

HURON CITY SCHOOL DISTRICT
SPECIAL MEETING

Thursday, September 4, 2008 – 6 P.M.
Huron Board of Education Conference Room

The Board of Education, Huron City School District, Erie County, Ohio met in a special meeting on Thursday, September 4, 2008, at the Huron Board of Education Conference Room. *Mrs. Hillman* called the meeting to order at 6:01 p.m.

ROLL CALL: The following members were present: *Mrs. Hillman, Mr. Slocum, Mr. Caporini* and *Mrs. Green*. *Mrs. Bulea* was absent.

NO. 5786

RESCIND BOARD MOTION 5772(AUGUST 19,2008)

Mrs. Green moved, seconded by *Mr. Caporini*, to rescind Board of Education motion 5772 passed at its August 19, 2008 Meeting.

ROLL CALL: Ayes Green, Caporini, Hillman, and Slocum
Nays: None

NO. 5787

APPROVE AUTHORIZATION TO ISSUE NOTES

Mr. Caporini moved, seconded by *Mrs. Green*, to approve the following Resolution:

NOTE RESOLUTION

AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$1,600,000 OF ENERGY CONSERVATION NOTES FOR THE PURPOSE OF PURCHASING AND INSTALLING ENERGY CONSERVATION MEASURES

WHEREAS, the Board has previously passed a resolution on November 20, 2007 (the "Prior Resolution") approving a financing for the improvements described in the title (the "Project") of this resolution; and

WHEREAS, the Board desires to pass this resolution for the purpose of expanding and clarifying certain terms of the financing described in the Prior Resolution; and

WHEREAS, the Treasurer of the Board (the "Treasurer") has certified to this Board that the estimated life of the Project to be financed from the proceeds of the notes herein described exceeds five (5) years and the maximum maturity of said notes is fifteen (15) years; and

WHEREAS, it is now deemed necessary to issue and sell such notes under authority of the general laws of the State of Ohio, including Chapter 133, Ohio Revised Code, and in particular Section 133.06(G) thereof, for the purpose described in the title of this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE HURON CITY SCHOOL DISTRICT, ERIE COUNTY, OHIO, TWO-THIRDS (2/3) OF ALL MEMBERS THEREOF CONCURRING, THAT:

The Board hereby finds and determines that the Project is a qualified energy conservation measure within the meaning of Ohio Revised Code Section 3313.46(B)(3) and the bidding requirements of Ohio Revised Code Section 3313.46(A) shall not apply.

It is hereby declared necessary to issue notes of the School District in the principal sum of not to exceed One Million Six Hundred Thousand Dollars (\$1,600,000), which notes shall be designated "Huron City School District, Erie County, Ohio Energy Conservation Notes, Series 2008" or as otherwise designated by the Treasurer (the "Notes"), for the purpose described in the title of this resolution. The Notes shall be issued in one lot.

The Treasurer is hereby authorized and directed to execute on behalf of the School District a Certificate of Treasurer Relating to Terms of Notes (the "Certificate of Treasurer") setting forth the aggregate principal amount of the Notes and the final terms of the Notes, which aggregate principal amount and terms, subject to the limitations set forth in this resolution, shall be as determined by the Treasurer. The Certificate of Treasurer shall indicate the dated date for the Notes, the dates on which interest on the Notes is to be paid (the "Interest Payment Dates"), the purchase price for the Notes (which shall be not less than 97% of the face value thereof), the maturity schedule for the Notes (provided that the maximum maturity date of the Notes shall not exceed fifteen (15) years), the interest rates for the Notes (provided that the true interest cost for all Notes in the aggregate shall not exceed five and one-half per centum (5.50%) per annum), the redemption provisions of the Notes, if any, and such other terms not inconsistent with this resolution as the Treasurer shall deem appropriate.

The Notes shall be issued as fully registered securities, in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, but not exceeding the principal amount of Notes maturing on any one date; shall be numbered consecutively from R-1 upward, as determined by the Treasurer, shall be sold in an exempt transaction by virtue of sale to no more than 35 qualified investors, pursuant to the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission. The Notes shall bear interest, payable on such dates as shall be determined by the Treasurer and set forth in the Certificate of Treasurer, until the principal sum is paid or provision has been fully made therefor. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

The Notes shall express upon their faces the purpose for which they are issued and that they are issued pursuant to this resolution; and shall be executed by the President of the Board and by the Treasurer in their official capacities, provided that either or both of their signatures may be a facsimile. No Note shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this resolution unless and until a certificate of authentication, as printed on the Note, is signed by the Note Registrar (as defined hereinbelow) as authenticating agent. Authentication by the Note Registrar shall be conclusive evidence that the Note so authenticated has been duly issued and delivered under this resolution and is entitled to the security and benefit of this resolution. The certificate of authentication may be signed by any officer or officers of the Note Registrar or by such other person acting as an agent of the Note Registrar as shall be approved by the Treasurer on behalf of the School District. It shall not be necessary that the same authorized person sign the certificate of authentication on all of the Notes.

The principal of and interest on the Notes shall be payable in lawful money of the United States of America without deduction for the services of the Note Registrar as paying agent. The principal of the Notes shall be payable upon presentation and surrender of the Notes at the principal office of the Note Registrar. Each Note shall bear interest from the later of the date thereof, or the most recent Interest Payment Date to which interest has been paid or duly provided for, unless the date of authentication of any Note is less than

15 days prior to an Interest Payment Date, in which case interest shall accrue from such Interest Payment Date. Interest on any Note shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Note is registered, at the close of business on the 15th day next preceding that Interest Payment Date (the "Record Date") (unless such date falls on a non-business day, in which case the Record Date shall be the preceding business day), on the Note Register (as defined hereinbelow) at the address appearing therein.

Any interest on any Note which is payable, but is not punctually paid or provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Record Date by virtue of having been such owner and such Defaulted Interest shall be paid to the registered owner in whose name the Note is registered at the close of business on a date (the "Special Record Date") to be fixed by the Note Registrar, such Special Record Date to be not more than 15 nor less than 10 days prior to the date of proposed payment. The Note Registrar shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Noteholder, at such Noteholder's address as it appears in the Note Register, not less than 10 days prior to such Special Record Date, and may, in its discretion, cause a similar notice to be published once in a newspaper in each place where Notes are payable, but such publication shall not be a condition precedent to the establishment of such Special Record Date.

Subject to the foregoing provisions of this section, each Note delivered by the Note Registrar upon transfer of or in exchange for or in lieu of any other Note shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Note.

The Treasurer is hereby authorized and directed to serve as authenticating agent, note registrar, transfer agent, and paying agent for the Notes (the "Note Registrar") or to execute on behalf of the Board a Note Registrar Agreement with such bank or other appropriate financial institution as shall be acceptable to the Treasurer and the Original Purchaser (as defined hereinbelow), pursuant to which such bank or financial institution shall agree to serve as the Note Registrar for the Notes. If at any time the Note Registrar shall be unable or unwilling to serve as such, or the Treasurer in such officer's discretion shall determine that it would be in the best interest of the School District for such functions to be performed by another party, the Treasurer may, and is hereby authorized and directed to, enter into an agreement with a national banking association or other appropriate institution experienced in providing such services, to perform the services required of the Note Registrar hereunder. Each such successor Note Registrar shall promptly advise all Noteholders of the change in identity and new address of the Note Registrar. So long as any of the Notes remain outstanding, the School District shall cause to be maintained and kept by the Note Registrar, at the office of the Note Registrar, all books and records necessary for the registration, exchange and transfer of Notes as provided in this section (the "Note Register"). Subject to the provisions hereof, the person in whose name any Note shall be registered on the Note Register shall be regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest on any Note shall be made only to or upon the order of that person. Neither the School District nor the Note Registrar shall be affected by any notice to the contrary, but the registration may be changed as herein provided. All payments shall be valid and effectual to satisfy and discharge the liability upon the Notes, including the interest thereon, to the extent of the amount or amounts so paid.

Any Note, upon presentation and surrender at the office of the Note Registrar, together with a request for exchange signed by the registered owner or by a person authorized by the owner to do so by a power of attorney in a form satisfactory to the Note Registrar, may be exchanged for Notes of the same form and of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Notes surrendered, and bearing interest at the same rate and maturing on the same date.

A Note may be transferred only on the Note Register upon presentation and surrender thereof at the office of the Note Registrar, together with an assignment executed by the registered owner or by a person authorized by the owner to do so by a power of attorney in a form satisfactory to the Note

Registrar. Upon that transfer, the Note Registrar shall complete, authenticate and deliver a new Note or Notes of any authorized denomination or

denominations equal in the aggregate to the unmatured principal amount of the Notes surrendered, and bearing interest at the same rate and maturing on the same date.

In all cases in which Notes are exchanged or transferred hereunder, the School District shall cause to be executed and the Note Registrar shall authenticate and deliver Notes in accordance with the provisions of this resolution. The exchange or transfer shall be without charge to the owner; except that the Board and Note Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to the exchange or transfer. The Board or the Note Registrar may require that those charges, if any, be paid before it begins the procedure for the exchange or transfer of the Notes. All Notes issued upon any transfer or exchange shall be the valid obligations of the School District, evidencing the same debt, and entitled to the same benefits under this resolution, as the Notes surrendered upon that transfer or exchange.

There shall be and is hereby levied annually on all the taxable property in the School District, in addition to all other taxes and inside the ten mill limitation, a direct tax (the "Debt Service Levy") for each year during which the Notes are outstanding, in an amount which is sufficient to provide funds to pay interest upon the Notes as and when the same fall due and to provide a fund for the repayment of the principal of the Notes at maturity or upon redemption. The Debt Service Levy shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Ohio Constitution.

The Debt Service Levy shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of such years are certified, extended and collected. The Debt Service Levy shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from the Debt Service Levy shall be placed in a separate and distinct fund, which shall be irrevocably pledged for the payment of the premium, if any, and interest on and principal of the Notes when and as the same fall due. Notwithstanding the foregoing, if the School District determines that funds will be available from other sources for the payment of the Notes in any year, the amount of the Debt Service Levy for such year shall be reduced by the amount of funds which will be so available, and the School District shall appropriate such funds to the payment of the Notes in accordance with law.

The Notes shall be sold at private sale to Fifth Third Securities, Inc., Cleveland, Ohio and its successors and assigns, or to another purchaser as otherwise determined by the Treasurer and certificated to this Board in the Certificate of Treasurer (the "Original Purchaser") at the purchase price set forth in the Certificate of Treasurer, plus accrued interest, if any, to the date of delivery. The financial advisor for the Notes shall be Sudsina & Associates, LLC, Aurora, Ohio. If required by the Original Purchaser, the Superintendent, Board President and Treasurer, or any of them individually, are authorized and directed to execute on behalf of the Board a Note Purchase Agreement with the Original Purchaser, setting forth the conditions under which the Notes are to be sold and delivered.

The proceeds of such sale, except any accrued interest or premium thereon, shall be deposited in the Treasury of the School District and used for the purpose aforesaid and for no other purpose. The accrued interest received from such sale, if any, shall be transferred to the Bond Retirement Fund to be applied to the payment of the principal of and interest on the Notes, or other obligations of the School District, as permitted by law. Any premium from the sale of the Notes shall be deposited into such fund and used for such purpose as shall be specified in the Certificate of Fiscal Officer.

The Board hereby covenants that it shall comply with the requirements of all existing and future laws which must be satisfied in order that interest on the Notes is and will continue to be excluded from gross income for federal income tax purposes, including without limitation restrictions on the use of the property financed with the proceeds of the Notes

so that the Notes will not constitute "private activity notes" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The School District further covenants that it shall

restrict the use of the proceeds of the Notes in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Notes are issued, so that they will not constitute arbitrage notes under Section 148 of the Code and the regulations prescribed thereunder (the "Regulations").

The Treasurer, or any other officer of this Board, including the President, is hereby authorized and directed (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the Board with respect to the Notes as permitted or required to be made or given under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or the status of the Notes or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing any rebate amount or any payment of penalties, or making any payments of special amounts in lieu of making computations to determine, or paying, any excess earnings as rebate, or obviating those amounts or payments, as determined by the Treasurer, which action shall be in writing and signed by the Treasurer, or any other officer, including the President, on behalf of the Board; (b) to take any and all actions, make or obtain calculations, and make or give reports, covenants and certifications of and on behalf of the School District, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Notes; and (c) to give an appropriate certificate on behalf of the Board, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances, and reasonable expectations of the Board pertaining to Section 148 and the Regulations, and the representations, warranties and covenants of the Board regarding compliance by the Board with Sections 141 through 150 of the Code and the Regulations.

The Treasurer shall keep and maintain adequate records pertaining to investment of all proceeds of the Notes sufficient to permit, to the maximum extent possible and presently foreseeable, the School District to comply with any federal law or regulation now or hereafter having applicability to the Notes which limits the amount of Note proceeds which may be invested on an unrestricted yield or requires the School District to rebate arbitrage profits to the United States Department of the Treasury. The Treasurer is hereby authorized and directed to file such reports with, and rebate arbitrage profits to, the United States Department of the Treasury, to the extent that any federal law or regulation having applicability to the Notes requires any such reports or rebates.

The officer having charge of the minutes of the Board and any other officers of the Board, or any of them individually, are hereby authorized and directed to prepare and certify a true transcript of proceedings pertaining to the Notes and to furnish a copy of such transcript to Original Purchaser. Such transcript shall include certified copies of all proceedings and records of the Board relating to the power and authority of the School District to issue the Notes and certificates as to matters within their knowledge or as shown by the books and records under their custody and control, including but not limited to a general certificate of the Treasurer and a no-litigation certificate of the President of the Board and the Treasurer, and such certified copies and certificates shall be deemed representations of the School District as to the facts stated therein.

It is hereby found and determined that all acts, conditions and things necessary to be done precedent to and in the issuing of the Notes in order to make them legal, valid and binding obligations of the Board have happened, been done and been performed in regular and due form as required by law; that the faith, credit and revenue of the Board are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the Notes.

It is hereby found and determined that all formal actions of the Board concerning and relating to the passage of this resolution were taken in an open meeting of the Board, and that all deliberations of the Board and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

All other terms and provisions of the Prior Resolution shall remain in full force and effect.

Error! Unknown document property name.

The Treasurer is hereby directed to forward a certified copy

of this resolution to the County Auditor of Erie County, Ohio.

**ROLL CALL: Ayes Green, Caporini, Hillman, and Slocum
Nays: None**

NO. 5787 ADJOURN

Mr. Slocum moved, seconded by Mr. Caporini, to adjourn the meeting at 6:11 p.m.

**ROLL CALL: Ayes Green, Caporini, Hillman, and Slocum
Nays: None**

**Joy Hillman
President**

**Michael Weis
Treasurer**

