates this Lease and takes possession of the Land and Facilities, the Lessor shall thereafter use its best efforts to sell or lease its interest in the Land and Facilities or any portion thereof in a commercially reasonable manner in accordance with applicable State laws. The Lessor shall apply the proceeds of such sale or lease to pay the following items in the following order: (a) all costs incurred in securing possession of the Land and Facilities; (b) all expenses incurred in completing the sale including attorney's fees; (c) the principal portion of all unpaid Rental Payments as shown on Exhibit B; and (d) the balance of any Rental Payments owed by the District during the Fiscal Year then in effect. Any sale proceeds remaining after the requirements of Clauses (a), (b), (c) and (d) have been met may be retained by Lessee.

(iv) If the proceeds of sale of the Land and Facilities are not sufficient to pay the balance of any Rental Payments owed by the District during the Fiscal

Year then in effect, the Lessor may take any other remedy available at law or in equity to require the District to perform any of its obligations hereunder.

Section 13.3. Return of Land and Facilities. Upon the expiration or termination of this Lease prior to the payment of all Rental Payments in accordance with Exhibit B, the District shall return the Land and Facilities to the Lessor in the condition, repair, appearance and working order required in Section 8.2. If the District refuses to surrender the Land and Facilities in the manner designated, the Lessor may repossess the Land and Facilities and charge to the District the costs of such repossession or pursue any remedy described in Section 13.2.

Section 13.4. No Remedy Exclusive. No remedy conferred upon or reserved to the Lessor by this Article is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient by the Lessor or its assignee.

## ARTICLE XIV

### ADMINISTRATIVE PROVISIONS

Section 14.1. Notices. All notices, certificates, legal opinions or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail in registered form with postage fully prepaid to the addresses specified below; provided that the Lessor and the District, by notice given hereunder, may designate different addresses to which subsequent notices, certificates, legal opinions or other communications will be sent.

If to the District: Intermediate District No. 287  
1820 North Xenium Lane  
Plymouth, Minnesota 55441  
Attention: Director of Finance

If to the Original Purchaser: Piper Jaffray & Co.  
800 Nicollet Mall, 13<sup>th</sup> Floor  
Minneapolis, MN 55402  
Attention: Public Finance

If to the Trustee: Wells Fargo Bank, National Association  
625 Marquette Avenue, 11<sup>th</sup> Floor  
MAC N9311-115  
Minneapolis, Minnesota 55479  
Attention: Corporate Trust

Section 14.2. Recording. This Lease shall be recorded by the District.

Section 14.3. Financial Information. During the Term of this Lease, the District annually will provide the Lessor with current financial statements, budgets, proof of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of the District to continue this Lease as may be requested by the Lessor or its assignee.

Section 14.4. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Lessor and the District and their respective successors and assigns.

Section 14.5. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 14.6. Amendments, Changes and Modifications. This Lease may be amended or any of its terms modified only by written document duly authorized, executed and delivered by the Lessor and the District.

Section 14.7. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision, Article, Section or Clause of this Lease.

Section 14.8. Further Assurances and Corrective Instruments. The Lessor and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Land and Facilities hereby leased or intended so to be, or for otherwise carrying out the expressed intention of this Lease.

Section 14.9. Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14.10. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.

[Signatures continue on the following page.]



[Counterpart signature page to the Lease Purchase Agreement.]

**INTERMEDIATE DISTRICT NO. 287,  
PLYMOUTH, MINNESOTA, Lessee**

By \_\_\_\_\_  
Its Chairperson

By \_\_\_\_\_  
Its Clerk

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF HENNEPIN    )

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, a Notary Public in and for said County, personally appeared LINDA JOHNSON and BARB GABBERT, respectively the Chairperson and Clerk, of Intermediate District No. 287, Plymouth, Minnesota, known to me to be the persons whose names are subscribed to within the Lease Purchase Agreement, and acknowledged to me that they executed the same.

\_\_\_\_\_  
Notary Public

My Commission Expires:

(SEAL)

**EXHIBIT A**

**Land**

That North 726.5 feet of the East 720 feet of the Southwest Quarter of the Northeast Quarter (SW ¼ of the NE ¼) of Section 31, Township 119, Range 21, Hennepin County, Minnesota.

**Facilities**

Edgewood Elementary School

**Permitted Encumbrances**

**EXHIBIT B**

**RENTAL PAYMENTS**

**Schedule B-1**

**SCHEDULE OF SERIES 2010A RENTAL PAYMENTS**

<b><u>Rental Payment</u></b> <b><u>Date</u></b>	<b><u>Rental Payment</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
July 20, 2010			
January 20, 2011			
July 20, 2011			
January 20, 2012			
July 20, 2012			
January 20, 2013			
July 20, 2013			
January 20, 2014			

**Schedule B-2**

**SCHEDULE OF SERIES 2010B RENTAL PAYMENTS**

<b><u>Rental Payment</u></b> <b><u>Date</u></b>	<b><u>Rental Payment</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
July 20, 2010			
January 20, 2011			
July 20, 2011			
January 20, 2012			
July 20, 2012			
January 20, 2013			
July 20, 2013			
January 20, 2014			
July 20, 2014			
January 20, 2015			
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January 20, 2023			
July 20, 2023			
January 20, 2024			
July 20, 2024			
January 20, 2025			

**INTERMEDIATE DISTRICT 287**  
**PLYMOUTH, MINNESOTA**  
**BOARD OF EDUCATION**

Regular Meeting – December 17, 2009

**AGENDA SECTION:** ADMINISTRATIVE SERVICES REPORT

**ITEM:** 8.1e Wells Fargo Lease Purchase Agreement of Edgewood

**PRESENTED BY:** Janet Johnson, Director of Finance Services

**1. Background Information**

Resolution relating to financing the purchase of Edgewood through a lease purchase agreement. Wells Fargo will be taking title to the property as Trustee. A resolution is needed that will assign the Purchase Agreement to Wells Fargo.

**2. Fiscal Impact/Funding Source:**

**3. RECOMMENDED ACTION:** The Board passes the attached resolution to the financing the purchase of Edgewood through a lease purchase agreement as presented.

Motion by: \_\_\_\_\_ Yes \_\_\_\_ Passed \_\_\_\_

Second by: \_\_\_\_\_ Yes \_\_\_\_ Failed \_\_\_\_

Abstentions: \_\_\_\_\_

Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION DIRECTING THE ADMINISTRATION TO PROCEED WITH  
PLANNING FOR A NORTH EDUCATION CENTER**

**WHEREAS**, Intermediate District 287 (the “District”) has found that student enrollment in its programs have increased and will exceed projections for 2009-10; and

**WHEREAS**, the District’s long-term enrollment outlook suggests that member districts will continue to look to the District to educate high-need students who are most effectively served in customized facilities; and

**WHEREAS**, the School Board of Intermediate District 287 (the “Board”) has been studying the concept of a new or remodeled site in the north metro for many months to determine the most cost-effective manner in which to continue to serve these specialized student populations; and

**WHEREAS**, the District has been leasing the Hosterman Education Center, 5530 Zealand Avenue North, in the City of New Hope (the “Property”) from the Robbinsdale Area Schools, Independent School District No. 281 since June 1, 2000.

**WHEREAS**, the District is spending \$1.1 million dollars annually to lease the Hosterman Education Center and North Vista site; and

**WHEREAS**, the infrastructure of Hosterman is deteriorating and in need of significant and costly structural repairs; and

**WHEREAS**, the cost of repair and remodeling the Hosterman Education Center is comparable to constructing a new building; and

**WHEREAS**, a new building would be better suited to the unique needs of the specialized student populations that are currently served in the Hosterman and North Vista facilities; and

**WHEREAS**, the plan to build a new school to replace the Hosterman Education Center is consistent with the District’s Long-Term Facilities Directional Statements adopted by the Board in 2006; and

**WHEREAS**, the District can economize in the construction of a North Education Center (“NEC”), to the extent possible, by utilizing the building design and construction practices developed for the South Education Center; and

**WHEREAS**, the current economic conditions are extremely favorable for construction projects with prices 15-20% below Means construction standard method for cost estimates; and

**WHEREAS**, the purchase of land and construction of a new District-owned facility will provide predictability in costs and better use of funds that are currently dedicated to lease payments; and

**WHEREAS**, the Board remains committed to pursuing a financing plan for a North Education Center that will maintain the impact on member district lease levies at a level that is no greater than if the District remained at Hosterman and North Vista, assuming a 5% annual rent increase; and

**WHEREAS**, the Board will appoint a Facilities Committee to provide oversight to the design and construction process as well as the project budget for a North Education Center.

**NOW, THEREFORE, BE IT RESOLVED** by the School Board of Intermediate District 287, State of Minnesota, as follows:

1. District 287 administration is hereby directed to continue the planning for a North Education Center; and
2. District 287 administration is hereby authorized to enter into negotiations with District 281 for the purchase of land that will be used for the eventual construction of a building to replace Hosterman Education Center, and
3. District 287 administration is directed to continue to work with TSP to develop a schematic design for a new NEC.

The motion for the adoption of the foregoing resolution was duly seconded by Member \_\_\_\_\_, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same: None

Whereupon said resolution was declared duly passed and adopted.

**INTERMEDIATE DISTRICT 287**  
**PLYMOUTH, MINNESOTA**  
**BOARD OF EDUCATION**

Regular Meeting – December 17, 2009

**AGENDA SECTION:** ADMINISTRATIVE SERVICES REPORT

**ITEM:** 8.2a Resolution for North Education Center

**PRESENTED BY:** Thomas Shultz, Facilities Administrator

**1. Background Information**

The Resolution is needed to direct administration to continue the planning to build a North Education Center, to enter into negotiations with Robbinsdale Area Schools #281 for the purchase of land to replace Hosterman and to continue to work with TSP, Inc to develop a schematic design for a new NEC.

**2. Fiscal Impact/Funding Source: Any costs would ultimately be covered by project funding.**

**3. RECOMMENDED ACTION: The Board passes the attached resolution to enter into negotiations with Robbinsdale Area Schools #281 for the purchase of land to replace Hosterman and to continue to work with TSP, Inc to develop a schematic design for a new NEC.**

Motion by: \_\_\_\_\_ Yes \_\_\_\_ Passed \_\_\_\_

Second by: \_\_\_\_\_ Yes \_\_\_\_ Failed \_\_\_\_

Abstentions: \_\_\_\_\_

## School Board Planning Calendar 2009

1 <sup>st</sup> Meeting of the Month	2 <sup>nd</sup> Meeting of the Month
<i>Only one Board meeting this month!</i>	<b>JULY 23, 2009</b> Financial Report June Legislative Session Review & Implications for District Operations C-Train Update
<i>Only one Board meeting this month!</i>	<b>AUGUST 27, 2009</b> Financial Report July EBD Presentation (Laura Keller-Gautsch – 15 minutes) Report on Crisis Planning (Michelle Axell – 10 minutes) Approval of Cash Flow Borrowing Resolution School Start Up Program Report “Top 5 Things Board Members Should Know About the Start of School”. (Colleen, Laura, and Jane)
<b>SEPTEMBER 10, 2009</b> Superintendent Goals Closed Session on Negotiation	<b>SEPTEMBER 24, 2009</b> Financial Report August PLC’s Instructional Report - Student Achievement & Measurement of Progress (will include AYP). (Jane & Laura) Resolution Authorizing 287 to purchase Edgewood (Don Lifto may come to Board Meeting)
<b>OCTOBER 8, 2009</b> Prior Year Agenda Review Strategic Plan – Role of the School Board (Steven Barone)	<b>OCTOBER 22, 2009</b> Financial Report September Strategic Plan Update MSTA – Instructional Report
<b>NOVEMBER 12, 2009</b> <i>(Only one Board meeting this month!)</i>	
Financial Report October Facilities Management Update C-Train Report (Written Report) Parameters Resolution authorizing the certificate sale and the conditions of the award for financing the Edgewood Purchase.	Prior Year Unaudited Fund Balance Report OPEB Reporting & Funding Edgewood Purchase Agreement Approval
<b>DECEMBER 10, 2009</b> <i>(Only one Board meeting this month!)</i>	
Financial Report November Facilities Management Update - Energy Audit Restraints and Seclusion – Instructional Report Legislative Initiatives & White Paper Review Consideration and award of the certifications for Edgewood purchase.	Prior Year Audit Review North Education Center Decision Digital Copy Certificate (Written Report) Teacher Contract Renewal

# School Board Planning Calendar 2010

**\*\*Proposed Dates\*\***

1 <sup>st</sup> Meeting of the Month	2 <sup>nd</sup> Meeting of the Month
<p><b>JANUARY 14, 2010</b>  <i>Organizational Meeting</i></p> <ul style="list-style-type: none"> <li>○ Oath of Office</li> <li>○ Election of Board Officers</li> <li>○ Board's Adoption of the current definition of directory info under the Family Educ. Rights &amp; Privacy Act</li> </ul> <p><i>Regular Meeting</i>                      Transition DHH – Kelsey Dahl                      Prior Year Audit Review                      Online Learning – Mike Smart &amp; Jon Voss (Instructional)</p>	<p><b>JANUARY 28, 2010</b></p> <ul style="list-style-type: none"> <li>Finalize Legislative Annual Report Platform</li> <li>Strategic Plan Review &amp; Measurement Report</li> <li>Financial Report December</li> <li>Pay Equity Implementation Report (every other year)</li> <li>Community use of Facilities Bucket</li> <li>Health and Medical Bucket</li> </ul>
<p><b>FEBRUARY 11, 2010</b></p> <ul style="list-style-type: none"> <li>FY10 Budget Revision</li> <li>FY11 Budget Assumptions</li> <li>Technology Use Policy Explanation</li> <li>Online Learning Instructional Report (Jane Holmberg)</li> </ul>	<p><b>FEBRUARY 25, 2010</b></p> <ul style="list-style-type: none"> <li>Financial Report February</li> <li>Program Withdrawal Report</li> <li>Staff Reduction ULA Resolution Changes for following Year</li> <li>Facilities Management Update</li> <li>SUN – Instructional Report (Laura Keller-Gautsch)</li> </ul>
<p><b>MARCH 11, 2010</b></p> <ul style="list-style-type: none"> <li>Federal Stimulus</li> <li>Efficiency Efforts Status Report</li> <li>Program Planning Projections FY11</li> <li>Financial Report January</li> <li>Capital Improvement Recommendations</li> <li>HR–Past and Proposed Board Actions</li> <li>Tenured Permanent Staff Reduction ULA</li> </ul>	<p><b>MARCH 25, 2010</b></p> <ul style="list-style-type: none"> <li>Reorganization &amp; Reductions</li> <li>Financial Report February</li> <li>Long-Term Facility Recommendation</li> <li>Program Reduction Resolution</li> <li>Professional Development Update</li> <li>Open Track – Instructional Report</li> </ul>
<p><b>APRIL 22, 2010</b>  <i>(Only one Board meeting this month!)</i></p>	
<ul style="list-style-type: none"> <li>Spotlight DVD Presentation</li> <li>Financial Report March</li> <li>Superintendent &amp; Board Evaluation Update</li> </ul>	<ul style="list-style-type: none"> <li>Minnesota Math and Science Teacher Academy</li> <li>Long Range Facilities Planning Presentation</li> <li>Proposed District 287 School Calendar 2010-2011</li> </ul>
<p><b>MAY 13, 2010</b></p> <ul style="list-style-type: none"> <li>Food Service Report</li> </ul>	<p><b>MAY 27, 2010</b></p> <ul style="list-style-type: none"> <li>Financial Report April</li> <li>Audit Open Items &amp; Requirements changes</li> <li>Staff Reduction ULA Resolution</li> <li>FY 10 Budget Revision</li> <li>Non- Tenured Non-Renewals &amp; Probationary Non-Licensed Clerical Layoffs</li> </ul>
<p><b>JUNE 10, 2010</b></p> <ul style="list-style-type: none"> <li>Student Achievement in the Area of Reading</li> <li>2010-11 Budget</li> <li>Final ULA Resolution for Licensed Staff</li> <li>Board Evaluation</li> <li>MDE Monitoring in Special Education</li> </ul>	<p><b>JUNE 24, 2010</b></p> <ul style="list-style-type: none"> <li>Financial Report May</li> <li>Employment Guides for Unaffiliated and Admin.</li> <li>Superintendents Evaluation Summary</li> <li>Closed Session on Negotiations using Superintendent &amp; School Board Evaluation to plan for Board Retreat outcomes.</li> </ul>

**INFORMATIONAL ITEMS TO REMEMBER:**

**Update on Wells Fargo/Richfield Addendum  
 City of Richfield Addendum to Master Plan**

**INTERMEDIATE DISTRICT 287**  
**December 17, 2009**  
**SCHOOL BOARD CALENDAR**

## December 2009

10	Thursday	<del>General Board Meeting</del>	<b>DATE CHANGED</b>	6:30PM	<del>Board Rm</del>
17	Thursday	General Board Meeting		6:30PM	Board Rm

**PROPOSED  
DATES**

## January 2010

14	Thursday	General Board Meeting		6:30PM	Board Rm
28	Thursday	General Board Meeting		6:30PM	Board Rm

## February 2010

04	Thursday	<b>South Education Center Alternative Graduation</b>		5:00PM	<b>SEC Gym</b>
09	Tuesday	<b>Local 2209 &amp; Board Breakfast</b>		<b>7:00AM</b>	<b>Dover's Restaurant</b>
11	Thursday	General Board Meeting		6:30PM	Board Rm
23	Tuesday	<b>Get on the Bus (DSC Tour &amp; Itinerant Services)</b>		<b>9:00AM</b>	<b>DSC Reception Area</b>
25	Thursday	General Board Meeting		6:30PM	Board Rm

## March 2010

11	Thursday	General Board Meeting		6:30PM	Board Rm
18	Thursday	<b>Get on the Bus (Hosterman)</b> <b>[Bus leaves 287 DSC @ 8:30 AM]</b>		<b>9:00AM</b>	<b>DSC Reception Area</b>
23	Tuesday	<b>Local 2209 &amp; Board Breakfast</b>		<b>7:00AM</b>	<b>Dover's Restaurant</b>
27	Thursday	General Board Meeting		6:30PM	Board Rm

## April 2010

20	Tuesday	<b>Hosterman Appreciation Night</b> <b>Parent/Guardian/Caregiver</b>	6:30PM – 8:00PM		<b>Hosterman</b>
22	Thursday	General Board Meeting		6:30PM	Board Rm

## May 2010

13	Thursday	General Board Meeting		6:30PM	Board Rm
26	Wednesday	<b>North Vista Graduation</b>		6:00PM	<b>North Vista Ed Ctr</b>
27	Thursday	General Board Meeting		6:30PM	Board Rm

## June 2010

03	Thursday	<b>City West Academy Graduation</b>		10:30AM	<b>City West Academy</b> <b>@ Shady Oak</b>
03	Thursday	<b>South Education Center Alternative Graduation</b>		5:00PM	<b>SEC Gym</b>
04	Friday	<b>Prairie Center Alternative Graduation</b>		10:00AM	<b>Eden Prairie</b> <b>Community Center</b>
04	Friday	<b>VECTOR/InVEST Transition North Graduation</b>		12:30PM	<b>HTC, North Campus</b>
09	Wednesday	<b>Edgewood Graduation</b>		6:30PM	<b>HTC, North Campus</b>
10	Thursday	General Board Meeting		6:30PM	Board Rm
24	Thursday	General Board Meeting		6:30PM	Board Rm