

To be approved at the Board of Education meeting October 9, 2012.

## MINUTES OF THE SEPTEMBER 11, 2012 REGULAR BOARD OF EDUCATION MEETING.

The Shaker Heights Board of Education met in regular session on September 11, 2012 at 6:01 p.m. at the Administration Building, 15600 Parkland Drive, Shaker Heights, Ohio 44120.

Members present: Mr. Norman A. Bliss, Mr. William L. Clawson II, Mrs. Amy H. Fulford, Mr. Reuben Harris, Jr., and Ms. Annette Tucker Sutherland.

President Sutherland presided.

At this time President Sutherland welcomed everyone in attendance and commented on public participation at Board meetings. Board meetings are held in order to conduct Board business in front of the public, and their primary purpose is for Board business. The Board values interaction with citizens and provides two opportunities for public comment at its business meetings. Before beginning the agenda, the Board offers an opportunity for comment on items on the agenda. At the conclusion of the meeting, the Board will provide an opportunity for comment on any matter. President Sutherland invited the audience to ask questions or make comments pertaining to agenda items. There being none, the meeting continued.

Upon the presentation of the Minutes of the August 14, 2012 regular meeting, Mr. Bliss moved, seconded by Mrs. Fulford to approve the minutes as presented.

Roll Call: Ayes: Mr. Bliss, Mr. Clawson, Mrs. Fulford, Mr. Harris, Ms. Sutherland.  
The motion carried.

12-09-100

### **SUPERINTENDENT'S REPORT AND RECOMMENDATIONS**

Upon the recommendation of Superintendent Mark Freeman, Mr. Clawson moved, seconded by Mr. Harris that the following personnel items be approved:

#### **PERSONNEL**

##### **Certified**

##### **Change in Assignment for the 2012-2013 School Year**

Albrecht, Melissa – (Spanish/High School) – From 100% to 60% - Effective August 23, 2012

Fisco, Carol Ann – (Skills Tutor/Mercer School) – From 67.5% to 50% - Effective August 23, 2012

McCandless, Christine – (Mathematics/High School) – From 100% to 60% - Effective August 23, 2012

Walter, Kristina – (Art/High School) – from 80% to 100% - Effective August 23, 2012

Warshay, Alisa – (Spanish/High School) – From 100% to 40% - Effective August 23, 2012

**Temporary Employees: Lunch Room Supervisors, Substitute Tutors, Home Instructors, Substitute Teachers, Substitute Nurses, Substitute Library Aides, Tutoring Center Tutors, Proctors for the 2012-2013 School Year**

Brown, Amanda  
DeJohn, Daniel  
Harrison, Angela  
Klimek, Kathryn  
Konopinski, Joseph

Mizsak, Andrew  
Nieves, Ilka  
Troupe, Sandra  
Watts, Khalia  
White, Ghana

**Change in Rate for Individual Substitute Teacher for the 2012-2013 School Year**

Nieves, Ilka – (Science/Middle School) – Class M.A. – Effective September 13, 2012

Simon, Jenna – (Kindergarten/Mercer) Class B.A. – Effective August 27, 2012

**Non-Public Fund Appointments for the 2012-2013 School Year**

(Up to 100% Assignment – Subject to final allocation from the State of Ohio)

Amaddio, Maureen – (19.95% School Nurse/St. Dominic School) – Class B.A., step i of the Teachers' Salary Schedule – Effective August 23, 2012

Gelehrter, Ann – (62.1% Teacher/36.1% Tutor/Laurel School) – Class M.A.+15, step s-5 of the Teachers' Salary Schedule, and Class M.A., step 14 of the Non-Bargaining/Non-Administrative Salary Schedule – Effective August 23, 2012

Perin, Mary – (School Nurse/University School) – Class B.A.+15, step m of the Teachers' Salary Schedule – Effective August 23, 2012

Pearlman, Ilissa – (79.5% School Psychologist/Laurel School) – Class Ph.D., step g of the Teachers' Salary Schedule – Effective August 23, 2012

St. Amour, Karen – (Learning Specialist/Hathaway Brown School) – Class M.A.+15, step r-5 of the Teachers' Salary Schedule – Effective August 23, 2012

Stevenson, Jennifer – (99% Learning Specialist/Hathaway Brown School) – Class B.A.+15, step o/p of the Teachers' Salary Schedule – Effective August 23, 2012

Wonderly, Eric – (95% School Psychologist/Hathaway Brown School) – Class Ph.D., step o/p of the Teachers' Salary Schedule – Effective August 23, 2012

**Summer Writing and Instructional Planning for Summer 2012**

Authorization is requested for staff members to participate in summer writing and instructional planning. A unit refers to approximately one-half day of service at \$65.

**Program Planning**

Child, Bryan (8)  
Marencik, Joseph (8)

Plautz, Elizabeth (1)  
Weisbarth, Jennifer (1)

**Curriculum Writing and Instructional Planning for the 2012-2013 School Year**

Authorization is requested for staff members to participate in curriculum writing and instructional planning. A unit refers to approximately one-half day of service at \$65.

**Program Planning**

Hochman, Carol (20)

Program Planning (Summer Academy – Shaker Schools Foundation Funds)

Berger, Brian (10)	Roberts, Tana (10)
Bonner, Shaunna (10)	Shiner, Windy (10)
Lipovic, Darlene (5)	

Scheduling

Cole, Sara (10)

Technology

Up to 4 units per individual

Ahrens, Amanda	Lindsey, Dexter
Bednar, Jason	Mortus, Adam
Coffey, Mary (4)	Paine, Adrienne
Gillette, Bradley	Sattelmeyer, Lee
Harrison, Terri (6)	Strouse, Mary
Johnson, Damien (2)	Sullivan, Dawn
Lasley, Francine (2)	Sweeney, John

**Special Assignments for Summer 2012**

Authorization is requested for staff members to participate in the following activities:

Professional Development Instructors – Technology Training

Bishko, Jeremy (6)	Marencik, Joseph (6)
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**Special Assignments for the 2012-2013 School Year**

Authorization is requested for staff members to participate in the following activities:

5<sup>th</sup> and 6<sup>th</sup> Introductory Band Clinic/Jazz Band

Cameron, Lisa (6)	Coelho, Luiz (10)
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District Leadership Team (Title IIA – Teacher Quality Grant)

Brodsky, Amy (3)	Strouse, Mary (3)
Corbin, Sue (3)	Sweeney, James (3)
Hannah, Amy (5)	Turoff, Debra (3)
Siegel, Elizabeth (3)	Vail, Jennifer (3)
Steggert, Stacey (3)	White, Derrick (3)

Improving Student Achievement/Project Facilitators – Scholar Groups

\$1,800 per individual

Gholson, Jacqueline	Lindsey, Dexter
Hitchens, Patricia	Reese, Nathaniel

Improving Student Achievement/Scholar Group Advisor

Sullivan, Dawn (20)

Local Professional Development Committee

Up to 20 units per individual

Becerra, Melissa	Rashid, Patricia
Hayduk, Crystal	Robinson, Neal
O’Verko, John	Roth, Linda

Smith, Stephen  
Sweeney, Eileen  
Taylor, Robin

Tobey, Addie  
Weiss-Flynn, Penny

Performance Compensation Committee

Kalan, Timothy (15)

Professional Development Instructors – Technology Training

Campbell, Nicole (30)

Project Coordinator

Slovikovski, Karen

Resident Educator Liaison

Up to 35 hours (instructional rate)

Becerra, Melissa  
Marencik, Joseph  
Robinson, Neal

Rollins, Lauren  
Roth, Linda

Strategic Planning

Up to 5 units per individual

Cole, Sara  
Hunter, Miata

Robinson, Neal

Tutoring Center Managers

McIntyre, Hubert	Secondary	\$1,727.65
Rucinski, Michell	Primary	\$1,382.75

**Special Supplementals for the 2012-2013 School Year**

**Districtwide/First Semester – Mentors**

Anderson, Kelly  
Becerra, Melissa  
Homans, Lesley  
Houser, Joseph  
Mohney, Kathleen  
Nagal, Matthew

Schlein, Laurie  
Sheppard, Silvia  
Vokes, Elizabeth  
Wagner, Keith  
Wilkes, Jessica  
Zucca, Matthew

**Supplemental Contracts for the 2012-2013 School Year**

**District Per Diem Supplemental**

Pollack, Terrance – Area Studies – 37 days

District Supplementals

Bishko, Jeremy – Moodle Facilitator – 3.0 x 1  
Cachat, Christine – Moodle Facilitator – 3.0 x 1  
Campbell, Nicole – Moodle Facilitator – 3.0 x 1  
Coffey, Mary – Moodle Facilitator – 3.0 x 1  
Coyne, Beth – Moodle Facilitator – 3.0 x 1  
Gyurgyik, Suzanne – Moodle Facilitator – 3.0 x 1  
McCord, Claudia – Moodle Facilitator – 3.0 x 1

Polantz, Noel – Moodle Facilitator – 3.0 x 1  
 Roberts, Ellen – Moodle Facilitator – 3.0 x 1  
 Smith, Steve – Moodle Facilitator – 3.0 x 1  
 Strouse, Mary – Moodle Facilitator – 3.0 x 1  
 Sweeney, John – Moodle Facilitator – 3.0 x 1  
 Weiss-Flynn, Penny – Moodle Facilitator – 3.0 x 1

#### Boulevard School Special Supplementals

Krantz, Stacey – Peer Mediation – .05 x 38  
 Moses, Leanne – Peer Mediation – .05 x 38  
 Paine, Adrienne – Computers – .05 x 120

#### Boulevard School

Austin, Mark – Student Council – 1.0 x 1  
 Austin, Mark – Van/Bus Coordinator – 1.5 x 1  
 Coyne, Lizbeth – IB Coordination – 4.1 x 1  
 Kline, Brenda – IB Coordination – 4.1 x 1  
 Krantz, Stacey – Teacher in Charge – 4.0 x 1  
 McCauley, Tina – Student Council – 1.0 x 1  
 Taylor, William – Intramurals – 2.0 x 1

#### Fernway Special Supplemental

McCord, Claudia – Computers – .05 x 120

#### Lomond Special Supplementals

Mortus, Adam – Computers – .05 x 60  
 Sattelmeyer, Lee – Computers – .05 x 60

#### Lomond School

Brazalovics, Elizabeth – Student Council/Service Clubs – 1.0 x 1  
 Dipiero, Jill – Scholars Coordinator – 2.0 x 1  
 Henry, James – IB Coordination – 8.2 x 1  
 Hess, Gretchen – Scholars Coordinator – 1.0 x 1  
 Rucinski, Michell – Student Council/Service Clubs – 1.0 x 1

#### Mercer Special Supplemental

Sweeney, John – Computers – .05 x 15

#### Mercer School

Kim, Amy – Student Council – 1.0 x 1  
 Rose, Barbara – IB Coordination – 8.2 x 1  
 Siegel, Elizabeth – Scholars Coordinator – 2.5 x 1  
 Strah, Heather – Student Council – 1.0 x 1

#### Middle School Special Supplemental

Cerasuolo, Gena – Cross Country Support – 1 x 15  
 Farinacci, Nicole – Fall Play Production – .1 x 25  
 Pfeiffer, Erika – Power of the Pen – .1 x 30  
 Sears, Michael – Model UN Club – .1 x 5

#### Middle School

Baldarelli, Jenna – 7<sup>th</sup> Grade Team Leader – Semester One – 2.0 x 1  
 Calhoun, Michael – Interscholastic Cross Country Coach – 6.0 x 1

Freeman, Laura – 7<sup>th</sup> Grade Team Leader – Semester One – 2.0 x 1  
 Freeman, Laura – 7<sup>th</sup> Grade Team Leader – Semester Two – 2.0 x 1  
 Koppitch, John – 7<sup>th</sup> Grade Team Leader – Semester One – 2.0 x 1  
 Nagal, Mark – 7<sup>th</sup> Grade Team Leader – Semester One – 2.0 x 1  
 Nagal, Mark – 7<sup>th</sup> Grade Team Leader – Semester Two – 2.0 x 1  
 Nagal, Matthew – 8<sup>th</sup> Grade Team Leader – Semester One – 2.0 x 1  
 Nagal, Matthew – 8<sup>th</sup> Grade Team Leader – Semester Two – 2.0 x 1  
 Oryl, Christopher – 8<sup>th</sup> Grade Team Leader – Semester One – 2.0 x 1  
 Oryl, Christopher – 8<sup>th</sup> Grade Team Leader – Semester Two – 2.0 x 1  
 Pfeiffer, Erika – 8<sup>th</sup> Grade Team Leader – Semester One – 2.0 x 1  
 Pfeiffer, Erika – 8<sup>th</sup> Grade Team Leader – Semester Two – 2.0 x 1  
 Roth, Linda – Department Co-Chairperson: Social Studies – 4.25 x 1  
 Sears, Michael – Department Co-Chairperson: Social Studies – 4.25 x 1  
 Strauch, David – Department Chairperson: Science – 4.25 x 1  
 Strauch, David – 8<sup>th</sup> Grade Team Leader – Semester One – 2.0 x 1  
 Strauch, David – 8<sup>th</sup> Grade Team Leader – Semester Two – 2.0 x 1  
 Weaver, Valerie – 7<sup>th</sup> Grade Team Leader – Semester Two – 2.0 x 1  
 Weisbarth, Jennifer – 7<sup>th</sup> Grade Team Leader – Semester One – 2.0 x 1

### High School

Biggom, Brandon – Football Assistant Coach – 6.5 x 1  
 Biggom, Brandon – Preseason Football Assistant Coach – 5.5 x 1  
 Bogard, Cornelius – Preseason Football Assistant Coach – 2.75 x 1  
 Bogard, Cornelius – Football Varsity Coach – 6.5 x 1

### Woodbury Special Supplemental

Strouse, Mary – Computers – .05 x 40

### Woodbury Supplemental

Bednar, Jason – Computers – 5.0 x 1

### Resignation

Derrick, Dianne – (Enriched Language Arts/Woodbury School) – Effective at the end of the 2011-2012 school year – 29 years of service (retirement)

### Classified

#### Appointments for the 2012-2013 School Year

Dapper, Melissa – (Teacher Assistant/Lomond School) – step 7 of the Teacher Aide/Assistant Salary Schedule – Effective August 23, 2012

deSomer, Chantal – (Special Education Aide/Lomond School) – Step 8 of the Teacher Aide/Assistant Salary Schedule – Effective August 23, 2012

Doucet, Stacey – (Permanent Part Time Bus Driver/Transportation) – step 2 – Effective August 23, 2012

Graves, Wayne – (Permanent Part Time Bus Driver/Transportation) – step 3 – Effective August 23, 2012

Hicks, Richard – (Educational Support Specialist/Woodbury School) – Class EE, Grade 1 of the Non-Bargaining/Classified Specialist Salary Schedule – Effective August 13, 2012

Ray, Willie – (Permanent Part Time Bus Driver/Transportation) – step 3 – Effective August 23, 2012

**Change in Assignment for the 2012-2013 School Year**

Domoracki, Matthew – (56% Research Specialist/44% Project Specialist/Administration Building) – from 56% to 100% - Effective August 29, 2012 (44% Race to the Top Grant)

Meyer, Cynthia – (Educational Support Specialist/Woodbury School) – from 82% to 100% - Effective August 13, 2012

Terrell, Terrance – (Custodian with License/ Mercer) – from Head Custodian, Middle School, step C, to Custodian with License, Mercer, step C – Effective September 5, 2012

**Temporary Employees: Building Monitors, Head Lunchroom Aides, Lunchroom Aides, Off-Duty Police Officers, Student Technology Aides, Student Aides, Substitute American Sign Language Interpreters, Substitute Bus Drivers, Substitute Bus Monitors, Substitute Custodians, Substitute Secretarial Technicians, Substitute Security, Substitute Teacher Aides, Technology Interns, Proctors, Tutoring Center Study Assistants for the 2012-2013 School Year**

Allen, Robin  
Bolender, Ivette  
Bryant, Gloria  
Buchanan, Lee  
Cain, Jairon  
Claytor, Ifeolu  
Diederich, Caroline  
Fair, Geraldine  
Fellinger, Robert  
Gaston Jr., Laddie  
Kiker, Kathryn

Lugo, Jeremias  
Lund, Paul  
Newell, Thomas  
Scott, Valencia  
Spadoni, Diana  
Spuzzillo, Michael  
Sterin, Eric  
Vail, Vivian  
Westfall, Leonard  
Williams, Gregory

**Non-Public School Fund Appointment for the 2012-2013 School Year**

(Up to 100% Assignment – Subject to final allocation from the State of Ohio)

Heyka, Kathy – (Auxiliary Clerk/St. Dominic School) - \$3,831.00

**Curriculum Writing and Instructional Planning for the 2012-2013 School Year**

Authorization is requested for staff members to participate in curriculum writing and instructional planning. A unit refers to approximately one-half day of service at \$65.

**Program Planning**

Morgan, Billie (6)

**Technology**

McCord, Claudia (4)

**Additional Assignment for the 2011-2012 School Year**

Authorization is requested for staff member to participate in the following activity:

Seman, Janet (Administrative Assistant/Fernway) – Up to 32.25 hours

**Special Assignments for the 2012-2013 School Year**

Authorization is requested for staff members to participate in the following activities:

**Improving Student Achievement/Project Facilitators – Scholar Groups**

\$1,800 per individual

Hicks, Richard  
Lockhart, Barbara

White, Michele

**Extension to Leave of Absence for the 2012-2013 School Year**

Tyree, Darryl – (Building Assistant/Mercer) – Effective August 17, 2012 through September 30, 2012 (medical)

**Resignations**

Bates, Timothy – (Head Custodian/High School) – Effective October 1, 2012 – 31 years of service (retirement)

Graves, Wayne – (Permanent Part Time Bus Driver/Transportation) – Effective September 14, 2012 – 3 weeks of service

Kisner, Samuel – (Educational Support Specialist/Woodbury School) – Effective at the end of the 2011-2012 school year – 3 years of service

McMillan, Sabrina – (Permanent Part Time Bus Driver/Transportation) – Effective August 22, 2012 – 3 years, 10 months of service

Phillips, William – (Permanent Part Time Bus Driver/Transportation) – Effective September 28, 2012 – 13 years, 1 month of service

Rossi-Johnson, Julia – (Senior Class Advisor/High School) – Effective August 31, 2012 – 4 years of service

**Other**

Christman, Bryan - (Treasurer/Administration Building) - a payment of 1% of annual base salary as of January 2012, not to adjust base salary

**ADDENDUM**

**PERSONNEL**

**Certified**

**Change of Rate for Individual Substitute Teachers for the 2012-2013 School Year**

Simon, Sheryl – (ELA/Woodbury) Class B.A. – Effective September 4, 2012

**Temporary Employees: Lunch Room Supervisors, Substitute Tutors, Home Instructors, Substitute Teachers, Substitute Nurses, Substitute Library Aides, Tutoring Center Tutors for the 2012-2013 School Year**

Fellinger, Robert  
Lund, Paul  
Richards, Catherine

Sandman, Barrie  
Williams, Gregory

**Curriculum Writing and Instructional Planning for the 2012-2013 School Year**

Authorization is requested for staff members to participate in curriculum writing and instructional planning. A unit refers to approximately one-half day of service at \$65.

**Program Planning**

Burgess, Holly (13)



Social Studies

Up to 10 units

Brewster, Katherine  
Heide, Ruth  
Johnson, Damien

Nagal, Matthew  
Sears, Michael

**Special Assignments for the 2012-2013 School Year**

Authorization is requested for staff members to participate in the following activities:

School Improvement Coach

Burgess, Holly – 53 hours

Student Data Entry

McCauley, Tina (10)  
Roach, Jocelyn (2)  
Smith, Stephen (3)

Bednar, Jason (3)  
Cohen, March (3)

**Special Supplemental for the 2012-2013 School Year****Districtwide/First Semester – Mentor**

Wagner, Kevin

**Supplemental Contracts for the 2012-2013 School Year**Fernway Special Supplementals

Berggrun, Michelle – Fernway School Musical – .05 x 10  
Lambert, Mary – Fernway School Musical – .05 x 10  
Reinhold, Jean – Fourth Grade Play – .05 x 26

Fernway

Mohney, Kathleen – Teacher in Charge – 1.33 x 1  
Mohney, Kathleen – Scholars Coordinator – 2.0 x 1  
Morris, Sean – Teacher in Charge – 1.33 x 1  
Reinhold, Jean – IB Coordination – 8.2 x 1  
Reinhold, Jean – Van/Bus Coordinator – 1.0 x 1  
Reinhold, Jean – Mediation – 2.0 x 1  
Zucca, Matthew – Teacher in Charge – 1.33 x 1

Middle School

Murray, Sue – Interscholastic Field Hockey Coach – 6.0 x 1  
Riley, Michelle – Interscholastic Field Hockey Coach – 6.0 x 1  
Woods, Richard – Interscholastic Field Hockey Coach – 6.0 x 1

High School

Bartley, Matthew – Preseason JV Ice Hockey Assistant Coach – 2.5 x 1  
Bartley, Matthew – Ice Hockey Assistant Coach – 6.5 x 1  
Pruitt, Gregory – Football Assistant Coach – 6.5 x 1  
Pruitt, Gregory – Preseason Football Assistant Coach – 5.5 x 1

**Classified**

**Temporary Employees: Building Monitors, Head Lunchroom Aides, Lunchroom Aides, Off-Duty Police Officers, Student Technology Aides, Student Aides, Substitute American Sign Language Interpreters, Substitute Bus Drivers, Substitute Bus Monitors, Substitute Custodians, Substitute Secretarial Technicians, Substitute Security, Substitute Teacher Aides, Technology Interns, Proctors, Tutoring Center Study Assistants for the 2012-2013**

**School Year**

Adams, Steven	Hummel, Charles
Bryant, Ricardo	Jordan, Tessa
Caesar, Tiera J.	Mears, Susan
Furey , Margaret	Millsap, Constance
Gadson, Dayzia	Rivers, Yolonda
Haynes, Tony	Smith, Jacqueline

Roll Call: Ayes: Mr. Bliss, Mr. Clawson, Mrs. Fulford, Mr. Harris, Ms. Sutherland.  
The motion carried.

12-09-101

**DISTRICT HIGHLIGHTS*****SCHOOL OPENS SMOOTHLY***

Thanks to the combined efforts of teachers, aides, tutors, custodians, building and grounds staff members, bus drivers, secretaries and administrative staff members, the opening of school on August 27 went very well. Registration by appointment has considerably improved the process and allowed the staff to devote its full attention to each family. Isolated issues with scheduling, class balancing, and transportation routing have been addressed promptly.

Since early July, 662 new students, including kindergartners, have enrolled in the Shaker schools. Entering students in grades 5-12 are administered a rapid academic assessment to help with appropriate class placement and services. New enrollees have come from neighboring districts, several states, and nations around the world, including Brazil, Chile, China, Egypt, El Salvador, France, Ghana, Guatemala, India, Israel, Italy, Jordan, The Netherlands, Norway, Pakistan, Puerto Rico, Russia, Saudi Arabia, Singapore, Thailand, and Venezuela.

Enrollment thus far is down by 59 students from last year. The chart below shows fall enrollment by grade for each of the past 10 years.

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 preliminary
<b>Pre-K</b>	28	45	46	51	57	62	54	48	48	45
<b>K</b>	403	399	386	386	371	365	387	366	360	343
<b>1</b>	393	430	404	386	395	389	379	405	359	366
<b>2</b>	361	396	426	398	392	393	399	390	407	361
<b>3</b>	423	387	389	429	384	417	404	390	397	404
<b>4</b>	389	437	370	391	432	401	423	403	403	396
<b>5</b>	418	412	422	388	390	434	399	433	411	407
<b>6</b>	449	426	412	425	394	407	419	410	427	400
<b>7</b>	489	467	422	418	418	395	420	436	406	437
<b>8</b>	461	495	475	433	425	422	397	431	428	421
<b>9</b>	550	527	579	553	529	524	511	472	470	500
<b>10</b>	439	461	448	476	417	459	410	440	416	405
<b>11</b>	443	435	452	429	451	420	407	411	429	395
<b>12</b>	377	417	395	410	420	443	372	379	380	404
<i>Ungraded</i>			2	4	7	11	15	10	43	41
<b>Total</b>	5623	5734	5628	5577	5482	5542	5396	5424	5384	5325

Notes: Figures are from official October enrollment except 2012. Some special-education students are in ungraded classrooms or on home instruction.

Fall enrollment by building:

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 preliminary
<b>Pre-K @ SFC</b>	18	22	24	0	0	0	0	0	0	0
<b>Boulevard</b>	384	424	393	363	340	339	351	361	357	358
<b>Fernway</b>	300	312	313	322	333	342	357	358	354	344
<b>Lomond</b>	512	538	518	519	512	497	502	468	488	456
<b>Mercer</b>	414	432	411	416	432	425	421	409	368	374
<b>Onaway</b>	371	370	360	393	414	424	421	408	425	395
<b>Woodbury</b>	865	834	833	809	785	843	820	843	849	815
<b>Middle School</b>	954	904	900	852	843	818	818	868	838	866
<b>High School</b>	1805	1838	1876	1803	1823	1854	1705	1736	1691	1717

Note: Totals from the two charts may differ slightly because of special-education placements. Pre-K units were moved in 2006 from the Shaker Family Center to Onaway School.

### **BOULEVARD, LOMOND, & MERCER EARN WORLD SCHOOL STATUS**

Boulevard, Lomond, and Mercer elementary schools have been authorized as International Baccalaureate World Schools following an intensive site inspection by representatives of the International Baccalaureate Organization. The schools were required to demonstrate that they have collaboratively developed and are consistently teaching the globally focused interdisciplinary units, using inquiry and problem solving strategies as instructional approaches, as well as meeting rigorous requirements for student assessment. Fernway and Onaway are also fully immersed in the implementation of the International Baccalaureate program and are planning for site visits this school year. Woodbury, the Middle School, and the High School (grades 9 and 10) cleared the first hurdle in the process last spring by earning Candidate status.

### **18 MEMBERS OF THE CLASS OF 2012 ARE AWARDED IB DIPLOMAS**

The High School, which was authorized as an International Baccalaureate World School two years ago for the elective Diploma Program (grades 11 and 12), just graduated its first cohort of IB Diploma candidates. Eighteen members of the Shaker Class of 2012 learned over the summer that they met the requirements for the prestigious IB Diploma, including a challenging curriculum, end-of-course examinations, community service, and a 4,000-word essay based on in-depth research.

Shaker's first IB Diploma recipients are **Ian Adams, Ian Bartimole, Shoshana Bieler, Hannah Chelimsky, Elana Curry, Anna Davis, Molly Elson, Mary Fowler, Max Hersch, Emily Hirsch, Hannah McCandless, Ian Mercer, Spencer Murray, Annelies Schweitzer, Patrick Sullivan, Jonah Weinstein, Andrew Wood, and Patrick Zempolich.**

### **PROFESSIONAL JOURNAL FOCUSES ON MERITS, CHALLENGES OF IB**

This month's issue of *School Administrator*, a professional magazine published by the American Association of School Administrators, examines International Baccalaureate from many vantage points, including college admissions, benefits for diverse groups of students, and the "contrived debate" between Advanced Placement and International Baccalaureate. Among the contributors to the issue are *Washington Post* journalist Jay Mathews, Shaker Superintendent **Mark Freeman** with a piece titled "Overcoming Doubts about IB's Merits," and SHHS grad **Paul Campbell** ('73), head of regional development for the IB Americas office. The articles are available through [www.shaker.org](http://www.shaker.org).

### **A CHARIOTLOAD OF AWARDS AT LATIN CONVENTION**

Sixteen Shaker students and 3 teachers were among Ohio's representatives at the 59th National Junior Classical League convention held at Wake Forest University this summer. Approximately 1,700 people were in attendance, with students competing in academic, creative, and athletic contests. Every member of the Shaker delegation earned at least one National Field award. Details are available at [www.shaker.org](http://www.shaker.org).

### **PROGRESS ON STRATEGIC PLAN DOCUMENTED**

The District made significant progress on the Strategic Plan in 2011-12, the first year of implementation, according to an external evaluator. In a report completed last month, Vincent Melograno, School Improvement Planning Specialist at Cleveland State University, offered these observations and recommendations:

- The Plan is a "visionary approach" and an "ambitious endeavor."
- "Use of a leadership steering committee, a representative monitoring committee, and an external, independent reviewer exhibits a commitment to the improvement and accountability process."
- Progress is carefully documented through the use of tracking software.
- The Plan "seem[s] to have created a District culture characterized by a shared vision, systematic improvement, consistency and coherence without decreasing creativity, high expectations, and accountability."
- Measures used to show growth on the performance indicators should be better aligned to the action tasks.
- The followup with parents of Middle School and High School students receiving intervention services should be revised to provide a more comprehensive approach.
- The nature and scope of work for 2012-13 needs to be evaluated as to workload feasibility and revised if necessary.

The Strategic Plan and progress report are available at [www.shaker.org/StrategicPlanning.aspx](http://www.shaker.org/StrategicPlanning.aspx).

### **CLEVELAND ORCHESTRA TO PERFORM AT HIGH SCHOOL**

The Cleveland Orchestra will perform an in-school concert at the High School on Thursday, October 11. Shaker was selected as the first high school to benefit from the Cleveland Orchestra's Alfred Lerner In-School Performance Fund, in honor of the Shaker schools' centennial. The Lerner fund permanently

endows Orchestra performances in area high schools. Several Shaker students will have the opportunity to play alongside members of the Cleveland Orchestra when they perform the National Anthem. Giancarlo Guerrero, music director of the Nashville Symphony, will act as guest conductor.

### **SSF SPONSORS NOTABLE SPEAKERS IN OCTOBER**

The Shaker Schools Foundation presents two notable speakers – one Shaker alum and one Shaker resident – as part of the Shaker Centennial and the Foundation’s 30<sup>th</sup> anniversary celebration.

**David Pogue** ('81) will share his vast knowledge of technology and human nature at a benefit program entitled “The Twitter Revolution,” on Tuesday, October 2, at 7 p.m. at the High School. Pogue writes a weekly tech column for *The New York Times* and a monthly tech column for *Scientific American*. The cost is \$30 for one adult ticket, or \$50 for two; student tickets are \$5 with ID. Proceeds support the Shaker Foundation’s Legacy Fund. To order tickets, visit [www.shaker.org/ssfEvents.aspx](http://www.shaker.org/ssfEvents.aspx).

Shaker resident **Dr. Michael Roizen** will present a free program called “Real Age and You: The Cleveland Clinic Experience on Controlling Your Genes and What it Means for You,” on Tuesday, October 16 at 7 p.m. The appearance is free of charge and open to the public. Roizen is chief wellness officer and chair of the Wellness Institute at The Cleveland Clinic, as well as a best-selling author of several health and wellness books.

### **‘COME BACK TO SHAKER’ WEEKEND ATTRACTS ALUMNI**

The School District, Shaker Schools Foundation, and City of Shaker Heights teamed up to put together a blockbuster weekend of Centennial events September 1-2. Four graduating classes (1962, 1973, 1982, and 1992) held reunions over the weekend. On Saturday, about 180 alumni from all graduating classes and their family members gathered on the High School’s front lawn for a cookout and tours of the High School, sponsored by the Foundation. In the afternoon, members of Shaker’s athletic teams and band, representing the entire student body, cut the ribbon to officially open the renovated track and field. City-sponsored events over the weekend included house tours and a family party at Horseshoe Lake Park.

### **RED & WHITE MOVES TO THE HISTORIC TUDOR ARMS**

*A Night for the Red & White* will move to a historic venue in 2013 – the painstakingly restored Tudor Arms Hotel, DoubleTree by Hilton in University Circle. The building originally opened in 1931 as The Cleveland Club, a private men’s athletic club for affluent Clevelanders who were moving to the Heights. The last building designed by famed local architect Frank Mead, it operated as a hotel from 1939 to the mid-1960’s, when Case Western Reserve University bought it to use as student housing. CWRU later leased it to the Cleveland Job Corps until selling it to MRN, a local development company headed up by Shaker graduate **Ari Maron** (Class of '96). The firm is also responsible for the development of East 4<sup>th</sup> Street, West 25th Street Bank Building and The Uptown under construction in University Circle.

Sponsored by the Friends of the Shaker Schools Foundation, *A Night for the Red & White* has raised more than \$2 million for educational enrichment since the first benefit in 1992. The 2013 event will be at 7 p.m. on **Saturday, March 9, 2013**.

### **ENERGY CONSERVATION PROJECTS IN PROGRESS**

Classrooms and corridors are brighter this fall, thanks to lighting upgrades over the summer. Fixtures throughout the District have been retrofitted to accommodate brighter, more energy-efficient bulbs. The work is nearing completion. Replacement of steam traps in heating systems is under way and should be finished before the heating season begins. Temporary cooling units at the High School are to be replaced with permanent units during winter break, and planning for automated controls for all HVAC systems is in the beginning stages. All of these conservation measures are financed under H.B. 264. The savings in energy costs are expected to pay the debt service.

## **TREASURER'S REPORT AND RECOMMENDATIONS**

### **MONTHLY FINANCIAL REPORT**

Upon the recommendation of Mr. Bryan Christman, Treasurer, Mr. Bliss moved, seconded by Mr. Harris that the monthly financial report consisting of financial statements for the month ended August 2012 (Exhibit T-1), and the Interim Investments listed below, and the Transfer Between Funds listed below be accepted, ratified and approved as indicated.

### **FINANCIAL STATEMENTS**

It is recommended that the financial statements for the month ended August 2012 (Exhibit T-1) be accepted and placed on file for audit.

President Sutherland asked Mr. Christman to review the highlights of the financial statements. He commented on items as delineated in the financial & miscellaneous briefs and as follows:

- **Real Estate Taxes and Total Revenues:** There is a \$1.1 million negative variance in real estate tax dollars collected this year vs. last. A meeting expected to take place later this month with the Cuyahoga County Fiscal Officer will hopefully shed light on whether this variance is a timing or permanent difference from the prior year (and the current budget).
- **Salaries & Wages:** Classified temporary wages this YTD are even with last YTD, while certified temporary wages this YTD are \$7,000 higher than prior YTD.
- **Total Expenditures** are only \$290,448 or 2.1% greater than prior YTD through August.

Mr. Christman also commented on the following legislative items:

- **Pension Plan Legislation:** Five separate bills are expected to be approved by the House and then the Senate later this week.
- **The State Board of Education** delayed the release of the Report Cards for all districts until the completion of an investigation into attendance reporting irregularities reported in the media at a few districts around the State.
- **Education Funding Sub Committee** concluded its regional hearing tour around the State. The process is a precursor to the development of the new school funding formula for the next biennium.
- **State Voting Rules:** Secretary of State Husted has reinstated voting hours during the weekend before the November general election in accordance with a Federal Court ruling.

### **INVESTMENTS**

It is recommended that in accordance with Section 135.14 of the Ohio Revised Code, the interim investments listed below be ratified.

**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
INTERIM INVESTMENTS  
August 2012**

**FEDERAL & OTHER SECURITIES:**

<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Investment Amount</u>	<u>Bond Equiv. Yield</u>	<u>Type of Investment</u>	<u>Interest to be Earned</u>	<u>Dealer/Issuer</u>
8/3/2012	12/3/2012	\$1,997,255.00	0.411%	Commercial Paper	\$2,745.00	UBS
8/3/2012	1/3/2013	\$997,790.00	0.528%	Commercial Paper	\$2,210.00	UBS
8/3/2012	1/31/2013	\$996,933.06	0.617%	Commercial Paper	\$3,066.94	UBS
8/9/2012	8/8/2013	\$500,000.00	1.000%	CD-CDAR's (50-50)	\$5,000.00	TriState Capital Bank
8/9/2012	8/8/2013	\$500,000.00	1.000%	CD-CDAR's (50-50)	\$5,000.00	TriState Capital Bank
8/16/2012	8/15/2013	\$500,000.00	1.000%	CD-CDAR's (50-50)	\$5,000.00	TriState Capital Bank
8/30/2012	8/29/2013	\$1,000,000.00	0.500%	CD-CDAR's	\$5,000.00	TriState Capital Bank
8/28/2012	11/27/2013	\$2,000,213.89	0.242%	FFCB	\$6,036.11	Morgan Stanley-Smith Barney

**OTHER DEPOSIT ACCOUNTS:**

<u>Account</u>	<u>Balance at 08/31/12</u>	<u>Avg. Annual Interest Rate for Month</u>	<u>Interest Earned</u>
Star Ohio - General	\$16,418.50	0.09%	\$1.30
Charter One - High Balance Ckg	\$13,343,096.02	0.25%	\$0.00 **
Charter One - Money Market	\$0.00	0.00%	\$0.00
Huntington - DVP S/K	\$9,138.36	0.02%	\$37.21
Huntington - Operating	\$944,841.03	0.35%	\$0.00 ***
PNC - Money Market	\$359,052.52	0.20%	\$89.55
TriState Capital-CD-Comp Bal Acct	\$3,500,000.00	0.00% *	\$0.00
P/R Funding Transfer A/C	\$2,055,158.97	N/A	N/A

\* - CD-CDAR contract includes equal compensating balance at 0.00%

\*\* - Switched to earnings credit option which is used to offset service charges and thus no interest earned.

\*\*\* - Earnings credit option which is used to offset service charges and thus no interest earned.

**TRANSFERS BETWEEN FUNDS**

It is recommended that the Board of Education approve the following Transfers between Funds:

**FROM:**

<u>FUND</u>	<u>SPCC</u>	<u>FUNC.</u>	<u>OBJ.</u>	<u>OPU</u>	<u>AMOUNT</u>
001	0000	7200	910	000	\$90,000

**TO:**

<u>FUND</u>	<u>SPCC</u>	<u>REC.</u>	<u>OPU</u>	<u>AMOUNT</u>
300	9601	5100	120	\$45,000
300	9603	5100	120	30,000
300	9602	5100	100	15,000

Reason: To provide funds for the athletic departments at the High School and Middle School.

Roll Call: Ayes: Mr. Bliss, Mr. Clawson, Mrs. Fulford, Mr. Harris, Ms. Sutherland.  
The motion carried.

12-09-102

**2012-2013 ANNUAL APPROPRIATIONS**

Upon the recommendation of Mr. Bryan Christman, Treasurer, Mr. Clawson moved, seconded by Mrs. Fulford that the Board of Education rescind Resolution No. 12-06-67, the Temporary Annual Appropriations for 2012-2013, and approve the 2012-2013 Annual Appropriations as listed below.

Mr. Christman reviewed each of the major funds and provided the following general fund budget appropriation highlights. The presented budget reflects:

- An expected decrease in tax revenues of \$900,000 attributable to the maximum voted millage limitation aspect of the House Bill No. 920 rate adjustment due to the expected 6-7% reduction in assessed valuation due to the sexennial reappraisal process;
- Reduction in Other State revenue since the final payment of the tangible personal property tax replacement payment was received by the District in Fiscal 2012;
- Decrease in Education Jobs Funding revenue as final monthly installment received by the District in July 2012;
- An increase in salaries and wages due to loss of non-continuing grant funds utilized in Fiscal 2012 along with negotiated contractual salary adjustments in Fiscal 2013;
- A decrease in fringe benefits attributable to continued savings in health insurance due to favorable experience in addition to savings from electing self-insurance in 2010;
- An increase in utilities expense due to mild winter in Fiscal 2012;
- An increase in repairs & maintenance expense due to expected spending needed now that the final amounts available from the 2004 bond issue in the capital fund have been depleted;
- Although the Fiscal 2013 budget is \$2.2 million greater than Fiscal 2012 actual expenditures, the general fund appropriation for Fiscal 2013 is \$1.6 million less than Fiscal 2012 original budget.



The remainder of the appropriation document included:

- Various line and bar charts reflecting historical and Fiscal 2013 projected revenues and expenses;
- Various pie charts depicting revenues and expenses by major categories for Fiscal 2012 actual results; and
- Detail breakdown of actual Fiscal 2011, actual Fiscal 2012, and budgeted Fiscal 2013 expenses by function, operating unit and object, including dollar and percentage change from Fiscal 2012 to projected/budgeted Fiscal 2013.

**SHAKER HEIGHTS CITY  
SCHOOL DISTRICT**

**ANNUAL APPROPRIATION**

**RESOLUTION**

**for the year ending**

**JUNE 30, 2013**

**SEPTEMBER 2012**

SHAKER HEIGHTS CITY SCHOOL DISTRICT					
ANNUAL APPROPRIATIONS SUMMARY					
FYE 2012 - 2013					
		2012-13	2011-12	\$ Inc (Dec)	% Inc (Dec)
<u>Fund No.</u>	<u>Fund Name</u>	<u>Appropriation</u>	<u>Final Approp.</u>	<u>vs.Pr.Yr.Approp</u>	<u>vs.Pr.Yr.Approp</u>
001	General Fund	89,777,620.00	91,393,123.00	(\$1,615,503)	-1.8%
002	Bond Retirement	11,130,000.00	2,750,000.00	\$8,380,000	304.7%
004	Building Fund	1,000,000.00	3,000,000.00	(\$2,000,000)	-66.7%
006	Food Services	2,100,000.00	2,400,000.00	(\$300,000)	-12.5%
007	Special Trust	100,000.00	61,544.84	\$38,455	62.5%
009	Uniform School Supplies	100,000.00	100,000.00	\$0	0.0%
011	Rotary Fund-Special Services (AP Testing)	140,000.00	140,000.00	\$0	0.0%
014	Special Rotary Fund (gym clothes, bookstore, etc.)	100,000.00	100,000.00	\$0	0.0%
018	Public School Support	200,000.00	200,000.00	\$0	0.0%
020	Shaker Merchandise	20,000.00	20,000.00	\$0	0.0%
022	District Agency	200,000.00	100,000.00	\$100,000	100.0%
024	Self-Insurance-Health	11,000,000.00	11,500,000.00	(\$500,000)	-4.3%
027	Self-Insurance-Workers' Comp	300,000.00	300,000.00	\$0	0.0%
200	Student Activity	300,000.00	300,000.00	\$0	0.0%
300	Athletics	300,000.00	300,000.00	\$0	0.0%
401	Auxiliary Services (Non-Public)	1,375,552.88	1,429,282.45	(\$53,730)	-3.8%
432	Management Information Systems	0.00	0.00	\$0	#DIV/0!
440	Entry Year Program	0.00	0.00	\$0	#DIV/0!
451	Data Communication	14,400.00	14,400.00	\$0	0.0%
452	School Net Professional Development	0.00	0.00	\$0	#DIV/0!
463	Alternative Schools	37,288.00	37,288.00	\$0	0.0%
499	Miscellaneous State Grants-Parent Mentor	25,000.00	25,000.00	\$0	0.0%
504	Education Jobs Fund	0.00	772,029.55	(\$772,030)	-100.0%
506	Race To The Top	114,004.49	103,897.00	\$10,107	9.7%
516	IDEA Part B ( Title VI-B SpEd)	1,182,561.15	1,200,250.70	(\$17,690)	-1.5%
516	IDEA Part B ( Title VI-B SpEd)-Stimulus	0.00	0.00	\$0	#DIV/0!
532	Fiscal Stabilization Fund-Stimulus	0.00	0.00	\$0	#DIV/0!
533	Title II-D - Technology (formerly in Fund 599)	3,000.00	5,086.38	(\$2,086)	-41.0%
536	Title I, Sub A	0.00	55,000.00	(\$55,000)	-100.0%
537	Title I, Sub G	0.00	0.00	\$0	#DIV/0!
551	Title III Limited English Proficiency	31,950.00	48,103.20	(\$16,153)	-33.6%
572	Title I	1,028,325.59	715,039.80	\$313,286	43.8%
572	Title I-Stimulus	0.00	656.62	(\$657)	-100.0%
584	Title IV - Safe & Drug-Free School Grant	0.00	0.00	\$0	#DIV/0!
587	Preschool/Individuals with Disabilities	17,973.99	17,969.13	\$5	0.0%
587	Preschool/Ind. with Disabilities-Stimulus	0.00	0.00	\$0	#DIV/0!
590	Title II-A - Improving Teacher Quality	129,434.11	129,964.90	(\$531)	-0.4%
599	Miscellaneous Federal Grants	30,000.00	15,906.00	\$14,094	88.6%
<b>Total for all Funds</b>		<b>120,757,110.21</b>	<b>117,234,541.57</b>	<b>\$3,522,569</b>	<b>3.0%</b>
			0.00	0.00	0
<b>NOTES:</b>					
Fund 002-	Increase over prior year due to issuance of bonds and repayment of bond anticipation notes, as well as advance refunding.				
Fund 004-	Remaining funds from Bond Issuance and Non-Bond Fund proceeds portion of Fund 004.				
Fund 504-	One-time Education Jobs Fund monies utilized in Fiscal 2012.				
Fund 536-	End of one-time special Title I monies.				
Fund 572-	Increase in Title I allocation due to increased percentage of at-risk students.				



**AUTHORIZATION TO ISSUE AND SELL BONDS TO FINANCE HIGH SCHOOL STADIUM IMPROVEMENTS (UNVOTED DEBT LIMIT OF \$850,000)**

The Treasurer advised the Board that the notice requirements of Section 121.22 of the Revised Code and the implementing rules adopted by the Board pursuant thereto were complied with for the meeting.

Upon the recommendation of Mr. Bryan Christman, Treasurer, Mr. Bliss moved, seconded by Mrs. Fulford that the Board of Education approve the resolution authorizing the issuance and sale of bonds to finance High School Stadium Improvements as follows:

**A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF BONDS IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$850,000 TO PROVIDE FUNDS TO PAY COSTS OF IMPROVING THE HIGH SCHOOL STADIUM BY CONSTRUCTING AN ALL-WEATHER TRACK, ACQUIRING AND INSTALLING AN ARTIFICIAL TURF PLAYING SURFACE AND OTHERWISE IMPROVING, EQUIPPING AND FURNISHING THE STADIUM AND ITS SITE, IN EACH CASE TOGETHER WITH NECESSARY APPURTENANCES AND WORK INCIDENTAL THERETO.**

WHEREAS, pursuant to Resolution No. 12-07-85 adopted by this Board on July 10, 2012, the School District issued its \$850,000 Stadium Improvement Notes, Series 2012 (the Outstanding Notes), as a part of a consolidated issue of \$3,220,000 School Facilities Improvement Notes, Series 2012, dated July 24, 2012, which Outstanding Notes are to mature on December 12, 2012; and

WHEREAS, this Board finds and determines that the School District should issue the Bonds described in this resolution to provide funds to retire the Outstanding Notes at their maturity; and

WHEREAS, the Treasurer of this Board, as fiscal officer of the School District, has certified to this Board that the estimated life or period of usefulness of the improvements described in Section 2 is at least five years and that the maximum maturity of the Bonds described in Section 2 is ten years;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Shaker Heights City School District, County of Cuyahoga, Ohio, that:

Section 1. Definitions and Interpretation. In addition to the words and terms elsewhere defined in this resolution, unless the context or use clearly indicates another or different meaning or intent:

“Authorized Denominations” means (a) with respect to any Capital Appreciation Bonds, a denomination equal to a principal amount that, when interest at the applicable compounding interest rate is accrued and compounded thereon on each Interest Accretion Date to the stated maturity of those Bonds, will result in a Maturity Amount equal to \$5,000 or any whole multiple thereof and (b) with respect to Current Interest Bonds, a denomination of \$5,000 or any whole multiple thereof.

“Bond proceedings” means, collectively, this resolution, the Certificate of Award, the Continuing Disclosure Agreement, the Registrar Agreement and such other proceedings of the School District, including the Bonds, that provide collectively for, among other things, the rights of holders and beneficial owners of the Bonds.

“Bond Register” means all books and records necessary for the registration, exchange and transfer of Bonds as provided in Section 5.

“Bond Registrar” means The Bank of New York Mellon Trust Company, N.A., as the initial authenticating agent, bond registrar, transfer agent and paying agent for the Bonds under the Registrar Agreement and until a successor Bond Registrar shall have become such pursuant to the provisions of the Registrar Agreement and, thereafter, “Bond Registrar” shall mean the successor Bond Registrar.

“Book entry form” or “book entry system” means a form or system under which (a) the ownership of book entry interests in Bonds and the principal of and interest on the Bonds may be transferred only through a book entry, and (b) physical Bond certificates in fully registered form are issued by the School District only to a Depository or its nominee as registered owner, with the Bonds deposited with and maintained in the custody of the Depository or its agent. The book entry maintained by others than the School District or the Bond Registrar is the record that identifies the owners of book entry interests in those Bonds and that principal and interest.

“Capital Appreciation Bonds” means any Bonds designated as such in the Certificate of Award, maturing in the years, being in the principal amounts and having the Maturity Amounts set forth therein, and bearing interest accrued and compounded on each Interest Accretion Date and payable at maturity.

“Certificate of Award” means the certificate authorized to be signed by the President and Treasurer of this Board pursuant to subsection (a) of Section 6, specifying and determining those terms or other matters pertaining to the Bonds and their issuance, sale and delivery as this resolution requires or authorizes to be set forth or determined therein.

“Closing Date” means the date of physical delivery of, and payment of the purchase price for, the Bonds.

“Code” means the Internal Revenue Code of 1986, the Treasury Regulations (whether temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, reference to a Section of the Code includes any applicable successor section or provision and the applicable Treasury Regulations, rulings, announcements, notices, procedures and determinations pertinent to that Section.

“Compound Accreted Amount” means, with respect to any Capital Appreciation Bond, the principal amount thereof plus interest accrued and compounded on each Interest Accretion Date to the date of maturity or other date of determination. The Compound Accreted Amount per \$5,000 Maturity Amount of the Capital Appreciation Bonds of each maturity and each compounding interest rate within a maturity as of each Interest Accretion Date shall be set forth in the Certificate of Award. The Compound Accreted Amount of a Capital Appreciation Bond as of any date other than an Interest Accretion Date is the sum of (a) the Compound Accreted Amount for that Bond on the immediately preceding Interest Accretion Date plus (b) the product of (i) the difference obtained by subtracting (A) the Compound Accreted Amount of that Bond on the immediately preceding Interest Accretion Date from (B) the Compound Accreted Amount of that Bond on the immediately succeeding Interest Accretion Date, times (ii) the ratio of (C) the number of days from the immediately preceding Interest Accretion Date to the date of determination to (D) the total number of days from that immediately preceding Interest Accretion Date to the immediately succeeding Interest Accretion Date; provided, however, that in determining the Compound Accreted Amount of a Capital Appreciation Bond as of a date prior to the first Interest Accretion Date, the Closing Date shall be deemed to be the immediately preceding Interest Accretion Date and the principal amount of that Bond shall be deemed to be the Compound Accreted Amount on the Closing Date.

“Continuing Disclosure Agreement” means the agreement authorized by subsection (c) of Section 6 to be signed by the President and Treasurer of this Board and the Superintendent of Schools, to be substantially in the form on file with the Treasurer and which, together with the agreements of the School District set forth in that subsection and the Bonds, shall constitute the continuing disclosure agreement made by the School District for the benefit of holders and beneficial owners of the Bonds in accordance with the Rule.

“Current Interest Bonds” means, collectively, the Current Interest Serial Bonds and the Term Bonds, each as designated as such in the Certificate of Award.

“Current Interest Serial Bonds” or “Serial Bonds” means those Current Interest Bonds designated as such in the Certificate of Award, maturing on the dates set forth therein, bearing interest payable on each Interest Payment Date and not subject to mandatory sinking fund redemption.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its Participants or otherwise, a book entry system to record ownership of book entry interests in Bonds or the principal of and interest on Bonds and to effect transfers of Bonds in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Interest Accretion Dates” means, as to any Capital Appreciation Bonds, June 15 and December 15 of each year during which Capital Appreciation Bonds are outstanding, commencing December 15, 2012.

“Interest Payment Dates” means (a) as to Current Interest Bonds, June 15 and December 15 of each year during which Current Interest Bonds are outstanding, commencing June 15, 2013, and (b) as to any Capital Appreciation Bonds, their respective maturity dates.

“Maturity Amount” means, with respect to a Capital Appreciation Bond, the principal of and interest on that Bond due and payable at its stated maturity.

“Original Purchaser” means Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri.

“Participant” means any participant contracting with a Depository under a book entry system and includes securities brokers and dealers, banks and trust companies, and clearing corporations.

“Principal Payment Dates” means December 15 in each of the years from and including 2013 to and including 2022.

“Purchase Agreement” means the Bond Purchase Agreement between the School District and the Original Purchaser, as it may be modified from the form on file with the Treasurer and signed by the President and Treasurer of this Board in accordance with Section 6.

“Registrar Agreement” means the Bond Registrar Agreement between the School District and the Bond Registrar, as it may be modified from the form on file with the Treasurer of this Board and signed by the Treasurer in accordance with Section 4.

“Rule” means Rule 15c2-12 prescribed by the SEC pursuant to the Securities Exchange Act of 1934.

“SEC” means the Securities and Exchange Commission.

“Term Bonds” means those Current Interest Bonds designated as such in the Certificate of Award, maturing on the date or dates set forth therein, bearing interest payable on each Interest Payment Date and subject to mandatory sinking fund redemption.

The captions and headings in this resolution are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof. Reference to a Section means a section of this resolution unless otherwise indicated.

Section 2. Authorized Principal Amount and Purpose; Application of Proceeds. This Board determines that it is necessary and in the best interest of the School District to issue bonds of this School District in a maximum aggregate principal amount of \$850,000 (the Bonds) to provide funds to pay costs of improving the High School stadium by constructing an all-weather track, acquiring and installing an artificial turf playing surface and otherwise improving, equipping and furnishing the stadium and its site, in each case together with necessary appurtenances and work incidental thereto, and to retire the Outstanding Notes.

Subject to the limitations set forth in this resolution, the aggregate principal amount of Bonds to be issued, the principal maturities of and the principal payment schedule for the Bonds, the interest rate or rates or compounding interest rate or rates that the Bonds shall bear and certain other terms and provisions of the Bonds identified in this resolution are subject to further specification or determination in the Certificate of Award upon the finalization of the terms and provisions of the Bonds. The aggregate principal amount of Bonds to be issued, as so specified in the Certificate of Award, shall be the amount determined by the President and Treasurer of this Board to be necessary at the time to carry out the purpose for which the Bonds are to be issued and reflect, among other matters, the terms upon which the Bonds can be marketed and sold.

The proceeds from the sale of the Bonds, except any premium and accrued interest, shall be paid into the proper fund or funds, and those proceeds are appropriated and shall be used for the purpose for which the Bonds are being issued. Any portion of those proceeds representing premium and accrued interest shall be paid into the Bond Retirement Fund.

Section 3. Denominations; Dating; Principal and Interest Payment and Redemption Provisions. The Bonds shall be issued in one lot and only as fully registered bonds, in the Authorized Denominations, but in no case as to a particular maturity date exceeding the principal amount maturing on that date. The respective principal amounts of the Bonds to be issued as Current Interest Bonds and Capital Appreciation Bonds (if any Bonds are issued as Capital Appreciation Bonds) shall be determined by the President and Treasurer of this Board in the Certificate of Award, having due regard to the best interest of and financial advantages to the School District. Unless otherwise specified by the President and Treasurer of the Board in the Certificate of Award, all of the Bonds shall be dated as of the Closing Date.

(a) Interest Rates and Payment Dates. The Current Interest Bonds shall bear the rate or rates of interest per year (computed on the basis of a 360-day year consisting of twelve 30-day months), not exceeding 10% per year as to any stated maturity, as shall be specified by the President and Treasurer of this Board (subject to subsection (c) of this Section) in the Certificate of Award. Interest on the Current Interest Bonds shall be payable on each Interest Payment Date until the principal amount has been paid or provided for. The Current Interest Bonds shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their date.

Any Capital Appreciation Bonds shall bear interest from the Closing Date at the compounding rate or rates of interest per year (computed on the basis of a 360-day year consisting of twelve 30-day months), not exceeding 25% per year for any stated maturity, accrued and



compounded on each Interest Accretion Date and payable at maturity, that will result in the aggregate Maturity Amounts payable at maturity, as shall be specified by the President and Treasurer of this Board (subject to the provisions of subsection (c) of this Section) in the Certificate of Award. The total interest accrued on any Capital Appreciation Bond as of any particular date shall be an amount equal to the amount by which the Compound Accreted Amount of that Capital Appreciation Bond as of that date exceeds the principal amount of that Capital Appreciation Bond.

(b) Principal Payment Schedule. The Bonds shall mature or be payable pursuant to Mandatory Sinking Fund Redemption Requirements (as hereinafter defined and described) on the Principal Payment Dates in the following years and principal amounts:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2013	\$80,000	2018	\$85,000
2014	80,000	2019	85,000
2015	85,000	2020	85,000
2016	85,000	2021	90,000
2017	85,000	2022	90,000

; provided that, subject to the limitations set forth in Sections 1 and 2 and this Section 3, the principal amount of Bonds maturing or subject to Mandatory Sinking Fund Redemption Requirements on any one or more of the Principal Payment Dates may be increased or decreased as specified by the President and Treasurer of this Board in the Certificate of Award, consistently with their determination of the best interest of and financial advantages to the School District.

Consistently with the foregoing and in accordance with their determination of the best interest of and financial advantages to the School District, the President and Treasurer of this Board shall specify in the Certificate of Award (i) the aggregate principal amount of Bonds to be issued, (ii) the aggregate principal amount of Bonds to be issued as Current Interest Bonds, (iii) the aggregate principal amount of Current Interest Bonds to be issued as Current Interest Serial Bonds, the Principal Payment Dates on which those Bonds shall be stated to mature and the principal amount thereof that shall be stated to mature on each such Principal Payment Date, (iv) the aggregate principal amount of Current Interest Bonds to be issued as Term Bonds, the Principal Payment Date or Dates on which those Bonds shall be stated to mature, the principal amount thereof that shall be stated to mature on each such Principal Payment Date, the Principal Payment Date or Dates on which Term Bonds shall be subject to mandatory sinking fund redemption (Mandatory Redemption Dates) and the principal amount thereof that shall be payable pursuant to Mandatory Sinking Fund Redemption Requirements on each Mandatory Redemption Date, and (v) the aggregate principal amount of the Bonds to be issued as Capital Appreciation Bonds, if any, and the corresponding aggregate Maturity Amount of any such Bonds, the Principal Payment Date or Dates on which any such Bonds shall be stated to mature, and the principal amount and corresponding Maturity Amount thereof that shall be payable on each such Principal Payment Date.

(c) Conditions for Establishment of Interest Rates and Principal Payment Dates and Amounts. The rate or rates of interest per year to be borne by the Current Interest Bonds and the compounding rate or rates of interest per year to be borne by any Capital Appreciation Bonds, and the principal amount of Current Interest Bonds maturing or payable pursuant to Mandatory Sinking Fund Redemption Requirements on each Principal Payment Date and the Maturity Amount of any Capital Appreciation Bonds payable on each Principal Payment Date, shall be such that the total principal and interest payments on the Bonds in any fiscal year in which principal is payable is not more than three times the amount of those payments in any other such fiscal year. The weighted average of the rate or rates of interest per year to be borne by the Bonds, determined by taking into account the respective principal amounts of the Bonds and terms to maturity or mandatory sinking fund redemption, as applicable, of those principal amounts of Bonds, shall not exceed 4% per year.

(d) Payment of Debt Charges. The debt charges on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar as paying agent. Principal of and any premium on the Current Interest Bonds, and principal of and interest on any Capital Appreciation Bonds, shall be payable when due upon presentation and surrender of the Bonds at the designated corporate trust office of the Bond Registrar. Interest on a Current Interest Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond was registered, and to that person's address appearing, on the Bond Register at the close of business on the 1st day of the calendar month in which that Interest Payment Date occurs. Notwithstanding the foregoing, if and so long as the Bonds are issued in a book entry system, principal of and interest and any premium on the Bonds shall be payable in the manner provided in any agreement entered into by the Treasurer of this Board, in the name and on behalf of the School District, in connection with the book entry system.

The School District reserves the right to order the Bond Registrar to return to it any money held by the Bond Registrar for the payment of (i) checks or drafts for the payment of interest on the Bonds or (ii) principal of Bonds, which checks, drafts or Bonds have not been presented for payment within four years following the date on which payment of the interest or principal represented thereby came due. Thereafter, the registered owners shall look only to the School District for payment of the interest and principal represented by those checks, drafts and Bonds.

(e) Redemption Provisions. The Capital Appreciation Bonds, if any, shall not be subject to redemption prior to maturity. Unless otherwise specified by the President and Treasurer of this Board in the Certificate of Award, consistently with their determination of the best interest of and financial advantages to the School District, the Current Interest Bonds shall be subject to redemption prior to stated maturity as follows:

(i) Mandatory Sinking Fund Redemption of Term Bonds. If any of the Bonds are issued as Term Bonds, the Term Bonds shall be subject to mandatory redemption in part by lot and be redeemed pursuant to mandatory sinking fund requirements at a redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date, on the applicable Mandatory Redemption Dates and in the principal amounts payable on those Dates, for which provision is made in the Certificate of Award (such Dates and amounts, the Mandatory Sinking Fund Redemption Requirements).

The aggregate of the moneys to be deposited with the Bond Registrar for payment of principal of and interest on the Bonds on each Mandatory Redemption Date shall include an amount sufficient to redeem on that Date the principal amount of Term Bonds payable on that Date pursuant to Mandatory Sinking Fund Redemption Requirements (less the amount of any credit as hereinafter provided).

The School District shall have the option to deliver to the Bond Registrar for cancellation Term Bonds in any aggregate principal amount and to receive a credit against the then current or any subsequent Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation) of the School District, as specified by the Treasurer, for Term Bonds stated to mature on the same Principal Payment Date and bear interest at the same rate as the Term Bonds so delivered. That option shall be exercised by the School District on or before the 45th day preceding any Mandatory Redemption Date with respect to which the School District wishes to obtain a credit, by furnishing the Bond Registrar a certificate, signed by the Treasurer, setting forth the extent of the credit to be applied with respect to the then current or any subsequent Mandatory Sinking Fund Redemption Requirement for Term Bonds stated to mature on the same Principal Payment Date and bear interest at the same rate. If the certificate is not timely furnished to the Bond Registrar, the then current Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation) shall not be reduced. A credit against the then

current or any subsequent Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation), as specified by the Treasurer, also shall be received by the School District for any Term Bonds that prior thereto have been redeemed (other than through the operation of the applicable Mandatory Sinking Fund Redemption Requirements) or purchased for cancellation and canceled by the Bond Registrar, to the extent not applied theretofore as a credit against any Mandatory Sinking Fund Redemption Requirement, for Term Bonds stated to mature on the same Principal Payment Date and bear interest at the same rate as the Term Bonds so redeemed or purchased and canceled.

Each Term Bond so delivered, or previously redeemed, or purchased and canceled, shall be credited by the Bond Registrar at 100% of the principal amount thereof against the then current or subsequent Mandatory Sinking Fund Redemption Requirements (and corresponding mandatory redemption obligations), as specified by the Treasurer, for Term Bonds stated to mature on the same Principal Payment Date and bear interest at the same rate as the Term Bonds so delivered, redeemed or purchased and canceled.

(ii) Optional Redemption. The Current Interest Bonds maturing on or after December 15, 2021 shall be subject to redemption, by and at the sole option of the School District, either in whole or in part (in whole multiples of \$5,000), on any date on or after December 15, 2020, at a redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date.

Bonds to be redeemed pursuant to this paragraph shall be redeemed only upon written notice from the Treasurer to the Bond Registrar, given upon the direction of this Board by adoption of a resolution. That notice shall specify the redemption date and the principal amount of Bonds of each maturity and interest rate within a maturity to be redeemed and shall be given at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Bond Registrar.

(iii) Partial Redemption. If fewer than all of the outstanding Bonds are called for optional redemption at one time and Bonds of more than one maturity or interest rate within a maturity are then outstanding, the Bonds that are called shall be Bonds of the maturity or maturities and interest rate or rates selected by the School District. If fewer than all of the Bonds of a single maturity and interest rate are to be redeemed, the selection of Bonds of that maturity and interest rate to be redeemed, or portions thereof in amounts of \$5,000 or any whole multiple thereof, shall be made by the Bond Registrar by lot in a manner determined by the Bond Registrar. In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than \$5,000 are then outstanding, each \$5,000 unit of principal thereof shall be treated as if it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of principal amount represented by a Bond are to be called for redemption, then, upon notice of redemption of a \$5,000 unit or units, the registered owner of that Bond shall surrender the Bond to the Bond Registrar (A) for payment of the redemption price of the \$5,000 unit or units of principal amount called for redemption (including, without limitation, the interest accrued to the date fixed for redemption and any premium), and (B) for issuance, without charge to the registered owner, of a new Bond or Bonds of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Bond surrendered.

(iv) Notice of Redemption. The notice of the call for redemption of Bonds shall identify (A) by designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (B) the redemption price to be paid, (C) the date fixed for redemption, and (D) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Bond Registrar on behalf of the School District by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption, to the registered owner of each Bond subject to redemption in whole or in part at the

registered owner's address shown on the Bond Register maintained by the Bond Registrar at the close of business on the 15th day preceding that mailing. Failure to receive notice by mail or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any Bond.

(v) Payment of Redeemed Bonds. In the event that notice of redemption shall have been given by the Bond Registrar to the registered owners as provided above, there shall be deposited with the Bond Registrar on or prior to the redemption date, moneys that, in addition to any other moneys available therefor and held by the Bond Registrar, will be sufficient to redeem at the redemption price thereof, plus accrued interest to the redemption date, all of the redeemable Bonds for which notice of redemption has been given. Notice having been mailed in the manner provided in the preceding paragraph hereof, the Bonds and portions thereof called for redemption shall become due and payable on the redemption date, and, subject to the provisions of subsection (d) of Section 3 and Section 5, upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, plus accrued interest to the redemption date. If moneys for the redemption of all of the Bonds and portions thereof to be redeemed, together with accrued interest thereon to the redemption date, are held by the Bond Registrar on the redemption date, so as to be available therefor on that date and, if notice of redemption has been deposited in the mail as aforesaid, then from and after the redemption date those Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding. If those moneys shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, those Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption. All moneys held by the Bond Registrar for the redemption of particular Bonds shall be held in trust for the account of the registered owners thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds, provided that any interest earned on the moneys so held by the Bond Registrar shall be for the account of and paid to the School District to the extent not required for the payment of the Bonds called for redemption.

Section 4. Execution and Authentication of Bonds; Appointment of Bond Registrar. The Bonds shall be signed by the President and Treasurer of this Board, in the name of the School District and in their official capacities, provided that either or both of those signatures may be a facsimile. The Bonds shall be issued in the Authorized Denominations and numbers as requested by the Original Purchaser and approved by the Treasurer, shall be numbered as determined by the Treasurer in order to distinguish each Bond from any other Bond and to distinguish Current Interest Bonds from Capital Appreciation Bonds, and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to Chapter 133 of the Revised Code and this resolution.

The Bank of New York Mellon Trust Company, N.A., is appointed to act as the initial Bond Registrar. The Treasurer shall sign and deliver, in the name and on behalf of the School District, the Registrar Agreement between the School District and the Bond Registrar, in substantially the form as is now on file with the Treasurer. The Registrar Agreement is approved, together with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to the School District and that are approved by the Treasurer on behalf of the School District, all of which shall be conclusively evidenced by the signing of the Registrar Agreement or amendments thereto. The Treasurer shall provide for payment of services rendered and for reimbursement of expenses incurred pursuant to the Registrar Agreement, except to the extent paid or reimbursed by the Original Purchaser in accordance with the Purchase Agreement, from the proceeds of the Bonds to the extent available and then from other money lawfully available and appropriated or to be appropriated for that purpose.

No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under the Bond proceedings unless and until the certificate of authentication printed on the

Bond is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under, and is entitled to the security and benefit of, the Bond proceedings. The certificate of authentication may be signed by any authorized officer or employee of the Bond Registrar or by any other person acting as an agent of the Bond Registrar and approved by the Treasurer on behalf of the School District. The same person need not sign the certificate of authentication on all of the Bonds.

Section 5. Registration; Transfer and Exchange; Book Entry System. (a) Bond Registrar. So long as any of the Bonds remain outstanding, the School District will cause the Bond Registrar to maintain and keep the Bond Register at the designated corporate trust office of the Bond Registrar. Subject to the provisions of subsection (d) of Section 3 and subsection (c) of Section 6, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of the Bond proceedings. Payment of or on account of the debt charges on any Bond shall be made only to or upon the order of that person; neither the School District nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the School District's liability upon the Bond, including interest, to the extent of the amount or amounts so paid.

(b) Transfer and Exchange. Any Bond may be exchanged for Bonds of any Authorized Denomination upon presentation and surrender at the designated corporate trust office of the Bond Registrar, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. A Bond may be transferred only on the Bond Register upon presentation and surrender of the Bond at the designated corporate trust office of the Bond Registrar, together with an assignment signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any Authorized Denomination or Denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the School District are required, the Bond Registrar shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the School District. In all cases of Bonds exchanged or transferred, the School District shall sign and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Bond proceedings. The exchange or transfer shall be without charge to the owner, except that the School District and the Bond 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 School District or the Bond Registrar may require that those charges, if any, be paid before the procedure is begun for the exchange or transfer. All Bonds issued and authenticated upon any exchange or transfer shall be valid obligations of the School District, evidencing the same debt, and entitled to the same security and benefit under the Bond proceedings as the Bonds surrendered upon that exchange or transfer. Neither the School District nor the Bond Registrar shall be required to make any exchange or transfer of (i) Bonds then subject to call for redemption between the 15th day preceding the mailing of notice of Bonds to be redeemed and the date of that mailing, or (ii) any Bond selected for redemption, in whole or in part.

(c) Book Entry System. Notwithstanding any other provisions of this resolution, if the President and Treasurer of this Board determine in the Certificate of Award that it is in the best interest of and financially advantageous to the School District, the Bonds may be issued in book entry form in accordance with the following provisions of this Section.

The Bonds may be issued to a Depository for use in a book entry system and, if and so long as a book entry system is utilized, (i) the Bonds may be issued in the form of a single, fully registered Bond representing each maturity and interest rate within a maturity and registered in the name of the Depository or its nominee, as registered owner, and deposited with and maintained in the custody of the Depository or its designated agent that may be the Bond Registrar; (ii) the book entry interest owners of Bonds in book entry form shall not have any right to receive Bonds in the form of physical securities or certificates; (iii) ownership of book entry interests in Bonds in book entry form shall be shown by book entry on the system maintained and operated by the Depository and its Participants, and transfers of the ownership of book entry interests shall be made only by book entry by the Depository and its Participants; and (iv) the Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the School District.

If any Depository determines not to continue to act as a Depository for the Bonds for use in a book entry system, the Treasurer may attempt to establish a securities depository/book entry relationship with another qualified Depository. If the Treasurer does not or is unable to do so, the Treasurer, after making provision for notification of the book entry interest owners by the then Depository and any other arrangements deemed necessary, shall permit withdrawal of the Bonds from the Depository, and shall cause Bond certificates in registered form to be authenticated by the Bond Registrar and delivered to the assigns of the Depository or its nominee, all at the cost and expense (including any costs of printing), if the event is not the result of School District action or inaction, of those persons requesting such issuance.

The Treasurer is hereby authorized and directed, to the extent necessary or required, to enter into any agreements, in the name and on behalf of the School District, that he determines to be necessary in connection with a book entry system for the Bonds.

Section 6. Sale of the Bonds. (a) To the Original Purchaser. The Bonds shall be sold by the President and Treasurer of this Board to the Original Purchaser at private sale at a purchase price not less than 100% of the aggregate principal amount thereof plus accrued interest on the Bonds from their date to the Closing Date, as shall be specified in the Certificate of Award, and with and upon such other terms as are required or authorized by this resolution to be specified in the Certificate of Award, in accordance with law, the provisions of this resolution and the Purchase Agreement. The President and Treasurer are authorized, if it is determined to be in the best interest of the School District, to combine the Bonds with one or more other issues of unvoted general obligation bonds of the School District into a consolidated bond issue pursuant to Section 133.30(B) of the Revised Code in which case a single Certificate of Award, Purchase Agreement, Registrar Agreement and Continuing Disclosure Certificate may be utilized for the consolidated bond issue if appropriate and consistent with the terms of this resolution.

The President and Treasurer of this Board shall sign and deliver the Certificate of Award and shall cause the Bonds to be prepared and signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Original Purchaser upon payment of the purchase price. The President, Vice President and Treasurer of this Board, the Superintendent of Schools and other School District officials, as appropriate, each are authorized and directed to sign any transcript certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this resolution.

The President and Treasurer of this Board shall sign and deliver, in the name and on behalf of the School District, the Purchase Agreement between the School District and the Original Purchaser, in substantially the form as is now on file with the Treasurer, providing for the sale of the Bonds to, and the purchase of the Bonds by, the Original Purchaser. The Purchase Agreement is approved, together with any changes or amendments that are not inconsistent with this resolution

and not substantially adverse to the School District and that are approved by the President and Treasurer of this Board on behalf of the School District, all of which shall be conclusively evidenced by the signing of the Purchase Agreement or amendments to that Agreement.

(b) Primary Offering Disclosure -- Official Statement. The President and Treasurer of this Board and the Superintendent of Schools, or any two of them, are authorized and directed, on behalf of the School District and in their official capacities, to (i) prepare or cause to be prepared, and to make or authorize modifications, completions or changes of or supplements to, an official statement in connection with the original issuance of the Bonds, (ii) determine, and to certify or otherwise represent, when the official statement is “deemed final” (except for permitted omissions) by the School District as of its date or is a final official statement for purposes of the Rule, (iii) use and distribute, or authorize the use and distribution of that official statement and any supplements thereto in connection with the original issuance of the Bonds, and (iv) complete and sign the final official statement as so approved, together with such certificates, statements or other documents in connection with the finality, accuracy and completeness of that official statement as they deem necessary or appropriate.

(c) Agreement to Provide Continuing Disclosure. For the benefit of the holders and beneficial owners from time to time of the Bonds, the School District agrees to provide or cause to be provided such financial information and operating data, audited financial statements and notices of the occurrence of certain events, in such manner as may be required for purposes of the Rule. The President of the Board, the Treasurer and the Superintendent of Schools are authorized and directed to complete, sign and deliver the Continuing Disclosure Agreement, in the name and on behalf of the School District, in substantially the form as is now on file with the Treasurer. The Continuing Disclosure Agreement is approved, together with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to the School District and that are approved by the President and Treasurer of this Board and the Superintendent of Schools on behalf of the School District, all of which shall be conclusively evidenced by the signing of the Continuing Disclosure Agreement.

The Treasurer is further authorized and directed to establish procedures in order to ensure compliance by the School District with its Continuing Disclosure Agreement, including timely provision of information and notices as described above. Prior to making any filing required under the Rule, the Treasurer shall consult with and obtain legal advice from, as appropriate, the bond counsel or other qualified independent special counsel selected by the School District. The Treasurer, acting in the name and on behalf of the School District, shall be entitled to rely upon any such legal advice in determining whether a filing should be made. The performance by the School District of its Continuing Disclosure Agreement shall be subject to the annual appropriation of any funds that may be necessary to perform it.

(d) Applications for Ratings and Bond Insurance; Financing Costs. If, in the judgment of the Treasurer of this Board, the filing of an application for (i) a rating on the Bonds by one or more nationally-recognized rating agencies and/or (ii) a policy of insurance from a company or companies to better assure the payment of principal of and interest on all or a portion of the Bonds is in the best interest of and financially advantageous to this School District, he is authorized to prepare and submit those applications. The Treasurer is also authorized to provide to each such agency or company such information as may be required for the purpose and, if it is, in his judgment, in the best interest of and financially advantageous to this School District, to accept a commitment for insurance issued by a nationally recognized municipal bond insurance company insuring the payment when due of the principal of and interest on all or any portion of the Bonds. The Treasurer is further authorized to enter into any agreements, on behalf of and in the name of the District, that he determines to be necessary or required to obtain such ratings or insurance.

The expenditure of the amounts necessary to secure those ratings and to pay the other financing costs (as defined in Section 133.01 of the Revised Code) in connection with the Bonds, to the extent not paid by the Original Purchaser in accordance with the Purchase Agreement, is authorized and approved, and the Treasurer is authorized to provide for the payment of any such amounts and costs from the proceeds of the Bonds to the extent available and otherwise from any other funds lawfully available that are appropriated or shall be appropriated for that purpose.

Section 7. Provisions for Tax Levy. There shall be levied on all the taxable property in the School District, in addition to all other taxes, a direct tax annually during the period the Bonds are outstanding in an amount sufficient to pay the debt charges on the Bonds when due, which tax shall not be less than the interest and sinking fund tax required by Section 11 of Article XII of the Ohio Constitution. The tax shall be within the ten-mill limitation imposed by law, shall be and is 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 those years are certified, levied, extended and collected, and shall be placed before and in preference to all other items and for the full amount thereof. The proceeds of the tax levy shall be placed in the Bond Retirement Fund, which is irrevocably pledged for the payment of the debt charges on the Bonds when and as the same fall due.

Section 8. Federal Tax Considerations. The Board and the School District covenant that they will use, and will restrict the use and investment of, the proceeds of the Bonds in such manner and to such extent as may be necessary so that (a) the Bonds will not (i) constitute private activity bonds or arbitrage bonds under Sections 141 or 148 of the Code or (ii) be treated other than as bonds the interest on which is excluded from gross income under Section 103 of the Code, and (b) the interest on the Bonds will not be an item of tax preference under Section 57 of the Code.

The Board and the School District further covenant that (a) they will take or cause to be taken such actions that may be required of them for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, (b) they will not take or authorize to be taken any actions that would adversely affect that exclusion, and (c) they, or persons acting for them, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield on investment property, (iii) make timely and adequate payments to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of those proceeds, and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code.

The Board and the School District represent that the Outstanding Notes were designated as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code. The Board and the School District hereby covenant that the School District will redeem the Outstanding Notes from proceeds of, and within 90 days after issuance of, the Bonds, and represent that all other conditions are met for treating an amount of the Bonds not in excess of the amount of the Outstanding Notes as “qualified tax-exempt obligations” and as not to be taken into account under subparagraph (D) of Section 265(b)(3) of the Code, without necessity for further designation, by reason of subparagraph (D)(ii) of Section 265(b)(3) of the Code. Any amount of the Bonds in excess of the amount of the Outstanding Notes, determined in accordance with Section 265(b)(3) of the Code (the Designated Amount), is hereby designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. In that connection, the Board and the School District hereby represent and covenant that they, together with all their subordinate entities or entities that issue obligations on behalf of the Board or the District, or on behalf of which the Board or the District issues obligations, in or during the calendar year in which the Bonds are issued, (i) have not issued and will not issue tax-exempt obligations designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code, including the Designated Amount of the Bonds, in an aggregate amount in excess of \$10,000,000, and (ii) have not issued, do not reasonably anticipate issuing, and will not



issue, tax-exempt obligations (including the Designated Amount of the Bonds, but excluding obligations, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code, that are private activity bonds as defined in Section 141 of the Code and excluding refunding obligations that are not advance refunding obligations as defined in Section 149(d)(5) of the Code) in an aggregate amount exceeding \$10,000,000, unless the Board and the District first obtain a written opinion of nationally recognized bond counsel that such designation or issuance, as applicable, will not adversely affect the status of the Bonds as “qualified tax-exempt obligations”. Further, the Board and the School District represent and covenant that, during any time or in any manner as might affect the status of the Bonds as “qualified tax-exempt obligations”, neither the Board nor the School District has formed or participated in the formation of, or benefited from or availed itself of, any entity in order to avoid the purposes of subparagraph (C) or (D) of Section 265(b)(3) of the Code, and will not form, participate in the formation of, or benefit from or avail itself of, any such entity. The Board and the School District further represent that the Bonds are not being issued as part of a direct or indirect composite issue that combines issues or lots of tax-exempt obligations of different issuers.

The Treasurer, as fiscal officer, or any other officer of the Board or the School District having responsibility for the issuance of the Bonds is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the Board or the School District with respect to the Bonds as the Board or the School District is permitted or required to make or give under the federal income tax laws, including, without limitation, any of the elections available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting the favorable tax treatment or status of the Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments or penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the Board or the School District, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Bonds, and (c) to give one or more appropriate certificates of the Board or the School District, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the Board and the School District regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment or status of the Bonds and interest thereon.

Each covenant made in this Section with respect to the Bonds is also made with respect to all issues any portion of the debt service on which is paid from proceeds of the Bonds (and, if different, the original issue and any refunding issues in a series of refundings), to the extent such compliance is necessary to assure exclusion of interest on the Bonds from gross income for federal income tax purposes, and the officers identified above are authorized to take actions with respect to those issues as they are authorized in this Section to take with respect to the Bonds.

Section 9. Certification and Delivery of Resolution and Certificate of Award. The Treasurer is directed to deliver to the County Fiscal Officer of Cuyahoga County (i) a certified copy of this resolution and (ii) a signed copy of the Certificate of Award as soon as each is available.

Section 10. Retention of Bond Counsel. The legal services of Squire Sanders (US) LLP, as bond counsel, be and are hereby retained. The legal services shall be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the issuance and sale of the Bonds and the rendering of the necessary legal opinion upon the delivery of the Bonds, all as set forth in the form of engagement letter, dated September 11, 2012, now on file with the Treasurer of this Board. In rendering those legal services, as an independent contractor and in an attorney-client relationship, that firm shall not exercise any administrative discretion on behalf of

the School District in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, the School District or any other political subdivision, or the execution of public trusts. That firm shall be paid just and reasonable compensation for those legal services and shall be reimbursed for the actual out-of-pocket expenses it incurs in rendering those legal services. The Treasurer is authorized and directed to sign and deliver the engagement letter, and, to the extent they are not paid by the Original Purchaser in accordance with the Purchase Agreement, to make appropriate certification as to the availability of funds for those fees and any reimbursement and to issue an appropriate order for their timely payment as written statements are submitted by that firm.

Section 11. Satisfaction of Conditions for Bond Issuance. This Board determines that all acts and conditions necessary to be performed by the Board or the School District or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the Shaker Heights City School District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit and general property taxing power (as described in Section 7) of the School District are pledged for the timely payment of the debt charges on the Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

Section 12. Compliance with Open Meeting Requirements. This Board finds and determines that all formal actions of this Board and of any of its committees concerning and relating to the adoption of this resolution were taken, and that all deliberations of this Board and of any of its committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

Section 13. Effective Date. This resolution shall be in full force and effect immediately upon its adoption.

Roll Call: Ayes: Mr. Bliss, Mr. Clawson, Mrs. Fulford, Mr. Harris, Ms. Sutherland.  
The motion carried.

12-09-104

**AUTHORIZATION TO ISSUE AND SELL BONDS TO FINANCE ENERGY CONSERVATION PROJECTS (\$2,370,000)**

The Treasurer advised the Board that the notice requirements of Section 121.22 of the Revised Code and the implementing rules adopted by the Board pursuant thereto were complied with for the meeting.

Upon the recommendation of Mr. Bryan Christman, Treasurer, Mr. Clawson moved, seconded by Mr. Bliss that the Board of Education approve the resolution authorizing the issuance and sale of bonds to finance Energy Conservation Projects as follows:

**A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF BONDS IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$2,370,000 TO PROVIDE FUNDS TO PAY COSTS OF INSTALLATIONS, MODIFICATIONS AND REMODELING OF SCHOOL BUILDINGS TO CONSERVE ENERGY.**

WHEREAS, this Board approved a project energy study and thereafter received an approval from the Ohio School Facilities Commission to incur indebtedness to carry out the energy conservation program outlined therein; and

WHEREAS, the issuance of the bonds authorized by this Resolution will be within the amount certified by the Ohio School Facilities Commission, will not cause the net indebtedness of this School District created or incurred without a vote of the people and issued for the purpose of reducing energy consumption to exceed nine-tenths of one percent of the total value of all property in this District as listed and assessed for taxation and, together with all other unvoted indebtedness of this School District to be outstanding immediately following the issuance of the bonds, will not cause the net indebtedness created or incurred without a vote of the people for all purposes to exceed one percent of the total value of all property in the District as listed and assessed for taxation; and

WHEREAS, pursuant to Resolution No. 12-07-86 adopted by this Board on July 10, 2012, the School District issued its \$2,370,000 Energy Conservation Improvement Notes, Series 2012 (the Outstanding Notes), as a part of a consolidated issue of \$3,220,000 School Facilities Improvement Notes, Series 2012, dated July 24, 2012, which Outstanding Notes are to mature on December 12, 2012; and

WHEREAS, this Board finds and determines that the School District should issue the Bonds described in this resolution to provide funds to retire the Outstanding Notes at their maturity; and

WHEREAS, the Treasurer of this Board, as fiscal officer of the School District, has certified to this Board that the estimated life or period of usefulness of the improvements described in Section 2 is at least five years and that the maximum maturity of the Bonds described in Section 2 is fifteen years;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Shaker Heights City School District, County of Cuyahoga, Ohio, that:

Section 1. Definitions and Interpretation. In addition to the words and terms elsewhere defined in this resolution, unless the context or use clearly indicates another or different meaning or intent:

“Authorized Denominations” means (a) with respect to any Capital Appreciation Bonds, a denomination equal to a principal amount that, when interest at the applicable compounding interest rate is accrued and compounded thereon on each Interest Accretion Date to the stated maturity of those Bonds, will result in a Maturity Amount equal to \$5,000 or any whole multiple thereof and (b) with respect to Current Interest Bonds, a denomination of \$5,000 or any whole multiple thereof.

“Bond proceedings” means, collectively, this resolution, the Certificate of Award, the Continuing Disclosure Agreement, the Registrar Agreement and such other proceedings of the School District, including the Bonds, that provide collectively for, among other things, the rights of holders and beneficial owners of the Bonds.

“Bond Register” means all books and records necessary for the registration, exchange and transfer of Bonds as provided in Section 5.

“Bond Registrar” means The Bank of New York Mellon Trust Company, N.A., as the initial authenticating agent, bond registrar, transfer agent and paying agent for the Bonds under the Registrar Agreement and until a successor Bond Registrar shall have become such pursuant to the provisions of the Registrar Agreement and, thereafter, “Bond Registrar” shall mean the successor Bond Registrar.

“Book entry form” or “book entry system” means a form or system under which (a) the ownership of book entry interests in Bonds and the principal of and interest on the Bonds may be transferred only through a book entry, and (b) physical Bond certificates in fully registered form are issued by the School District only to a Depository or its nominee as registered owner, with the Bonds deposited with and maintained in the custody of the Depository or its agent. The book entry maintained by others than the School District or the Bond Registrar is the record that identifies the owners of book entry interests in those Bonds and that principal and interest.

“Capital Appreciation Bonds” means any Bonds designated as such in the Certificate of Award, maturing in the years, being in the principal amounts and having the Maturity Amounts set forth therein, and bearing interest accrued and compounded on each Interest Accretion Date and payable at maturity.

“Certificate of Award” means the certificate authorized to be signed by the President and Treasurer of this Board pursuant to subsection (a) of Section 6, specifying and determining those terms or other matters pertaining to the Bonds and their issuance, sale and delivery as this resolution requires or authorizes to be set forth or determined therein.

“Closing Date” means the date of physical delivery of, and payment of the purchase price for, the Bonds.

“Code” means the Internal Revenue Code of 1986, the Treasury Regulations (whether temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, reference to a Section of the Code includes any applicable successor section or provision and the applicable Treasury Regulations, rulings, announcements, notices, procedures and determinations pertinent to that Section.

“Compound Accreted Amount” means, with respect to any Capital Appreciation Bond, the principal amount thereof plus interest accrued and compounded on each Interest Accretion Date to the date of maturity or other date of determination. The Compound Accreted Amount per \$5,000 Maturity Amount of the Capital Appreciation Bonds of each maturity and each compounding interest rate within a maturity as of each Interest Accretion Date shall be set forth in the Certificate of Award. The Compound Accreted Amount of a Capital Appreciation Bond as of any date other than an Interest Accretion Date is the sum of (a) the Compound Accreted Amount for that Bond on the immediately preceding Interest Accretion Date plus (b) the product of (i) the difference obtained by subtracting (A) the Compound Accreted Amount of that Bond on the immediately preceding Interest Accretion Date from (B) the Compound Accreted Amount of that Bond on the immediately succeeding Interest Accretion Date, times (ii) the ratio of (C) the number of days from the immediately preceding Interest Accretion Date to the date of determination to (D) the total number

of days from that immediately preceding Interest Accretion Date to the immediately succeeding Interest Accretion Date; provided, however, that in determining the Compound Accreted Amount of a Capital Appreciation Bond as of a date prior to the first Interest Accretion Date, the Closing Date shall be deemed to be the immediately preceding Interest Accretion Date and the principal amount of that Bond shall be deemed to be the Compound Accreted Amount on the Closing Date.

“Continuing Disclosure Agreement” means the agreement authorized by subsection (c) of Section 6 to be signed by the President and Treasurer of this Board and the Superintendent of Schools, to be substantially in the form on file with the Treasurer and which, together with the agreements of the School District set forth in that subsection and the Bonds, shall constitute the continuing disclosure agreement made by the School District for the benefit of holders and beneficial owners of the Bonds in accordance with the Rule.

“Current Interest Bonds” means, collectively, the Current Interest Serial Bonds and the Term Bonds, each as designated as such in the Certificate of Award.

“Current Interest Serial Bonds” or “Serial Bonds” means those Current Interest Bonds designated as such in the Certificate of Award, maturing on the dates set forth therein, bearing interest payable on each Interest Payment Date and not subject to mandatory sinking fund redemption.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its Participants or otherwise, a book entry system to record ownership of book entry interests in Bonds or the principal of and interest on Bonds and to effect transfers of Bonds in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Interest Accretion Dates” means, as to any Capital Appreciation Bonds, June 15 and December 15 of each year during which Capital Appreciation Bonds are outstanding, commencing December 15, 2012.

“Interest Payment Dates” means (a) as to Current Interest Bonds, June 15 and December 15 of each year during which Current Interest Bonds are outstanding, commencing June 15, 2013, and (b) as to any Capital Appreciation Bonds, their respective maturity dates.

“Maturity Amount” means, with respect to a Capital Appreciation Bond, the principal of and interest on that Bond due and payable at its stated maturity.

“Original Purchaser” means Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri.

“Participant” means any participant contracting with a Depository under a book entry system and includes securities brokers and dealers, banks and trust companies, and clearing corporations.

“Principal Payment Dates” means December 15 in each of the years from and including 2013 to and including 2027.

“Purchase Agreement” means the Bond Purchase Agreement between the School District and the Original Purchaser, as it may be modified from the form on file with the Treasurer and signed by the President and Treasurer of this Board in accordance with Section 6.

“Registrar Agreement” means the Bond Registrar Agreement between the School District and the Bond Registrar, as it may be modified from the form on file with the Treasurer of this Board and signed by the Treasurer in accordance with Section 4.

“Rule” means Rule 15c2-12 prescribed by the SEC pursuant to the Securities Exchange Act of 1934.

“SEC” means the Securities and Exchange Commission.

“Term Bonds” means those Current Interest Bonds designated as such in the Certificate of Award, maturing on the date or dates set forth therein, bearing interest payable on each Interest Payment Date and subject to mandatory sinking fund redemption.

The captions and headings in this resolution are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof. Reference to a Section means a section of this resolution unless otherwise indicated.

Section 2. Authorized Principal Amount and Purpose; Application of Proceeds. This Board determines that it is necessary and in the best interest of the School District to issue bonds of this School District in a maximum aggregate principal amount of \$2,370,000 (the Bonds) to provide funds to pay costs of installations, modifications and remodeling of school buildings to conserve energy, and to retire the Outstanding Notes.

Subject to the limitations set forth in this resolution, the aggregate principal amount of Bonds to be issued, the principal maturities of and the principal payment schedule for the Bonds, the interest rate or rates or compounding interest rate or rates that the Bonds shall bear and certain other terms and provisions of the Bonds identified in this resolution are subject to further specification or determination in the Certificate of Award upon the finalization of the terms and provisions of the Bonds. The aggregate principal amount of Bonds to be issued, as so specified in the Certificate of Award, shall be the amount determined by the President and Treasurer of this Board to be necessary at the time to carry out the purpose for which the Bonds are to be issued and reflect, among other matters, the terms upon which the Bonds can be marketed and sold.

The proceeds from the sale of the Bonds, except any premium and accrued interest, shall be paid into the proper fund or funds, and those proceeds are appropriated and shall be used for the purpose for which the Bonds are being issued. Any portion of those proceeds representing premium and accrued interest shall be paid into the Bond Retirement Fund.

Section 3. Denominations; Dating; Principal and Interest Payment and Redemption Provisions. The Bonds shall be issued in one lot and only as fully registered bonds, in the Authorized Denominations, but in no case as to a particular maturity date exceeding the principal

amount maturing on that date. The respective principal amounts of the Bonds to be issued as Current Interest Bonds and Capital Appreciation Bonds (if any Bonds are issued as Capital Appreciation Bonds) shall be determined by the President and Treasurer of this Board in the Certificate of Award, having due regard to the best interest of and financial advantages to the School District. Unless otherwise specified by the President and Treasurer of the Board in the Certificate of Award, all of the Bonds shall be dated as of the Closing Date.

(a) Interest Rates and Payment Dates. The Current Interest Bonds shall bear the rate or rates of interest per year (computed on the basis of a 360-day year consisting of twelve 30-day months), not exceeding 10% per year as to any stated maturity, as shall be specified by the President and Treasurer of this Board (subject to subsection (c) of this Section) in the Certificate of Award. Interest on the Current Interest Bonds shall be payable on each Interest Payment Date until the principal amount has been paid or provided for. The Current Interest Bonds shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their date.

Any Capital Appreciation Bonds shall bear interest from the Closing Date at the compounding rate or rates of interest per year (computed on the basis of a 360-day year consisting of twelve 30-day months), not exceeding 25% per year for any stated maturity, accrued and compounded on each Interest Accretion Date and payable at maturity, that will result in the aggregate Maturity Amounts payable at maturity, as shall be specified by the President and Treasurer of this Board (subject to the provisions of subsection (c) of this Section) in the Certificate of Award. The total interest accrued on any Capital Appreciation Bond as of any particular date shall be an amount equal to the amount by which the Compound Accreted Amount of that Capital Appreciation Bond as of that date exceeds the principal amount of that Capital Appreciation Bond.

(b) Principal Payment Schedule. The Bonds shall mature or be payable pursuant to Mandatory Sinking Fund Redemption Requirements (as hereinafter defined and described) on the Principal Payment Dates in the following years and principal amounts:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2013	\$130,000	2021	\$160,000
2014	140,000	2022	165,000
2015	145,000	2023	165,000
2016	145,000	2024	170,000
2017	150,000	2025	175,000
2018	150,000	2026	180,000
2019	155,000	2027	185,000
2020	155,000		

; provided that, subject to the limitations set forth in Sections 1 and 2 and this Section 3, the principal amount of Bonds maturing or subject to Mandatory Sinking Fund Redemption Requirements on any one or more of the Principal Payment Dates may be increased or decreased as specified by the President and Treasurer of this Board in the Certificate of Award, consistently with their determination of the best interest of and financial advantages to the School District.

Consistently with the foregoing and in accordance with their determination of the best interest of and financial advantages to the School District, the President and Treasurer of this Board shall specify in the Certificate of Award (i) the aggregate principal amount of Bonds to be issued, (ii) the aggregate principal amount of Bonds to be issued as Current Interest Bonds, (iii) the aggregate principal amount of Current Interest Bonds to be issued as Current Interest Serial Bonds, the Principal Payment Dates on which those Bonds shall be stated to mature and the principal amount thereof that shall be stated to mature on each such Principal Payment Date, (iv) the aggregate principal amount of Current Interest Bonds to be issued as Term Bonds, the Principal Payment Date or Dates on which those Bonds shall be stated to mature, the principal amount thereof that shall be stated to mature on each such Principal Payment Date, the Principal Payment Date or Dates on which Term Bonds shall be subject to mandatory sinking fund redemption (Mandatory Redemption Dates) and the principal amount thereof that shall be payable pursuant to Mandatory Sinking Fund Redemption Requirements on each Mandatory Redemption Date, and (v) the aggregate principal amount of the Bonds to be issued as Capital Appreciation Bonds, if any, and the corresponding aggregate Maturity Amount of any such Bonds, the Principal Payment Date or Dates on which any such Bonds shall be stated to mature, and the principal amount and corresponding Maturity Amount thereof that shall be payable on each such Principal Payment Date.

(c) Conditions for Establishment of Interest Rates and Principal Payment Dates and Amounts. The rate or rates of interest per year to be borne by the Current Interest Bonds and the compounding rate or rates of interest per year to be borne by any Capital Appreciation Bonds, and the principal amount of Current Interest Bonds maturing or payable pursuant to Mandatory Sinking Fund Redemption Requirements on each Principal Payment Date and the Maturity Amount of any Capital Appreciation Bonds payable on each Principal Payment Date, shall be such that the total principal and interest payments on the Bonds in any fiscal year in which principal is payable is not more than three times the amount of those payments in any other such fiscal year. The weighted average of the rate or rates of interest per year to be borne by the Bonds, determined by taking into account the respective principal amounts of the Bonds and terms to maturity or mandatory sinking fund redemption, as applicable, of those principal amounts of Bonds, shall not exceed 4% per year.

(d) Payment of Debt Charges. The debt charges on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar as paying agent. Principal of and any premium on the Current Interest Bonds, and principal of and interest on any Capital Appreciation Bonds, shall be payable when due upon presentation and surrender of the Bonds at the designated corporate trust office of the Bond Registrar. Interest on a Current Interest Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond was registered, and to that person's address appearing, on the Bond Register at the close of business on the 1st day of the calendar month in which that Interest Payment Date occurs. Notwithstanding the foregoing, if and so long as the Bonds are issued in a book entry system, principal of and interest and any premium on the Bonds shall be payable in the manner provided in any agreement entered into by the Treasurer of this Board, in the name and on behalf of the School District, in connection with the book entry system.

The School District reserves the right to order the Bond Registrar to return to it any money held by the Bond Registrar for the payment of (i) checks or drafts for the payment of interest on the



Bonds or (ii) principal of or premium on Bonds, which checks, drafts or Bonds have not been presented for payment within four years following the date on which payment of the interest or principal represented thereby came due. Thereafter, the registered owners shall look only to the School District for payment of the interest and principal represented by those checks, drafts and Bonds.

(e) Redemption Provisions. The Capital Appreciation Bonds, if any, shall not be subject to redemption prior to maturity. Unless otherwise specified by the President and Treasurer of this Board in the Certificate of Award, consistently with their determination of the best interest of and financial advantages to the School District, the Current Interest Bonds shall be subject to redemption prior to stated maturity as follows:

(i) Mandatory Sinking Fund Redemption of Term Bonds. If any of the Bonds are issued as Term Bonds, the Term Bonds shall be subject to mandatory redemption in part by lot and be redeemed pursuant to mandatory sinking fund requirements at a redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date, on the applicable Mandatory Redemption Dates and in the principal amounts payable on those Dates, for which provision is made in the Certificate of Award (such Dates and amounts, the Mandatory Sinking Fund Redemption Requirements).

The aggregate of the moneys to be deposited with the Bond Registrar for payment of principal of and interest on the Bonds on each Mandatory Redemption Date shall include an amount sufficient to redeem on that Date the principal amount of Term Bonds payable on that Date pursuant to Mandatory Sinking Fund Redemption Requirements (less the amount of any credit as hereinafter provided).

The School District shall have the option to deliver to the Bond Registrar for cancellation Term Bonds in any aggregate principal amount and to receive a credit against the then current or any subsequent Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation) of the School District, as specified by the Treasurer, for Term Bonds stated to mature on the same Principal Payment Date and bear interest at the same rate as the Term Bonds so delivered. That option shall be exercised by the School District on or before the 45th day preceding any Mandatory Redemption Date with respect to which the School District wishes to obtain a credit, by furnishing the Bond Registrar a certificate, signed by the Treasurer, setting forth the extent of the credit to be applied with respect to the then current or any subsequent Mandatory Sinking Fund Redemption Requirement for Term Bonds stated to mature on the same Principal Payment Date and bear interest at the same rate. If the certificate is not timely furnished to the Bond Registrar, the then current Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation) shall not be reduced. A credit against the then current or any subsequent Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation), as specified by the Treasurer, also shall be received by the School District for any Term Bonds that prior thereto have been redeemed (other than through the operation of the applicable Mandatory Sinking Fund Redemption Requirements) or purchased for cancellation and canceled by the Bond Registrar, to the extent not applied theretofore as a credit against any Mandatory Sinking Fund Redemption Requirement, for Term Bonds stated to mature on

the same Principal Payment Date and bear interest at the same rate as the Term Bonds so redeemed or purchased and canceled.

Each Term Bond so delivered, or previously redeemed, or purchased and canceled, shall be credited by the Bond Registrar at 100% of the principal amount thereof against the then current or subsequent Mandatory Sinking Fund Redemption Requirements (and corresponding mandatory redemption obligations), as specified by the Treasurer, for Term Bonds stated to mature on the same Principal Payment Date and bear interest at the same rate as the Term Bonds so delivered, redeemed or purchased and canceled.

(ii) Optional Redemption. The Current Interest Bonds maturing on or after December 15, 2021 shall be subject to redemption, by and at the sole option of the School District, either in whole or in part (in whole multiples of \$5,000), on any date on or after December 15, 2020, at a redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date.

Bonds to be redeemed pursuant to this paragraph shall be redeemed only upon written notice from the Treasurer to the Bond Registrar, given upon the direction of this Board by adoption of a resolution. That notice shall specify the redemption date and the principal amount of Bonds of each maturity and interest rate within a maturity to be redeemed and shall be given at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Bond Registrar.

(iii) Partial Redemption. If fewer than all of the outstanding Bonds are called for optional redemption at one time and Bonds of more than one maturity or interest rate within a maturity are then outstanding, the Bonds that are called shall be Bonds of the maturity or maturities and interest rate or rates selected by the School District. If fewer than all of the Bonds of a single maturity and interest rate are to be redeemed, the selection of Bonds of that maturity and interest rate to be redeemed, or portions thereof in amounts of \$5,000 or any whole multiple thereof, shall be made by the Bond Registrar by lot in a manner determined by the Bond Registrar. In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than \$5,000 are then outstanding, each \$5,000 unit of principal thereof shall be treated as if it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of principal amount represented by a Bond are to be called for redemption, then, upon notice of redemption of a \$5,000 unit or units, the registered owner of that Bond shall surrender the Bond to the Bond Registrar (A) for payment of the redemption price of the \$5,000 unit or units of principal amount called for redemption (including, without limitation, the interest accrued to the date fixed for redemption and any premium), and (B) for issuance, without charge to the registered owner, of a new Bond or Bonds of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Bond surrendered.

(iv) Notice of Redemption. The notice of the call for redemption of Bonds shall identify (A) by designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (B) the redemption price to be paid, (C) the date fixed for redemption, and (D) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Bond Registrar on behalf of the School District by mailing a copy of the

redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption, to the registered owner of each Bond subject to redemption in whole or in part at the registered owner's address shown on the Bond Register maintained by the Bond Registrar at the close of business on the 15th day preceding that mailing. Failure to receive notice by mail or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any Bond.

(v) Payment of Redeemed Bonds. In the event that notice of redemption shall have been given by the Bond Registrar to the registered owners as provided above, there shall be deposited with the Bond Registrar on or prior to the redemption date, moneys that, in addition to any other moneys available therefor and held by the Bond Registrar, will be sufficient to redeem at the redemption price thereof, plus accrued interest to the redemption date, all of the redeemable Bonds for which notice of redemption has been given. Notice having been mailed in the manner provided in the preceding paragraph hereof, the Bonds and portions thereof called for redemption shall become due and payable on the redemption date, and, subject to the provisions of subsection (d) of Section 3 and Section 5, upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, plus accrued interest to the redemption date. If moneys for the redemption of all of the Bonds and portions thereof to be redeemed, together with accrued interest thereon to the redemption date, are held by the Bond Registrar on the redemption date, so as to be available therefor on that date and, if notice of redemption has been deposited in the mail as aforesaid, then from and after the redemption date those Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding. If those moneys shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, those Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption. All moneys held by the Bond Registrar for the redemption of particular Bonds shall be held in trust for the account of the registered owners thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds, provided that any interest earned on the moneys so held by the Bond Registrar shall be for the account of and paid to the School District to the extent not required for the payment of the Bonds called for redemption.

Section 4. Execution and Authentication of Bonds; Appointment of Bond Registrar. The Bonds shall be signed by the President and Treasurer of this Board, in the name of the School District and in their official capacities, provided that either or both of those signatures may be a facsimile. The Bonds shall be issued in the Authorized Denominations and numbers as requested by the Original Purchaser and approved by the Treasurer, shall be numbered as determined by the Treasurer in order to distinguish each Bond from any other Bond and to distinguish Current Interest Bonds from Capital Appreciation Bonds, and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to Chapter 133 of the Revised Code, including particularly Section 133.06(G), the aforesaid approval by the Ohio School Facilities Commission and this resolution.

The Bank of New York Mellon Trust Company, N.A., is appointed to act as the initial Bond Registrar. The Treasurer shall sign and deliver, in the name and on behalf of the School District, the Registrar Agreement between the School District and the Bond Registrar, in substantially the form as is now on file with the Treasurer. The Registrar Agreement is approved, together with any

changes or amendments that are not inconsistent with this resolution and not substantially adverse to the School District and that are approved by the Treasurer on behalf of the School District, all of which shall be conclusively evidenced by the signing of the Registrar Agreement or amendments thereto. The Treasurer shall provide for payment of services rendered and for reimbursement of expenses incurred pursuant to the Registrar Agreement, except to the extent paid or reimbursed by the Original Purchaser in accordance with the Purchase Agreement, from the proceeds of the Bonds to the extent available and then from other money lawfully available and appropriated or to be appropriated for that purpose.

No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under the Bond proceedings unless and until the certificate of authentication printed on the Bond is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under, and is entitled to the security and benefit of, the Bond proceedings. The certificate of authentication may be signed by any authorized officer or employee of the Bond Registrar or by any other person acting as an agent of the Bond Registrar and approved by the Treasurer on behalf of the School District. The same person need not sign the certificate of authentication on all of the Bonds.

Section 5. Registration; Transfer and Exchange; Book Entry System. (a) Bond Registrar. So long as any of the Bonds remain outstanding, the School District will cause the Bond Registrar to maintain and keep the Bond Register at the designated corporate trust office of the Bond Registrar. Subject to the provisions of subsection (d) of Section 3 and subsection (c) of Section 6, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of the Bond proceedings. Payment of or on account of the debt charges on any Bond shall be made only to or upon the order of that person; neither the School District nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the School District's liability upon the Bond, including interest, to the extent of the amount or amounts so paid.

(b) Transfer and Exchange. Any Bond may be exchanged for Bonds of any Authorized Denomination upon presentation and surrender at the designated corporate trust office of the Bond Registrar, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. A Bond may be transferred only on the Bond Register upon presentation and surrender of the Bond at the designated corporate trust office of the Bond Registrar, together with an assignment signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any Authorized Denomination or Denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the School District are required, the Bond Registrar shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the School District. In all cases of Bonds exchanged or transferred, the School District

shall sign and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Bond proceedings. The exchange or transfer shall be without charge to the owner, except that the School District and the Bond 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 School District or the Bond Registrar may require that those charges, if any, be paid before the procedure is begun for the exchange or transfer. All Bonds issued and authenticated upon any exchange or transfer shall be valid obligations of the School District, evidencing the same debt, and entitled to the same security and benefit under the Bond proceedings as the Bonds surrendered upon that exchange or transfer. Neither the School District nor the Bond Registrar shall be required to make any exchange or transfer of (i) Bonds then subject to call for redemption between the 15th day preceding the mailing of notice of Bonds to be redeemed and the date of that mailing, or (ii) any Bond selected for redemption, in whole or in part.

(c) Book Entry System. Notwithstanding any other provisions of this resolution, if the President and Treasurer of this Board determine in the Certificate of Award that it is in the best interest of and financially advantageous to the School District, the Bonds may be issued in book entry form in accordance with the following provisions of this Section.

The Bonds may be issued to a Depository for use in a book entry system and, if and so long as a book entry system is utilized, (i) the Bonds may be issued in the form of a single, fully registered Bond representing each maturity and interest rate within a maturity and registered in the name of the Depository or its nominee, as registered owner, and deposited with and maintained in the custody of the Depository or its designated agent that may be the Bond Registrar; (ii) the book entry interest owners of Bonds in book entry form shall not have any right to receive Bonds in the form of physical securities or certificates; (iii) ownership of book entry interests in Bonds in book entry form shall be shown by book entry on the system maintained and operated by the Depository and its Participants, and transfers of the ownership of book entry interests shall be made only by book entry by the Depository and its Participants; and (iv) the Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the School District.

If any Depository determines not to continue to act as a Depository for the Bonds for use in a book entry system, the Treasurer may attempt to establish a securities depository/book entry relationship with another qualified Depository. If the Treasurer does not or is unable to do so, the Treasurer, after making provision for notification of the book entry interest owners by the then Depository and any other arrangements deemed necessary, shall permit withdrawal of the Bonds from the Depository, and shall cause Bond certificates in registered form to be authenticated by the Bond Registrar and delivered to the assigns of the Depository or its nominee, all at the cost and expense (including any costs of printing), if the event is not the result of School District action or inaction, of those persons requesting such issuance.

The Treasurer is hereby authorized and directed, to the extent necessary or required, to enter into any agreements, in the name and on behalf of the School District, that he determines to be necessary in connection with a book entry system for the Bonds.

Section 6. Sale of the Bonds. (a) To the Original Purchaser. The Bonds shall be sold by the President and Treasurer of this Board to the Original Purchaser at private sale at a purchase price not less than 100% of the aggregate principal amount thereof plus accrued interest on the Bonds from their date to the Closing Date, as shall be specified in the Certificate of Award, and with and upon such other terms as are required or authorized by this resolution to be specified in the Certificate of Award, in accordance with law, the provisions of this resolution and the Purchase Agreement. The President and Treasurer are authorized, if it is determined to be in the best interest of the School District, to combine the Bonds with one or more other issues of unvoted general obligation bonds of the School District into a consolidated bond issue pursuant to Section 133.30(B) of the Revised Code in which case a single Certificate of Award, Purchase Agreement, Registrar Agreement and Continuing Disclosure Certificate may be utilized for the consolidated bond issue if appropriate and consistent with the terms of this resolution.

The President and Treasurer of this Board shall sign and deliver the Certificate of Award and shall cause the Bonds to be prepared and signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Original Purchaser upon payment of the purchase price. The President, Vice President and Treasurer of this Board, the Superintendent of Schools and other School District officials, as appropriate, each are authorized and directed to sign any transcript certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this resolution.

The President and Treasurer of this Board shall sign and deliver, in the name and on behalf of the School District, the Purchase Agreement between the School District and the Original Purchaser, in substantially the form as is now on file with the Treasurer, providing for the sale of the Bonds to, and the purchase of the Bonds by, the Original Purchaser. The Purchase Agreement is approved, together with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to the School District and that are approved by the President and Treasurer of this Board on behalf of the School District, all of which shall be conclusively evidenced by the signing of the Purchase Agreement or amendments to that Agreement.

(b) Primary Offering Disclosure -- Official Statement. The President and Treasurer of this Board and the Superintendent of Schools, or any two of them, are authorized and directed, on behalf of the School District and in their official capacities, to (i) prepare or cause to be prepared, and to make or authorize modifications, completions or changes of or supplements to, an official statement in connection with the original issuance of the Bonds, (ii) determine, and to certify or otherwise represent, when the official statement is “deemed final” (except for permitted omissions) by the School District as of its date or is a final official statement for purposes of the Rule, (iii) use and distribute, or authorize the use and distribution of that official statement and any supplements thereto in connection with the original issuance of the Bonds, and (iv) complete and sign the final official statement as so approved, together with such certificates, statements or other documents in connection with the finality, accuracy and completeness of that official statement as they deem necessary or appropriate.

(c) Agreement to Provide Continuing Disclosure. For the benefit of the holders and beneficial owners from time to time of the Bonds, the School District agrees to provide or cause to be provided such financial information and operating data, audited financial statements and

notices of the occurrence of certain events, in such manner as may be required for purposes of the Rule. The President of the Board, the Treasurer and the Superintendent of Schools are authorized and directed to complete, sign and deliver the Continuing Disclosure Agreement, in the name and on behalf of the School District, in substantially the form as is now on file with the Treasurer. The Continuing Disclosure Agreement is approved, together with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to the School District and that are approved by the President and Treasurer of this Board and the Superintendent of Schools on behalf of the School District, all of which shall be conclusively evidenced by the signing of the Continuing Disclosure Agreement.

The Treasurer is further authorized and directed to establish procedures in order to ensure compliance by the School District with its Continuing Disclosure Agreement, including timely provision of information and notices as described above. Prior to making any filing required under the Rule, the Treasurer shall consult with and obtain legal advice from, as appropriate, the bond counsel or other qualified independent special counsel selected by the School District. The Treasurer, acting in the name and on behalf of the School District, shall be entitled to rely upon any such legal advice in determining whether a filing should be made. The performance by the School District of its Continuing Disclosure Agreement shall be subject to the annual appropriation of any funds that may be necessary to perform it.

(d) Applications for Ratings and Bond Insurance; Financing Costs. If, in the judgment of the Treasurer of this Board, the filing of an application for (i) a rating on the Bonds by one or more nationally-recognized rating agencies and/or (ii) a policy of insurance from a company or companies to better assure the payment of principal of and interest on all or a portion of the Bonds is in the best interest of and financially advantageous to this School District, he is authorized to prepare and submit those applications. The Treasurer is also authorized to provide to each such agency or company such information as may be required for the purpose and, if it is, in his judgment, in the best interest of and financially advantageous to this School District, to accept a commitment for insurance issued by a nationally recognized municipal bond insurance company insuring the payment when due of the principal of and interest on all or any portion of the Bonds. The Treasurer is further authorized to enter into any agreements, on behalf of and in the name of the District, that he determines to be necessary or required to obtain such ratings or insurance.

The expenditure of the amounts necessary to secure those ratings and to pay the other financing costs (as defined in Section 133.01 of the Revised Code) in connection with the Bonds, to the extent not paid by the Original Purchaser in accordance with the Purchase Agreement, is authorized and approved, and the Treasurer is authorized to provide for the payment of any such amounts and costs from the proceeds of the Bonds to the extent available and otherwise from any other funds lawfully available that are appropriated or shall be appropriated for that purpose.

Section 7. Provisions for Tax Levy. There shall be levied on all the taxable property in the School District, in addition to all other taxes, a direct tax annually during the period the Bonds are outstanding in an amount sufficient to pay the debt charges on the Bonds when due, which tax shall not be less than the interest and sinking fund tax required by Section 11 of Article XII of the Ohio Constitution. The tax shall be within the ten-mill limitation imposed by law, shall be and is 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 those years are

certified, levied, extended and collected, and shall be placed before and in preference to all other items and for the full amount thereof. The proceeds of the tax levy shall be placed in the Bond Retirement Fund, which is irrevocably pledged for the payment of the debt charges on the Bonds when and as the same fall due.

Section 8. Federal Tax Considerations. The Board and the School District covenant that they will use, and will restrict the use and investment of, the proceeds of the Bonds in such manner and to such extent as may be necessary so that (a) the Bonds will not (i) constitute private activity bonds or arbitrage bonds under Sections 141 or 148 of the Code or (ii) be treated other than as bonds the interest on which is excluded from gross income under Section 103 of the Code, and (b) the interest on the Bonds will not be an item of tax preference under Section 57 of the Code.

The Board and the School District further covenant that (a) they will take or cause to be taken such actions that may be required of them for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, (b) they will not take or authorize to be taken any actions that would adversely affect that exclusion, and (c) they, or persons acting for them, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield on investment property, (iii) make timely and adequate payments to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of those proceeds, and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code.

The Board and the School District represent that the Outstanding Notes were designated as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code. The Board and the School District hereby covenant that the School District will redeem the Outstanding Notes from proceeds of, and within 90 days after issuance of, the Bonds, and represent that all other conditions are met for treating an amount of the Bonds not in excess of the amount of the Outstanding Notes as “qualified tax-exempt obligations” and as not to be taken into account under subparagraph (D) of Section 265(b)(3) of the Code, without necessity for further designation, by reason of subparagraph (D)(ii) of Section 265(b)(3) of the Code. Any amount of the Bonds in excess of the amount of the Outstanding Notes, determined in accordance with Section 265(b)(3) of the Code (the Designated Amount), is hereby designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. In that connection, the Board and the School District hereby represent and covenant that they, together with all their subordinate entities or entities that issue obligations on behalf of the Board or the District, or on behalf of which the Board or the District issues obligations, in or during the calendar year in which the Bonds are issued, (i) have not issued and will not issue tax-exempt obligations designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code, including the Designated Amount of the Bonds, in an aggregate amount in excess of \$10,000,000, and (ii) have not issued, do not reasonably anticipate issuing, and will not issue, tax-exempt obligations (including the Designated Amount of the Bonds, but excluding obligations, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code, that are private activity bonds as defined in Section 141 of the Code and excluding refunding obligations that are not advance refunding obligations as defined in Section 149(d)(5) of the Code) in an aggregate amount exceeding \$10,000,000, unless the Board and the District first obtain a written opinion of nationally recognized bond counsel that such designation or issuance, as applicable, will not adversely affect the status of the Bonds as “qualified tax-exempt obligations”. Further, the



Board and the School District represent and covenant that, during any time or in any manner as might affect the status of the Bonds as “qualified tax-exempt obligations”, neither the Board nor the School District has formed or participated in the formation of, or benefited from or availed itself of, any entity in order to avoid the purposes of subparagraph (C) or (D) of Section 265(b)(3) of the Code, and will not form, participate in the formation of, or benefit from or avail itself of, any such entity. The Board and the School District further represent that the Bonds are not being issued as part of a direct or indirect composite issue that combines issues or lots of tax-exempt obligations of different issuers.

The Treasurer, as fiscal officer, or any other officer of the Board or the School District having responsibility for the issuance of the Bonds is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the Board or the School District with respect to the Bonds as the Board or the School District is permitted or required to make or give under the federal income tax laws, including, without limitation, any of the elections available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting the favorable tax treatment or status of the Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments or penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the Board or the School District, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Bonds, and (c) to give one or more appropriate certificates of the Board or the School District, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the Board and the School District regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment or status of the Bonds and interest thereon.

Each covenant made in this Section with respect to the Bonds is also made with respect to all issues any portion of the debt service on which is paid from proceeds of the Bonds (and, if different, the original issue and any refunding issues in a series of refundings), to the extent such compliance is necessary to assure exclusion of interest on the Bonds from gross income for federal income tax purposes, and the officers identified above are authorized to take actions with respect to those issues as they are authorized in this Section to take with respect to the Bonds.

Section 9. Certification and Delivery of Resolution and Certificate of Award. The Treasurer is directed to deliver to the County Fiscal Officer of Cuyahoga County (i) a certified copy of this resolution and (ii) a signed copy of the Certificate of Award as soon as each is available.

Section 10. Retention of Bond Counsel. The legal services of Squire Sanders (US) LLP, as bond counsel, be and are hereby retained. The legal services shall be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the issuance and sale of the Bonds and the rendering of the necessary legal opinion upon the delivery of the Bonds, all as set forth in the form of engagement letter, dated September 11, 2012, now on file with the Treasurer of this Board. In rendering those legal services, as an independent contractor and in an

attorney-client relationship, that firm shall not exercise any administrative discretion on behalf of the School District in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, the School District or any other political subdivision, or the execution of public trusts. That firm shall be paid just and reasonable compensation for those legal services and shall be reimbursed for the actual out-of-pocket expenses it incurs in rendering those legal services. The Treasurer is authorized and directed to sign and deliver the engagement letter, and, to the extent they are not paid by the Original Purchaser in accordance with the Purchase Agreement, to make appropriate certification as to the availability of funds for those fees and any reimbursement and to issue an appropriate order for their timely payment as written statements are submitted by that firm.

Section 11. Satisfaction of Conditions for Bond Issuance. This Board determines that all acts and conditions necessary to be performed by the Board or the School District or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the Shaker Heights City School District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit and general property taxing power (as described in Section 7) of the School District are pledged for the timely payment of the debt charges on the Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

Section 12. Compliance with Open Meeting Requirements. This Board finds and determines that all formal actions of this Board and of any of its committees concerning and relating to the adoption of this resolution were taken, and that all deliberations of this Board and of any of its committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

Section 13. Effective Date. This resolution shall be in full force and effect immediately upon its adoption.

Roll Call: Ayes: Mr. Bliss, Mr. Clawson, Mrs. Fulford, Mr. Harris, Ms. Sutherland.  
The motion carried.

12-09-105

**AUTHORIZATION TO ISSUE AND SELL BONDS TO FINANCE BUS PURCHASES (\$1,000,000)**

The Treasurer advised the Board that the notice requirements of Section 121.22 of the Revised Code and the implementing rules adopted by the Board pursuant thereto were complied with for the meeting.

Upon the recommendation of Mr. Bryan Christman, Treasurer, Mr. Harris moved, seconded by Mrs. Fulford that the Board of Education approve the resolution authorizing the issuance and sale of bonds to finance Bus Purchases.

**A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF BONDS IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000 TO PROVIDE FUNDS TO PAY COSTS OF ACQUIRING SCHOOL BUSES AND ALL NECESSARY APPURTENANCES THERETO.**

WHEREAS, the Treasurer of this Board, as fiscal officer of the School District, has certified to this Board that the estimated life or period of usefulness of the improvements described in Section 2 is at least five years and that the maximum maturity of the Bonds described in Section 2 is at least ten years;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Shaker Heights City School District, County of Cuyahoga, Ohio, that:

Section 1. Definitions and Interpretation. In addition to the words and terms elsewhere defined in this resolution, unless the context or use clearly indicates another or different meaning or intent:

“Authorized Denominations” means (a) with respect to any Capital Appreciation Bonds, a denomination equal to a principal amount that, when interest at the applicable compounding interest rate is accrued and compounded thereon on each Interest Accretion Date to the stated maturity of those Bonds, will result in a Maturity Amount equal to \$5,000 or any whole multiple thereof and (b) with respect to Current Interest Bonds, a denomination of \$5,000 or any whole multiple thereof.

“Bond proceedings” means, collectively, this resolution, the Certificate of Award, the Continuing Disclosure Agreement, the Registrar Agreement and such other proceedings of the School District, including the Bonds, that provide collectively for, among other things, the rights of holders and beneficial owners of the Bonds.

“Bond Register” means all books and records necessary for the registration, exchange and transfer of Bonds as provided in Section 5.

“Bond Registrar” means The Bank of New York Mellon Trust Company, N.A., as the initial authenticating agent, bond registrar, transfer agent and paying agent for the Bonds under the Registrar Agreement and until a successor Bond Registrar shall have become such pursuant to the provisions of the Registrar Agreement and, thereafter, “Bond Registrar” shall mean the successor Bond Registrar.

“Book entry form” or “book entry system” means a form or system under which (a) the ownership of book entry interests in Bonds and the principal of and interest on the Bonds may be transferred only through a book entry, and (b) physical Bond certificates in fully registered form are issued by the School District only to a Depository or its nominee as registered owner, with the Bonds deposited with and maintained in the custody of the Depository or its agent. The book entry maintained by others than the School District or the Bond Registrar is the record that identifies the owners of book entry interests in those Bonds and that principal and interest.

“Capital Appreciation Bonds” means any Bonds designated as such in the Certificate of Award, maturing in the years, being in the principal amounts and having the Maturity Amounts set forth therein, and bearing interest accrued and compounded on each Interest Accretion Date and payable at maturity.

“Certificate of Award” means the certificate authorized to be signed by the President and Treasurer of this Board pursuant to subsection (a) of Section 6, specifying and determining those terms or other matters pertaining to the Bonds and their issuance, sale and delivery as this resolution requires or authorizes to be set forth or determined therein.

“Closing Date” means the date of physical delivery of, and payment of the purchase price for, the Bonds.

“Code” means the Internal Revenue Code of 1986, the Treasury Regulations (whether temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, reference to a Section of the Code includes any applicable successor section or provision and the applicable Treasury Regulations, rulings, announcements, notices, procedures and determinations pertinent to that Section.

“Compound Accreted Amount” means, with respect to any Capital Appreciation Bond, the principal amount thereof plus interest accrued and compounded on each Interest Accretion Date to the date of maturity or other date of determination. The Compound Accreted Amount per \$5,000 Maturity Amount of the Capital Appreciation Bonds of each maturity and each compounding interest rate within a maturity as of each Interest Accretion Date shall be set forth in the Certificate of Award. The Compound Accreted Amount of a Capital Appreciation Bond as of any date other than an Interest Accretion Date is the sum of (a) the Compound Accreted Amount for that Bond on the immediately preceding Interest Accretion Date plus (b) the product of (i) the difference obtained by subtracting (A) the Compound Accreted Amount of that Bond on the immediately preceding Interest Accretion Date from (B) the Compound Accreted Amount of that Bond on the immediately succeeding Interest Accretion Date, times (ii) the ratio of (C) the number of days from the immediately preceding Interest Accretion Date to the date of determination to (D) the total number of days from that immediately preceding Interest Accretion Date to the immediately succeeding Interest Accretion Date; provided, however, that in determining the Compound Accreted Amount of a Capital Appreciation Bond as of a date prior to the first Interest Accretion Date, the Closing Date shall be deemed to be the immediately preceding Interest Accretion Date and the principal amount of that Bond shall be deemed to be the Compound Accreted Amount on the Closing Date.

“Continuing Disclosure Agreement” means the agreement authorized by subsection (c) of Section 6 to be signed by the President and Treasurer of this Board and the Superintendent of Schools, to be substantially in the form on file with the Treasurer and which, together with the agreements of the School District set forth in that subsection and the Bonds, shall constitute the continuing disclosure agreement made by the School District for the benefit of holders and beneficial owners of the Bonds in accordance with the Rule.

“Current Interest Bonds” means, collectively, the Current Interest Serial those Bonds and the Term Bonds, each as designated as such in the Certificate of Award, maturing on the Principal Payment Dates set forth in the Certificate of Award, and bearing interest payable on each Interest Payment Date.

“Current Interest Serial Bonds” or “Serial Bonds” means those Current Interest Bonds designated as such in the Certificate of Award, maturing on the dates set forth therein, bearing interest payable on each Interest Payment Date and not subject to mandatory sinking fund redemption.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its Participants or otherwise, a book entry system to record ownership of book entry interests in Bonds or the principal of and interest on Bonds and to effect transfers of Bonds in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Interest Accretion Dates” means, as to any Capital Appreciation Bonds, June 15 and December 15 of each year during which Capital Appreciation Bonds are outstanding, commencing December 15, 2012.

“Interest Payment Dates” means (a) as to Current Interest Bonds, June 15 and December 15 of each year during which Current Interest Bonds are outstanding, commencing June 15, 2013, and (b) as to any Capital Appreciation Bonds, their respective maturity dates.

“Maturity Amount” means, with respect to a Capital Appreciation Bond, the principal of and interest on that Bond due and payable at its stated maturity.

“Original Purchaser” means Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri.

“Participant” means any participant contracting with a Depository under a book entry system and includes securities brokers and dealers, banks and trust companies, and clearing corporations.

“Principal Payment Dates” means December 15 in each of the years from and including 2013 to and including 2022.

“Purchase Agreement” means the Bond Purchase Agreement between the School District and the Original Purchaser, as it may be modified from the form on file with the Treasurer and signed by the President and Treasurer of this Board in accordance with Section 6.

“Registrar Agreement” means the Bond Registrar Agreement between the School District and the Bond Registrar, as it may be modified from the form on file with the Treasurer of this Board and signed by the Treasurer in accordance with Section 4.

“Rule” means Rule 15c2-12 prescribed by the SEC pursuant to the Securities Exchange Act of 1934.

“SEC” means the Securities and Exchange Commission.

“Term Bonds” means those Current Interest Bonds designated as such in the Certificate of Award, maturing on the date or dates set forth therein, bearing interest payable on each Interest Payment Date and subject to mandatory sinking fund redemption.

The captions and headings in this resolution are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof. Reference to a Section means a section of this resolution unless otherwise indicated.

Section 2. Authorized Principal Amount and Purpose; Application of Proceeds. This Board determines that it is necessary and in the best interest of the School District to issue bonds of this School District in a maximum aggregate principal amount of \$1,000,000 (the Bonds) to provide funds to pay costs of acquiring school buses and all necessary appurtenances thereto.

Subject to the limitations set forth in this resolution, the aggregate principal amount of Bonds to be issued, the principal maturities of and the principal payment schedule for the Bonds, the interest rate or rates or compounding interest rate or rates that the Bonds shall bear and certain other terms and provisions of the Bonds identified in this resolution are subject to further specification or determination in the Certificate of Award upon the finalization of the terms and provisions of the Bonds. The aggregate principal amount of Bonds to be issued, as so specified in the Certificate of Award, shall be the amount determined by the President and Treasurer of this Board to be necessary at the time to carry out the purpose for which the Bonds are to be issued and reflect, among other matters, the terms upon which the Bonds can be marketed and sold and the capacity of the District to issue debt within the applicable indirect debt limitation.

The proceeds from the sale of the Bonds, except any premium and accrued interest, shall be paid into the proper fund or funds, and those proceeds are appropriated and shall be used for the purpose for which the Bonds are being issued. Any portion of those proceeds representing premium and accrued interest shall be paid into the Bond Retirement Fund.

Section 3. Denominations; Dating; Principal and Interest Payment and Redemption Provisions. The Bonds shall be issued in one lot and only as fully registered bonds, in the Authorized Denominations, but in no case as to a particular maturity date exceeding the principal amount maturing on that date. The respective principal amounts of the Bonds to be issued as Current Interest Bonds and Capital Appreciation Bonds (if any Bonds are issued as Capital Appreciation Bonds) shall be determined by the President and Treasurer of this Board in the Certificate of Award, having due regard to the best interest of and financial advantages to the School District. Unless otherwise specified by the President and Treasurer of the Board in the Certificate of Award, all of the Bonds shall be dated as of the Closing Date.

(a) Interest Rates and Payment Dates. The Current Interest Bonds shall bear the rate or rates of interest per year (computed on the basis of a 360-day year consisting of twelve 30-day months), not exceeding 10% per year as to any stated maturity, as shall be specified by the President and Treasurer of this Board (subject to subsection (c) of this Section) in the Certificate of Award. Interest on the Current Interest Bonds shall be payable on each Interest Payment Date until the principal amount has been paid or provided for. The Current Interest Bonds shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their date.

Any Capital Appreciation Bonds shall bear interest from the Closing Date at the compounding rate or rates of interest per year (computed on the basis of a 360-day year consisting of twelve 30-day months), not exceeding 25% per year for any stated maturity, accrued and compounded on each Interest Accretion Date and payable at maturity, that will result in the aggregate Maturity Amounts payable at maturity, as shall be specified by the President and Treasurer of this Board (subject to the provisions of subsection (c) of this Section) in the Certificate of Award. The total interest accrued on any Capital Appreciation Bond as of any particular date shall be an amount equal to the amount by which the Compound Accreted Amount of that Capital Appreciation Bond as of that date exceeds the principal amount of that Capital Appreciation Bond.

(b) Principal Payment Schedule. The Bonds shall mature or be payable pursuant to Mandatory Sinking Fund Redemption Requirements (as hereinafter defined and described) on the Principal Payment Dates in the following years and principal amounts:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2013	\$90,000	2018	\$100,000
2014	90,000	2019	105,000
2015	95,000	2020	105,000
2016	95,000	2021	110,000
2017	100,000	2022	110,000

; provided that, subject to the limitations set forth in Sections 1 and 2 and this Section 3, the principal amount of Bonds maturing or subject to Mandatory Sinking Fund Redemption Requirements on any one or more of the Principal Payment Dates may be increased or decreased as specified by the President and Treasurer of this Board in the Certificate of Award, consistently with their determination of the best interest of and financial advantages to the School District.

Consistently with the foregoing and in accordance with their determination of the best interest of and financial advantages to the School District, the President and Treasurer of this Board shall specify in the Certificate of Award (i) the aggregate principal amount of Bonds to be issued, (ii) the aggregate principal amount of Bonds to be issued as Current Interest Bonds, (iii) the aggregate principal amount (all of Current Interest Bonds to which shall be issued as Current Interest Serial Bonds,), the Principal Payment Dates on which those Bonds shall be stated to mature and the principal amount thereof that shall be stated to mature on each such Principal Payment Date, (iv) the aggregate principal amount of Current Interest Bonds to be issued as Term Bonds, the Principal Payment Date or Dates on which those Bonds shall be stated to mature, the principal amount thereof that shall be stated to mature on each such Principal Payment Date, the Principal Payment Date or Dates on which Term Bonds shall be subject to mandatory sinking fund redemption (Mandatory Redemption Dates) and the principal amount thereof that shall be payable pursuant to Mandatory Sinking Fund Redemption Requirements on each Mandatory Redemption Date, and (v) (iii) the aggregate principal amount of the Bonds to be issued as Capital Appreciation Bonds, if any, and the corresponding aggregate Maturity Amount of any such Bonds, the Principal Payment Date or Dates on which any such Bonds shall be stated to mature, and the principal amount and corresponding Maturity Amount thereof that shall be payable on each such Principal Payment Date.

(c) Conditions for Establishment of Interest Rates and Principal Payment Dates and Amounts. The rate or rates of interest per year to be borne by the Current Interest Bonds and the compounding rate or rates of interest per year to be borne by any Capital Appreciation Bonds, and the principal amount of Current Interest Bonds maturing or payable pursuant to Mandatory Sinking Fund Redemption Requirements on each Principal Payment Date and the Maturity Amount of any Capital Appreciation Bonds payable on each Principal Payment Date, shall be such that the total principal and interest payments on the Bonds in any fiscal year in which principal is payable is not more than three times the amount of those payments in any other such fiscal year. The weighted average of the rate or rates of interest per year to be borne by the Bonds, determined by taking into account the respective principal amounts of the Bonds and terms to maturity or mandatory sinking fund redemption, as applicable, of those principal amounts of Bonds, shall not exceed 4% per year.

(d) Payment of Debt Charges. The debt charges on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar as paying agent. Principal of and any premium on the Current Interest Bonds, and principal of and interest on any Capital Appreciation Bonds, shall be payable when due upon presentation and surrender of the Bonds at the designated corporate trust office of the Bond Registrar. Interest on a Current Interest Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond was registered, and to that person's address appearing, on the Bond Register at the close of business on the 1st day of the calendar month in which that Interest Payment Date occurs. Notwithstanding the foregoing, if and so long as the Bonds are issued in a book entry system, principal of and interest and any premium on the Bonds shall be payable in the manner provided in any agreement entered into by the Treasurer of this Board, in the name and on behalf of the School District, in connection with the book entry system.

The School District reserves the right to order the Bond Registrar to return to it any money held by the Bond Registrar for the payment of (i) checks or drafts for the payment of interest on the Bonds or (ii) principal of Bonds, which checks, drafts or Bonds have not been presented for payment within four years following the date on which payment of the interest or principal represented thereby came due. Thereafter, the registered owners shall look only to the School District for payment of the interest and principal represented by those checks, drafts and Bonds.

(e) Redemption Provisions. The Capital Appreciation Bonds, if any, shall not be subject to redemption prior to maturity. Unless otherwise specified by the President and Treasurer of this Board in the Certificate of Award, consistently with their determination of the best

interest of and financial advantages to the School District, the Current Interest Bonds shall be subject to redemption prior to stated maturity as follows:

(i) Mandatory Sinking Fund Redemption of Term Bonds. If any of the Bonds are issued as Term Bonds, the Term Bonds shall be subject to mandatory redemption in part by lot and be redeemed pursuant to mandatory sinking fund requirements at a redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date, on the applicable Mandatory Redemption Dates and in the principal amounts payable on those Dates, for which provision is made in the Certificate of Award (such Dates and amounts, the Mandatory Sinking Fund Redemption Requirements).

The aggregate of the moneys to be deposited with the Bond Registrar for payment of principal of and interest on the Bonds on each Mandatory Redemption Date shall include an amount sufficient to redeem on that Date the principal amount of Term Bonds payable on that Date pursuant to Mandatory Sinking Fund Redemption Requirements (less the amount of any credit as hereinafter provided).

The School District shall have the option to deliver to the Bond Registrar for cancellation Term Bonds in any aggregate principal amount and to receive a credit against the then current or any subsequent Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation) of the School District, as specified by the Treasurer, for Term Bonds stated to mature on the same Principal Payment Date and bear interest at the same rate as the Term Bonds so delivered. That option shall be exercised by the School District on or before the 45th day preceding any Mandatory Redemption Date with respect to which the School District wishes to obtain a credit, by furnishing the Bond Registrar a certificate, signed by the Treasurer, setting forth the extent of the credit to be applied with respect to the then current or any subsequent Mandatory Sinking Fund Redemption Requirement for Term Bonds stated to mature on the same Principal Payment Date and bear interest at the same rate. If the certificate is not timely furnished to the Bond Registrar, the then current Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation) shall not be reduced. A credit against the then current or any subsequent Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation), as specified by the Treasurer, also shall be received by the School District for any Term Bonds that prior thereto have been redeemed (other than through the operation of the applicable Mandatory Sinking Fund Redemption Requirements) or purchased for cancellation and canceled by the Bond Registrar, to the extent not applied theretofore as a credit against any Mandatory Sinking Fund Redemption Requirement, for Term Bonds stated to mature on the same Principal Payment Date and bear interest at the same rate as the Term Bonds so redeemed or purchased and canceled.

Each Term Bond so delivered, or previously redeemed, or purchased and canceled, shall be credited by the Bond Registrar at 100% of the principal amount thereof against the then current or subsequent Mandatory Sinking Fund Redemption Requirements (and corresponding mandatory redemption obligations), as specified by the Treasurer, for Term Bonds stated to mature on the same Principal Payment Date and bear interest at the same rate as the Term Bonds so delivered, redeemed or purchased and canceled.

(ii) Optional Redemption. The Current Interest Bonds maturing on or after December 15, 2021 shall be subject to redemption, by and at the sole option of the School District, either in whole or in part (in whole multiples of \$5,000), on any date on or after December 15, 2020, at a redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date.

Bonds to be redeemed pursuant to this paragraph shall be redeemed only upon written notice from the Treasurer to the Bond Registrar, given upon the direction of this Board by adoption of a



resolution. That notice shall specify the redemption date and the principal amount of Bonds of each maturity and interest rate within a maturity to be redeemed and shall be given at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Bond Registrar.

(iii) Partial Redemption. If fewer than all of the outstanding Bonds are called for optional redemption at one time and Bonds of more than one maturity or interest rate within a maturity are then outstanding, the Bonds that are called shall be Bonds of the maturity or maturities and interest rate or rates selected by the School District. If fewer than all of the Bonds of a single maturity and interest rate are to be redeemed, the selection of Bonds of that maturity and interest rate to be redeemed, or portions thereof in amounts of \$5,000 or any whole multiple thereof, shall be made by the Bond Registrar by lot in a manner determined by the Bond Registrar. In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than \$5,000 are then outstanding, each \$5,000 unit of principal thereof shall be treated as if it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of principal amount represented by a Bond are to be called for redemption, then, upon notice of redemption of a \$5,000 unit or units, the registered owner of that Bond shall surrender the Bond to the Bond Registrar (A) for payment of the redemption price of the \$5,000 unit or units of principal amount called for redemption (including, without limitation, the interest accrued to the date fixed for redemption and any premium), and (B) for issuance, without charge to the registered owner, of a new Bond or Bonds of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Bond surrendered.

(iv) Notice of Redemption. The notice of the call for redemption of Bonds shall identify (A) by designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (B) the redemption price to be paid, (C) the date fixed for redemption, and (D) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Bond Registrar on behalf of the School District by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption, to the registered owner of each Bond subject to redemption in whole or in part at the registered owner's address shown on the Bond Register maintained by the Bond Registrar at the close of business on the 15th day preceding that mailing. Failure to receive notice by mail or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any Bond.

(v) Payment of Redeemed Bonds. In the event that notice of redemption shall have been given by the Bond Registrar to the registered owners as provided above, there shall be deposited with the Bond Registrar on or prior to the redemption date, moneys that, in addition to any other moneys available therefor and held by the Bond Registrar, will be sufficient to redeem at the redemption price thereof, plus accrued interest to the redemption date, all of the redeemable Bonds for which notice of redemption has been given. Notice having been mailed in the manner provided in the preceding paragraph hereof, the Bonds and portions thereof called for redemption shall become due and payable on the redemption date, and, subject to the provisions of subsection (d) of Section 3 and Section 5, upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, plus accrued interest to the redemption date. If moneys for the redemption of all of the Bonds and portions thereof to be redeemed, together with accrued interest thereon to the redemption date, are held by the Bond Registrar on the redemption date, so as to be available therefor on that date and, if notice of redemption has been deposited in the mail as aforesaid, then from and after the redemption date those Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding. If those moneys shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, those Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption. All moneys held by the Bond Registrar for the redemption of particular Bonds shall

be held in trust for the account of the registered owners thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds, provided that any interest earned on the moneys so held by the Bond Registrar shall be for the account of and paid to the School District to the extent not required for the payment of the Bonds called for redemption.

Section 4. Execution and Authentication of Bonds; Appointment of Bond Registrar. The Bonds shall be signed by the President and Treasurer of this Board, in the name of the School District and in their official capacities, provided that either or both of those signatures may be a facsimile. The Bonds shall be issued in the Authorized Denominations and numbers as requested by the Original Purchaser and approved by the Treasurer, shall be numbered as determined by the Treasurer in order to distinguish each Bond from any other Bond and to distinguish Current Interest Bonds from Capital Appreciation Bonds, and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to Chapter 133 of the Revised Code and this resolution.

The Bank of New York Mellon Trust Company, N.A., is appointed to act as the initial Bond Registrar. The Treasurer shall sign and deliver, in the name and on behalf of the School District, the Registrar Agreement between the School District and the Bond Registrar, in substantially the form as is now on file with the Treasurer. The Registrar Agreement is approved, together with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to the School District and that are approved by the Treasurer on behalf of the School District, all of which shall be conclusively evidenced by the signing of the Registrar Agreement or amendments thereto. The Treasurer shall provide for payment of services rendered and for reimbursement of expenses incurred pursuant to the Registrar Agreement, except to the extent paid or reimbursed by the Original Purchaser in accordance with the Purchase Agreement, from the proceeds of the Bonds to the extent available and then from other money lawfully available and appropriated or to be appropriated for that purpose.

No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under the Bond proceedings unless and until the certificate of authentication printed on the Bond is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under, and is entitled to the security and benefit of, the Bond proceedings. The certificate of authentication may be signed by any authorized officer or employee of the Bond Registrar or by any other person acting as an agent of the Bond Registrar and approved by the Treasurer on behalf of the School District. The same person need not sign the certificate of authentication on all of the Bonds.

Section 5. Registration; Transfer and Exchange; Book Entry System. (a) Bond Registrar. So long as any of the Bonds remain outstanding, the School District will cause the Bond Registrar to maintain and keep the Bond Register at the designated corporate trust office of the Bond Registrar. Subject to the provisions of subsection (d) of Section 3 and subsection (c) of Section 6, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of the Bond proceedings. Payment of or on account of the debt charges on any Bond shall be made only to or upon the order of that person; neither the School District nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the School District's liability upon the Bond, including interest, to the extent of the amount or amounts so paid.

(b) Transfer and Exchange. Any Bond may be exchanged for Bonds of any Authorized Denomination upon presentation and surrender at the designated corporate trust office of the Bond Registrar, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. A Bond may be

transferred only on the Bond Register upon presentation and surrender of the Bond at the designated corporate trust office of the Bond Registrar, together with an assignment signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any Authorized Denomination or Denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the School District are required, the Bond Registrar shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the School District. In all cases of Bonds exchanged or transferred, the School District shall sign and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Bond proceedings. The exchange or transfer shall be without charge to the owner, except that the School District and the Bond 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 School District or the Bond Registrar may require that those charges, if any, be paid before the procedure is begun for the exchange or transfer. All Bonds issued and authenticated upon any exchange or transfer shall be valid obligations of the School District, evidencing the same debt, and entitled to the same security and benefit under the Bond proceedings as the Bonds surrendered upon that exchange or transfer. Neither the School District nor the Bond Registrar shall be required to make any exchange or transfer of (i) Bonds then subject to call for redemption between the 15th day preceding the mailing of notice of Bonds to be redeemed and the date of that mailing, or (ii) any Bond selected for redemption, in whole or in part.

(c) Book Entry System. Notwithstanding any other provisions of this resolution, if the President and Treasurer of this Board determine in the Certificate of Award that it is in the best interest of and financially advantageous to the School District, the Bonds may be issued in book entry form in accordance with the following provisions of this Section.

The Bonds may be issued to a Depository for use in a book entry system and, if and so long as a book entry system is utilized, (i) the Bonds may be issued in the form of a single, fully registered Bond representing each maturity and interest rate within a maturity and registered in the name of the Depository or its nominee, as registered owner, and deposited with and maintained in the custody of the Depository or its designated agent that may be the Bond Registrar; (ii) the book entry interest owners of Bonds in book entry form shall not have any right to receive Bonds in the form of physical securities or certificates; (iii) ownership of book entry interests in Bonds in book entry form shall be shown by book entry on the system maintained and operated by the Depository and its Participants, and transfers of the ownership of book entry interests shall be made only by book entry by the Depository and its Participants; and (iv) the Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the School District.

If any Depository determines not to continue to act as a Depository for the Bonds for use in a book entry system, the Treasurer may attempt to establish a securities depository/book entry relationship with another qualified Depository. If the Treasurer does not or is unable to do so, the Treasurer, after making provision for notification of the book entry interest owners by the then Depository and any other arrangements deemed necessary, shall permit withdrawal of the Bonds from the Depository, and shall cause Bond certificates in registered form to be authenticated by the Bond Registrar and delivered to the assigns of the Depository or its nominee, all at the cost and expense (including any costs of printing), if the event is not the result of School District action or inaction, of those persons requesting such issuance.

The Treasurer is hereby authorized and directed, to the extent necessary or required, to enter into any agreements, in the name and on behalf of the School District, that he determines to be necessary in connection with a book entry system for the Bonds.

Section 6. Sale of the Bonds. (a) To the Original Purchaser. The Bonds shall be sold by the President and Treasurer of this Board to the Original Purchaser at private sale at a purchase price not less than 100% of the aggregate principal amount thereof plus accrued interest on the Bonds from their date to the Closing Date, as shall be specified in the Certificate of Award, and with and upon such other terms as are required or authorized by this resolution to be specified in the Certificate of Award, in accordance with law, the provisions of this resolution and the Purchase Agreement. The President and Treasurer are authorized, if it is determined to be in the best interest of the School District, to combine the Bonds with one or more other issues of unvoted general obligation bonds of the School District into a consolidated bond issue pursuant to Section 133.30(B) of the Revised Code in which case a single Certificate of Award, Purchase Agreement, Registrar Agreement and Continuing Disclosure Certificate may be utilized for the consolidated bond issue if appropriate and consistent with the terms of this resolution.

The President and Treasurer of this Board shall sign and deliver the Certificate of Award and shall cause the Bonds to be prepared and signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Original Purchaser upon payment of the purchase price. The President, Vice President and Treasurer of this Board, the Superintendent of Schools and other School District officials, as appropriate, each are authorized and directed to sign any transcript certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this resolution.

The President and Treasurer of this Board shall sign and deliver, in the name and on behalf of the School District, the Purchase Agreement between the School District and the Original Purchaser, in substantially the form as is now on file with the Treasurer, providing for the sale of the Bonds to, and the purchase of the Bonds by, the Original Purchaser. The Purchase Agreement is approved, together with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to the School District and that are approved by the President and Treasurer of this Board on behalf of the School District, all of which shall be conclusively evidenced by the signing of the Purchase Agreement or amendments to that Agreement.

(b) Primary Offering Disclosure -- Official Statement. The President and Treasurer of this Board and the Superintendent of Schools, or any two of them, are authorized and directed, on behalf of the School District and in their official capacities, to (i) prepare or cause to be prepared, and to make or authorize modifications, completions or changes of or supplements to, an official statement in connection with the original issuance of the Bonds, (ii) determine, and to certify or otherwise represent, when the official statement is "deemed final" (except for permitted omissions) by the School District as of its date or is a final official statement for purposes of the Rule, (iii) use and distribute, or authorize the use and distribution of that official statement and any supplements thereto in connection with the original issuance of the Bonds, and (iv) complete and sign the final official statement as so approved, together with such certificates, statements or other documents in connection with the finality, accuracy and completeness of that official statement as they deem necessary or appropriate.

(c) Agreement to Provide Continuing Disclosure. For the benefit of the holders and beneficial owners from time to time of the Bonds, the School District agrees to provide or cause to be provided such financial information and operating data, audited financial statements and notices of the occurrence of certain events, in such manner as may be required for purposes of the Rule. The President of the Board, the Treasurer and the Superintendent of Schools are authorized and directed to complete, sign and deliver the Continuing Disclosure Agreement, in the name and

on behalf of the School District, in substantially the form as is now on file with the Treasurer. The Continuing Disclosure Agreement is approved, together with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to the School District and that are approved by the President and Treasurer of this Board and the Superintendent of Schools on behalf of the School District, all of which shall be conclusively evidenced by the signing of the Continuing Disclosure Agreement.

The Treasurer is further authorized and directed to establish procedures in order to ensure compliance by the School District with its Continuing Disclosure Agreement, including timely provision of information and notices as described above. Prior to making any filing required under the Rule, the Treasurer shall consult with and obtain legal advice from, as appropriate, the bond counsel or other qualified independent special counsel selected by the School District. The Treasurer, acting in the name and on behalf of the School District, shall be entitled to rely upon any such legal advice in determining whether a filing should be made. The performance by the School District of its Continuing Disclosure Agreement shall be subject to the annual appropriation of any funds that may be necessary to perform it.

(d) Applications for Ratings and Bond Insurance; Financing Costs. If, in the judgment of the Treasurer of this Board, the filing of an application for (i) a rating on the Bonds by one or more nationally-recognized rating agencies and/or (ii) a policy of insurance from a company or companies to better assure the payment of principal of and interest on all or a portion of the Bonds is in the best interest of and financially advantageous to this School District, he is authorized to prepare and submit those applications. The Treasurer is also authorized to provide to each such agency or company such information as may be required for the purpose and, if it is, in his judgment, in the best interest of and financially advantageous to this School District, to accept a commitment for insurance issued by a nationally recognized municipal bond insurance company insuring the payment when due of the principal of and interest on all or any portion of the Bonds. The Treasurer is further authorized to enter into any agreements, on behalf of and in the name of the District, that he determines to be necessary or required to obtain such ratings or insurance.

The expenditure of the amounts necessary to secure those ratings and to pay the other financing costs (as defined in Section 133.01 of the Revised Code) in connection with the Bonds, to the extent not paid by the Original Purchaser in accordance with the Purchase Agreement, is authorized and approved, and the Treasurer is authorized to provide for the payment of any such amounts and costs from the proceeds of the Bonds to the extent available and otherwise from any other funds lawfully available that are appropriated or shall be appropriated for that purpose.

Section 7. Provisions for Tax Levy. There shall be levied on all the taxable property in the School District, in addition to all other taxes, a direct tax annually during the period the Bonds are outstanding in an amount sufficient to pay the debt charges on the Bonds when due, which tax shall not be less than the interest and sinking fund tax required by Section 11 of Article XII of the Ohio Constitution. The tax shall be within the ten-mill limitation imposed by law, shall be and is 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 those years are certified, levied, extended and collected, and shall be placed before and in preference to all other items and for the full amount thereof. The proceeds of the tax levy shall be placed in the Bond Retirement Fund, which is irrevocably pledged for the payment of the debt charges on the Bonds when and as the same fall due.

Section 8. Federal Tax Considerations. The Board and the School District covenant that they will use, and will restrict the use and investment of, the proceeds of the Bonds in such manner and to such extent as may be necessary so that (a) the Bonds will not (i) constitute private activity bonds or arbitrage bonds under Sections 141 or 148 of the Code or (ii) be treated other than as

bonds the interest on which is excluded from gross income under Section 103 of the Code, and (b) the interest on the Bonds will not be an item of tax preference under Section 57 of the Code.

The Board and the School District further covenant that (a) they will take or cause to be taken such actions that may be required of them for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, (b) they will not take or authorize to be taken any actions that would adversely affect that exclusion, and (c) they, or persons acting for them, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield on investment property, (iii) make timely and adequate payments to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of those proceeds, and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code.

The Bonds are hereby designated as “qualified tax exempt obligations” for purposes of Section 265(b)(3) of the Code. In that connection, the Board hereby represents and covenants that it and the School District, together with all its subordinate entities or entities that issue obligations on its behalf, or on behalf of which the Board issues obligations, in or during the calendar year in which the Bonds are issued, (i) have not issued and will not issue tax exempt obligations designated as “qualified tax exempt obligations” for purposes of Section 265(b)(3) of the Code, including the Bonds, in an aggregate amount in excess of \$10,000,000, and (ii) have not issued, do not reasonably anticipate issuing, and will not issue, tax exempt obligations (including the Bonds, but excluding obligations, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code, that are private activity bonds as defined in Section 141 of the Code and excluding refunding obligations that are not advance refunding obligations as defined in Section 149(d)(5) of the Code) in an aggregate amount exceeding \$10,000,000, unless the School District first obtains a written opinion of nationally recognized bond counsel that such designation or issuance, as applicable, will not adversely affect the status of the Bonds as “qualified tax exempt obligations”. Further, the Board represents and the Board and the School District covenant that, during any time or in any manner as might affect the status of the Bonds as “qualified tax-exempt obligations”, it has not formed or participated in the formation of, or benefited from or availed itself of, any entity in order to avoid the purposes of subparagraph (C) or (D) of Section 265(b)(3) of the Code, and will not form, participate in the formation of, or benefit from or avail itself of, any such entity. The Board further represents that the Bonds are not being issued as part of a direct or indirect composite issue that combines issues or lots of tax-exempt obligations of different issuers.

The Treasurer, as fiscal officer, or any other officer of the Board or the School District having responsibility for the issuance of the Bonds is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the Board or the School District with respect to the Bonds as the Board or the School District is permitted or required to make or give under the federal income tax laws, including, without limitation, any of the elections available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting the favorable tax treatment or status of the Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments or penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the Board or the School District, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Bonds, and (c) to give one or more appropriate certificates of the Board or the School District, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the Board and the School District regarding the amount and use of all the

proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment or status of the Bonds and interest thereon.

Section 9. Certification and Delivery of Resolution and Certificate of Award. The Treasurer is directed to deliver to the County Fiscal Officer of Cuyahoga County (i) a certified copy of this resolution and (ii) a signed copy of the Certificate of Award as soon as each is available.

Section 10. Retention of Bond Counsel. The legal services of Squire Sanders (US) LLP, as bond counsel, be and are hereby retained. The legal services shall be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the issuance and sale of the Bonds and the rendering of the necessary legal opinion upon the delivery of the Bonds, all as set forth in the form of engagement letter, dated September 11, 2012, now on file with the Treasurer of this Board. In rendering those legal services, as an independent contractor and in an attorney-client relationship, that firm shall not exercise any administrative discretion on behalf of the School District in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, the School District or any other political subdivision, or the execution of public trusts. That firm shall be paid just and reasonable compensation for those legal services and shall be reimbursed for the actual out-of-pocket expenses it incurs in rendering those legal services. The Treasurer is authorized and directed to sign and deliver the engagement letter, and, to the extent they are not paid by the Original Purchaser in accordance with the Purchase Agreement, to make appropriate certification as to the availability of funds for those fees and any reimbursement and to issue an appropriate order for their timely payment as written statements are submitted by that firm.

Section 11. Satisfaction of Conditions for Bond Issuance. This Board determines that all acts and conditions necessary to be performed by the Board or the School District or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the Shaker Heights City School District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit and general property taxing power (as described in Section 7) of the School District are pledged for the timely payment of the debt charges on the Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

Section 12. Compliance with Open Meeting Requirements. This Board finds and determines that all formal actions of this Board and of any of its committees concerning and relating to the adoption of this resolution were taken, and that all deliberations of this Board and of any of its committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

Section 13. Effective Date. This resolution shall be in full force and effect immediately upon its adoption.

Roll Call: Ayes: Mr. Bliss, Mr. Clawson, Mrs. Fulford, Mr. Harris, Ms. Sutherland.  
The motion carried.

12-09-106

**AUTHORIZATION TO ISSUE AND SELL BONDS TO ADVANCE REFUND UP TO \$4,995,000 OF THE SERIES 2005 OUTSTANDING BUILDING AND FACILITIES IMPROVEMENT BONDS**

The Treasurer advised the Board that the notice requirements of Section 121.22 of the Revised Code and the implementing rules adopted by the Board pursuant thereto were complied with for the meeting.

Upon the recommendation of Mr. Bryan Christman, Treasurer, Mr. Bliss moved, seconded by Mr. Clawson that the Board of Education approve the resolution authorizing the issuance and sale of bonds to advance refund up to \$4,995,000 of Series 2005 outstanding bonds as follows:

**A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF BONDS IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$4,995,000 FOR THE PURPOSE OF REFUNDING AT A LOWER INTEREST COST ALL OR A PORTION OF THE \$4,995,000 OF THE DISTRICT'S OUTSTANDING BUILDING AND FACILITIES IMPROVEMENT BONDS, SERIES 2005, THAT ARE STATED TO MATURE ON DECEMBER 15 IN EACH OF THE YEARS FROM 2015 THROUGH 2025, WHICH WERE ISSUED AS A PART OF THE SCHOOL DISTRICT'S CONSOLIDATED ISSUE OF SCHOOL FACILITIES IMPROVEMENT AND REFUNDING BONDS, SERIES 2005, FOR THE PURPOSE OF PROVIDING AND IMPROVING SCHOOL DISTRICT BUILDINGS AND FACILITIES BY RENOVATING, REMODELING, ADDING TO, FURNISHING, EQUIPPING AND OTHERWISE IMPROVING SCHOOL BUILDINGS AND OTHER FACILITIES FOR SCHOOL DISTRICT PURPOSES AND IMPROVING AND EQUIPPING THEIR SITES; AUTHORIZING AND DIRECTING THE CALL FOR OPTIONAL REDEMPTION OF THE REFUNDED BONDS; AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND REGISTRAR AGREEMENT AND A BOND PURCHASE AGREEMENT WITH RESPECT TO THE REFUNDING BONDS AND AN ESCROW AGREEMENT WITH RESPECT TO THE REFUNDING OF THE REFUNDED BONDS.**

WHEREAS, at an election held in this School District on November 2, 2004, on the question of issuing bonds in the amount of \$23,500,000 for the purpose of providing and improving School District buildings and facilities by renovating, remodeling, adding to, furnishing, equipping and otherwise improving school buildings and other facilities for School District purposes and improving and equipping their sites (the Project) and of levying taxes outside the ten mill limitation to pay the debt charges on those bonds and any anticipatory securities, the requisite majority of those voting on the question voted in favor of it; and

WHEREAS, pursuant to Resolution No. 04-12-149 adopted by this Board on December 14, 2004, the School District issued its \$3,000,000 Building and Facilities Improvement Notes, Series 2004, dated December 29, 2004 (the Original Notes), as the first installment of the securities authorized at that election, which Original Notes matured on May 26, 2005; and

WHEREAS, pursuant to Resolution No. 05-02-39, adopted by this Board on February 15, 2005, and the related certificate of award signed by the Treasurer of this Board on March 16, 2005 (collectively, the Original Bond Legislation), on April 5, 2005, the School District issued its \$9,999,995.25 Building and Facilities Improvement Bonds, Series 2005 (the 2005 Bonds), as a part of a consolidated issue of \$11,324,994.00 School Facilities Improvement and Refunding Bonds, Series 2005, dated as of April 5, 2005, to provide funds necessary to retire the Original Notes at their maturity on May 26, 2005 and to provide an additional \$7,000,000 to pay costs of the Project; and



WHEREAS, this Board finds and determines that it is in the best interest of the School District and its residents (i) to refund at a lower interest cost all or a portion of the \$4,995,000 of the 2005 Bonds now outstanding that are stated to mature on December 15 in each of the years from 2015 through 2025 (those 2005 Bonds to be refunded, to be finally determined and specified by the President and Treasurer of this Board at the time of the sale of the Bonds as set forth in Section 2, being hereinafter collectively referred to as the “Refunded Bonds”), (ii) to exercise its option to call all of the Refunded Bonds for redemption on December 15, 2014, the earliest optional redemption date for the 2005 Bonds, and (iii) to issue the Bonds described in Section 2 to provide the funds sufficient, together with other funds available to the District for that purpose, to provide for that refunding and call; and

WHEREAS, the Treasurer of this Board, as fiscal officer of the School District, has certified to this Board that the estimated life or period of usefulness of each class of the improvements included in the Project was, at the time the Original Notes were issued for the Project, at least five years, and that the maximum maturity of the Bonds described in Section 2 is at least December 15, 2025, the final maturity of the Refunded Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Shaker Heights City School District, County of Cuyahoga, Ohio, that:

SECTION 1. Definitions and Interpretation. In addition to the words and terms elsewhere defined in this resolution, unless the context or use clearly indicates another or different meaning or intent:

“2005 Bonds” means the School District’s \$9,999,995.25 Building and Facilities Improvement Bonds, Series 2005 (the 2005 Bonds), issued as a part of a consolidated issue of \$11,324,994.00 School Facilities Improvement and Refunding Bonds, Series 2005, dated as of April 5, 2005, pursuant to the Original Bond Legislation.

“Authorized Denominations” means (a) with respect to any Capital Appreciation Bonds, a denomination equal to a principal amount that, when interest at the applicable compounding interest rate is accrued and compounded thereon on each Interest Accretion Date to the stated maturity of those Bonds, will result in a Maturity Amount equal to \$5,000 or any whole multiple thereof and (b) with respect to Current Interest Bonds, a denomination of \$5,000 or any whole multiple thereof.

“Bond proceedings” means, collectively, this resolution, the Certificate of Award, the Continuing Disclosure Agreement, the Registrar Agreement and such other proceedings of the School District, including the Bonds, that provide collectively for, among other things, the rights of holders and beneficial owners of the Bonds.

“Bond Register” means all books and records necessary for the registration, exchange and transfer of Bonds as provided in Section 5.

“Bond Registrar” means The Bank of New York Mellon Trust Company, N.A., as the initial authenticating agent, bond registrar, transfer agent and paying agent for the Bonds under the

Registrar Agreement and until a successor Bond Registrar shall have become such pursuant to the provisions of the Registrar Agreement and, thereafter, "Bond Registrar" shall mean the successor Bond Registrar.

"Book entry form" or "book entry system" means a form or system under which (a) the ownership of book entry interests in Bonds and the principal of and interest on the Bonds may be transferred only through a book entry, and (b) physical Bond certificates in fully registered form are issued by the School District only to a Depository or its nominee as registered owner, with the Bonds deposited with and maintained in the custody of the Depository or its agent. The book entry maintained by others than the School District or the Bond Registrar is the record that identifies the owners of book entry interests in those Bonds and that principal and interest.

"Capital Appreciation Bonds" means any Bonds designated as such in the Certificate of Award, maturing in the years, being in the principal amounts and having the Maturity Amounts set forth therein, and bearing interest accrued and compounded on each Interest Accretion Date and payable at maturity.

"Certificate of Award" means the certificate authorized to be signed by the President and Treasurer of this Board pursuant to subsection (a) of Section 6, specifying and determining those terms or other matters pertaining to the Bonds and their issuance, sale and delivery as this resolution requires or authorizes to be set forth or determined therein.

"Closing Date" means the date of physical delivery of, and payment of the purchase price for, the Bonds.

"Code" means the Internal Revenue Code of 1986, the Treasury Regulations (whether temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, reference to a Section of the Code includes any applicable successor section or provision and the applicable Treasury Regulations, rulings, announcements, notices, procedures and determinations pertinent to that Section.

"Compound Accreted Amount" means, with respect to any Capital Appreciation Bond, the principal amount thereof plus interest accrued and compounded on each Interest Accretion Date to the date of maturity or other date of determination. The Compound Accreted Amount per \$5,000 Maturity Amount of the Capital Appreciation Bonds of each maturity and each compounding interest rate within a maturity as of each Interest Accretion Date shall be set forth in the Certificate of Award. The Compound Accreted Amount of a Capital Appreciation Bond as of any date other than an Interest Accretion Date is the sum of (a) the Compound Accreted Amount for that Bond on the immediately preceding Interest Accretion Date plus (b) the product of (i) the difference obtained by subtracting (A) the Compound Accreted Amount of that Bond on the immediately preceding Interest Accretion Date from (B) the Compound Accreted Amount of that Bond on the immediately succeeding Interest Accretion Date, times (ii) the ratio of (C) the number of days from the immediately preceding Interest Accretion Date to the date of determination to (D) the total number of days from that immediately preceding Interest Accretion Date to the immediately succeeding

Interest Accretion Date; provided, however, that in determining the Compound Accreted Amount of a Capital Appreciation Bond as of a date prior to the first Interest Accretion Date, the Closing Date shall be deemed to be the immediately preceding Interest Accretion Date and the principal amount of that Bond shall be deemed to be the Compound Accreted Amount on the Closing Date.

“Continuing Disclosure Agreement” means the agreement authorized by subsection (c) of Section 6 to be signed by the President and Treasurer of this Board and the Superintendent of Schools, to be substantially in the form on file with the Treasurer and which, together with the agreements of the School District set forth in that subsection and the Bonds, shall constitute the continuing disclosure agreement made by the School District for the benefit of holders and beneficial owners of the Bonds in accordance with the Rule.

“Current Interest Bonds” means, collectively, the Current Interest Serial Bonds and the Term Bonds, each as designated as such in the Certificate of Award.

“Current Interest Serial Bonds” or “Serial Bonds” means those Current Interest Bonds designated as such in the Certificate of Award, maturing on the dates set forth therein, bearing interest payable on each Interest Payment Date and not subject to mandatory sinking fund redemption.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its Participants or otherwise, a book entry system to record ownership of book entry interests in Bonds or the principal of and interest on Bonds, and to effect transfers of Bonds, in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Escrow Agreement” means the Escrow Agreement between the School District and the Escrow Trustee, as it may be modified from the form on file with the Treasurer of this Board and signed by the President and Treasurer of this Board in accordance with Section 8 of this resolution.

“Escrow Fund” means the Escrow Fund established pursuant to Section 9 of this resolution.

“Escrow Trustee” means The Bank of New York Mellon Trust Company, N.A., as the initial escrow agent with respect to the Refunded Bonds under the Escrow Agreement and until a successor Escrow Trustee shall have become such pursuant to the provisions of the Escrow Agreement and, thereafter, “Escrow Trustee” shall mean the successor Escrow Trustee.

“Interest Accretion Dates” means, as to any Capital Appreciation Bonds, June 15 and December 15 of each year during which Capital Appreciation Bonds are outstanding, commencing December 15, 2012.

“Interest Payment Dates” means (a) as to Current Interest Bonds, June 15 and December 15 of each year during which Current Interest Bonds are outstanding, commencing June 15, 2013, and (b) as to any Capital Appreciation Bonds, their respective maturity dates.

“Maturity Amount” means, with respect to a Capital Appreciation Bond, the principal of and interest on that Bond due and payable at its stated maturity.

“Original Bond Legislation” means, collectively, Resolution No. 05-02-39, adopted by this Board on February 15, 2005, authorizing the issuance and sale of the 2005 Bonds, and the related certificate of award signed by the Treasurer of this Board on March 16, 2005.

“Original Purchaser” means Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri.

“Participant” means any participant contracting with a Depository under a book entry system and includes securities brokers and dealers, banks and trust companies, and clearing corporations.

“Principal Payment Dates” means December 15 in each of the years from and including 2013 to and including 2025.

“Purchase Agreement” means the Bond Purchase Agreement between the School District and the Original Purchaser, as it may be modified from the form on file with the Treasurer and signed by the President and Treasurer of this Board in accordance with Section 6.

“Refunded Bonds” means the portion of the \$4,995,000 of the 2005 Bonds now outstanding and stated to mature on December 15 in each of the years from 2015 and 2025 that is to be refunded by the Bonds, as determined by the President and Treasurer of this Board and specified in the Certificate of Award at the time of the sale of the Bonds in accordance with Section 2, and may include all of those 2005 Bonds .

“Registrar Agreement” means the Bond Registrar Agreement between the School District and the Bond Registrar, as it may be modified from the form on file with the Treasurer of this Board and signed by the Treasurer in accordance with Section 4.

“Rule” means Rule 15c2-12 prescribed by the SEC pursuant to the Securities Exchange Act of 1934.

“SEC” means the Securities and Exchange Commission.

“Term Bonds” means those Current Interest Bonds designated as such in the Certificate of Award, maturing on the date or dates set forth therein, bearing interest payable on each Interest Payment Date and subject to mandatory sinking fund redemption.

The captions and headings in this resolution are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof. Reference to a Section means a section of this resolution unless otherwise indicated.

SECTION 2. Authorized Principal Amount and Purpose; Application of Proceeds. This Board determines that it is necessary and in the best interest of the School District to issue bonds of this School District in a maximum aggregate principal amount of \$4,995,000 (the Bonds) to advance refund at a lower interest cost the Refunded Bonds, which Refunded Bonds were issued for the purpose of providing and improving School District buildings and facilities by renovating, remodeling, adding to, furnishing, equipping and otherwise improving school buildings and other facilities for School District purposes and improving and equipping their sites, and to pay expenses related to that refunding and to the issuance of the Bonds.

As set forth in the preambles, based on market conditions at the time of the sale of the Bonds and their determination of the best interest of and financial advantages to the School District and its residents, the President and Treasurer of this Board shall determine, and shall specify in the Certificate of Award, the 2005 Bonds to be refunded (the Refunded Bonds), which may include all or a portion of the 2005 Bonds stated to mature on December 15 in the years from 2015 through 2025.

Subject to the limitations set forth in this resolution, the aggregate principal amount of Bonds to be issued, the principal maturities of and the principal payment schedule for the Bonds, the interest rate or rates or compounding interest rate or rates that the Bonds shall bear and certain other terms and provisions of the Bonds identified in this resolution are subject to further specification or determination in the Certificate of Award upon the finalization of the terms and provisions of the Bonds. The aggregate principal amount of Bonds to be issued, as so specified in the Certificate of Award, shall be the amount determined by the President and Treasurer of this Board to be necessary, taking into account any premium above the aggregate principal amount of the Bonds at which they are sold to the Original Purchaser and other funds available for the purpose, to carry out the purpose for which the Bonds are to be issued in a manner consistent with the agreements and covenants of the School District set forth in the Original Bond Legislation, the Refunded Bonds and this resolution; provided that in no event shall the aggregate principal amount of the Bonds to be issued exceed the aggregate principal amount of the Refunded Bonds.

SECTION 3. Denominations; Dating; Principal and Interest Payment and Redemption Provisions. The Bonds shall be issued in one lot and only as fully registered bonds, in the Authorized Denominations, but in no case as to a particular maturity date exceeding the principal amount maturing on that date. The respective principal amounts of the Bonds to be issued as Current Interest Bonds and Capital Appreciation Bonds (if any Bonds are issued as Capital Appreciation Bonds) shall be determined by the President and Treasurer of this Board in the Certificate of Award, having due regard to the best interest of and financial advantages to the School District. Unless otherwise specified by the President and Treasurer of this Board in the Certificate of Award, all of the Bonds shall be dated as of the Closing Date.

(a) Interest Rates and Payment Dates. The Current Interest Bonds shall bear the rate or rates of interest per year (computed on the basis of a 360-day year consisting of twelve 30-day months), not exceeding 10% per year as to any stated maturity, as shall be specified by the President and Treasurer of this Board (subject to subsection (c) of this Section) in the Certificate of Award. Interest on the Current Interest Bonds shall be payable on each Interest Payment Date until the principal amount has been paid or provided for. The Current Interest Bonds shall bear interest from

the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their date.

Any Capital Appreciation Bonds shall bear interest from the Closing Date at the compounding rate or rates of interest per year (computed on the basis of a 360-day year consisting of twelve 30-day months), not exceeding 25% per year for any stated maturity, accrued and compounded on each Interest Accretion Date and payable at maturity, that will result in the aggregate Maturity Amounts payable at maturity, as shall be specified by the President and Treasurer of this Board (subject to the provisions of subsection (c) of this Section) in the Certificate of Award. The total interest accrued on any Capital Appreciation Bond as of any particular date shall be an amount equal to the amount by which the Compound Accreted Amount of that Capital Appreciation Bond as of that date exceeds the principal amount of that Capital Appreciation Bond.

(b) Principal Payment Schedule. The Bonds shall mature or be payable pursuant to Mandatory Sinking Fund Redemption Requirements (as hereinafter defined and described) on the Principal Payment Dates in the following years and principal amounts:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2013	\$ 45,000	2020	\$ 465,000
2014	60,000	2021	460,000
2015	520,000	2022	455,000
2016	510,000	2023	450,000
2017	500,000	2024	435,000
2018	495,000	2025	425,000
2019	175,000		

; provided that, subject to the limitations set forth in Sections 1 and 2 and this Section 3, the principal amount of Bonds maturing or subject to Mandatory Sinking Fund Redemption Requirements on any one or more of the Principal Payment Dates may be increased or decreased, as specified by the President and Treasurer of this Board in the Certificate of Award, consistently with their determination of the best interest of and financial advantages to the School District.

Consistently with the foregoing and in accordance with their determination of the best interest of and financial advantages to the School District, the President and Treasurer of this Board shall specify in the Certificate of Award (i) the aggregate principal amount of Bonds to be issued, (ii) the aggregate principal amount of Bonds to be issued as Current Interest Bonds, (iii) the aggregate principal amount of Current Interest Bonds to be issued as Current Interest Serial Bonds, the Principal Payment Dates on which those Bonds shall be stated to mature and the principal amount thereof that shall be stated to mature on each such Principal Payment Date, (iv) the aggregate principal amount of Current Interest Bonds to be issued as Term Bonds, the Principal Payment Date or Dates on which those Bonds shall be stated to mature, the principal amount thereof that shall be stated to mature on each such Principal Payment Date, the Principal Payment Date or Dates on which Term Bonds shall be subject to mandatory sinking fund redemption (Mandatory Redemption Dates) and the principal amount thereof that shall be payable pursuant to Mandatory

Sinking Fund Redemption Requirements on each Mandatory Redemption Date, and (v) the aggregate principal amount of the Bonds to be issued as Capital Appreciation Bonds, if any, and the corresponding aggregate Maturity Amount of any such Bonds, the Principal Payment Date or Dates on which any such Bonds shall be stated to mature, and the principal amount and corresponding Maturity Amount thereof that shall be payable on each such Principal Payment Date.

(c) Conditions for Establishment of Interest Rates and Principal Payment Dates and Amounts. The rate or rates of interest per year to be borne by the Current Interest Bonds and the compounding rate or rates of interest per year to be borne by any Capital Appreciation Bonds, and the principal amount of Current Interest Bonds maturing or payable pursuant to Mandatory Sinking Fund Redemption Requirements on each Principal Payment Date and the Maturity Amount of any Capital Appreciation Bonds payable on each Principal Payment Date, shall be such as to demonstrate net present value savings to the School District due to the refunding of the Refunded Bonds in an amount not less than 3.0% of the principal amount of the Refunded Bonds, after taking into account all expenses related to that refunding and the issuance of the Bonds.

(d) Payment of Debt Charges. The debt charges on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar as paying agent. Principal of and any premium on the Current Interest Bonds, and principal of and interest on any Capital Appreciation Bonds, shall be payable when due upon presentation and surrender of the Bonds at the designated corporate trust office of the Bond Registrar. Interest on a Current Interest Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond was registered, and to that person's address appearing, on the Bond Register at the close of business on the 1st day of the calendar month in which that Interest Payment Date occurs. Notwithstanding the foregoing, if and so long as the Bonds are issued in a book entry system, principal of and interest and any premium on the Bonds shall be payable in the manner provided in any agreement entered into by the Treasurer of this Board, in the name and on behalf of the School District, in connection with the book entry system.

The School District reserves the right to order the Bond Registrar to return to it any money held by the Bond Registrar for the payment of (i) checks or drafts for the payment of interest on the Bonds or (ii) principal of or premium on Bonds, which checks, drafts or Bonds have not been presented for payment within four years following the date on which payment of the interest or principal represented thereby came due. Thereafter, the registered owners shall look only to the School District for payment of the interest and principal represented by those checks, drafts and Bonds.

(e) Redemption Provisions. The Capital Appreciation Bonds, if any, shall not be subject to redemption prior to maturity. Unless otherwise specified by the President and Treasurer of this Board in the Certificate of Award, consistently with their determination of the best interest of and financial advantages to the School District, the Current Interest Bonds shall be subject to redemption prior to stated maturity as follows:

(i) Mandatory Sinking Fund Redemption of Term Bonds. If any of the Bonds are issued as Term Bonds, the Term Bonds shall be subject to mandatory redemption in part by lot and be redeemed pursuant to mandatory sinking fund requirements at a redemption price of

100% of the principal amount redeemed, plus accrued interest to the redemption date, on the applicable Mandatory Redemption Dates and in the principal amounts payable on those Dates, for which provision is made in the Certificate of Award (such Dates and amounts, the Mandatory Sinking Fund Redemption Requirements).

The aggregate of the moneys to be deposited with the Bond Registrar for payment of principal of and interest on the Bonds on each Mandatory Redemption Date shall include an amount sufficient to redeem on that Date the principal amount of Term Bonds payable on that Date pursuant to Mandatory Sinking Fund Redemption Requirements (less the amount of any credit as hereinafter provided).

The School District shall have the option to deliver to the Bond Registrar for cancellation Term Bonds in any aggregate principal amount and to receive a credit against the then current or any subsequent Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation) of the School District, as specified by the Treasurer, for Term Bonds stated to mature on the same Principal Payment Date and bear interest at the same rate as the Term Bonds so delivered. That option shall be exercised by the School District on or before the 45th day preceding any Mandatory Redemption Date with respect to which the School District wishes to obtain a credit, by furnishing the Bond Registrar a certificate, signed by the Treasurer, setting forth the extent of the credit to be applied with respect to the then current or any subsequent Mandatory Sinking Fund Redemption Requirement for Term Bonds stated to mature on the same Principal Payment Date and bear interest at the same rate. If the certificate is not timely furnished to the Bond Registrar, the then current Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation) shall not be reduced. A credit against the then current or any subsequent Mandatory Sinking Fund Redemption Requirement (and corresponding mandatory redemption obligation), as specified by the Treasurer, also shall be received by the School District for any Term Bonds that prior thereto have been redeemed (other than through the operation of the applicable Mandatory Sinking Fund Redemption Requirements) or purchased for cancellation and canceled by the Bond Registrar, to the extent not applied theretofore as a credit against any Mandatory Sinking Fund Redemption Requirement, for Term Bonds stated to mature on the same Principal Payment Date and bear interest at the same rate as the Term Bonds so redeemed or purchased and canceled.

Each Term Bond so delivered, or previously redeemed, or purchased and canceled, shall be credited by the Bond Registrar at 100% of the principal amount thereof against the then current or subsequent Mandatory Sinking Fund Redemption Requirements (and corresponding mandatory redemption obligations), as specified by the Treasurer, for Term Bonds stated to mature on the same Principal Payment Date and bear interest at the same rate as the Term Bonds so delivered, redeemed or purchased and canceled.

(ii) Optional Redemption. The Current Interest Bonds maturing on or after December 15, 2021 shall be subject to redemption, by and at the sole option of the School District, either in whole or in part (in whole multiples of \$5,000), on any date on or after December 15, 2020, at a redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date.



Bonds to be redeemed pursuant to this paragraph shall be redeemed only upon written notice from the Treasurer to the Bond Registrar, given upon the direction of this Board by adoption of a resolution. That notice shall specify the redemption date and the principal amount of Bonds of each maturity and interest rate within a maturity to be redeemed and shall be given at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Bond Registrar.

(iii) Partial Redemption. If fewer than all of the outstanding Bonds are called for optional redemption at one time and Bonds of more than one maturity or interest rate within a maturity are then outstanding, the Bonds that are called shall be Bonds of the maturity or maturities and interest rate or rates selected by the School District. If fewer than all of the Bonds of a single maturity and interest rate are to be redeemed, the selection of Bonds of that maturity and interest rate to be redeemed, or portions thereof in amounts of \$5,000 or any whole multiple thereof, shall be made by the Bond Registrar by lot in a manner determined by the Bond Registrar. In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than \$5,000 are then outstanding, each \$5,000 unit of principal thereof shall be treated as if it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of principal amount represented by a Bond are to be called for redemption, then, upon notice of redemption of a \$5,000 unit or units, the registered owner of that Bond shall surrender the Bond to the Bond Registrar (A) for payment of the redemption price of the \$5,000 unit or units of principal amount called for redemption (including, without limitation, the interest accrued to the date fixed for redemption and any premium), and (B) for issuance, without charge to the registered owner, of a new Bond or Bonds of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Bond surrendered.

(iv) Notice of Redemption. The notice of the call for redemption of Bonds shall identify (A) by designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (B) the redemption price to be paid, (C) the date fixed for redemption, and (D) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Bond Registrar on behalf of the School District by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption, to the registered owner of each Bond subject to redemption in whole or in part at the registered owner's address shown on the Bond Register maintained by the Bond Registrar at the close of business on the 15th day preceding that mailing. Failure to receive notice by mail or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any Bond.

(v) Payment of Redeemed Bonds. In the event that notice of redemption shall have been given by the Bond Registrar to the registered owners as provided above, there shall be deposited with the Bond Registrar on or prior to the redemption date, moneys that, in addition to any other moneys available therefor and held by the Bond Registrar, will be sufficient to redeem at the redemption price thereof, plus accrued interest to the redemption date, all of the redeemable Bonds for which notice of redemption has been given. Notice having been mailed in the manner provided in the preceding paragraph hereof, the Bonds and portions thereof called for redemption shall become due and payable on the redemption date, and, subject to the provisions of subsection (d) of Section 3 and Section 5, upon presentation and surrender thereof at the place or places

specified in that notice, shall be paid at the redemption price, plus accrued interest to the redemption date. If moneys for the redemption of all of the Bonds and portions thereof to be redeemed, together with accrued interest thereon to the redemption date, are held by the Bond Registrar on the redemption date, so as to be available therefor on that date and, if notice of redemption has been deposited in the mail as aforesaid, then from and after the redemption date those Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding. If those moneys shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, those Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption. All moneys held by the Bond Registrar for the redemption of particular Bonds shall be held in trust for the account of the registered owners thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds, provided that any interest earned on the moneys so held by the Bond Registrar shall be for the account of and paid to the School District to the extent not required for the payment of the Bonds called for redemption.

SECTION 4. Execution and Authentication of Bonds; Appointment of Bond Registrar. The Bonds shall be signed by the President and Treasurer of this Board, in the name of the School District and in their official capacities, provided that either or both of those signatures may be a facsimile. The Bonds shall be issued in the Authorized Denominations and numbers as requested by the Original Purchaser and approved by the Treasurer, shall be numbered as determined by the Treasurer in order to distinguish each Bond from any other Bond and to distinguish Current Interest Bonds from Capital Appreciation Bonds, and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to Chapter 133 of the Revised Code and this resolution.

The Bank of New York Mellon Trust Company, N.A., is appointed to act as the initial Bond Registrar. The Treasurer shall sign and deliver, in the name and on behalf of the School District, the Registrar Agreement between the School District and the Bond Registrar, in substantially the form as is now on file with the Treasurer. The Registrar Agreement is approved, together with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to the School District and that are approved by the Treasurer on behalf of the School District, all of which shall be conclusively evidenced by the signing of the Registrar Agreement or amendments thereto. The Treasurer shall provide for payment of services rendered and for reimbursement of expenses incurred pursuant to the Registrar Agreement, except to the extent paid or reimbursed by the Original Purchaser in accordance with the Purchase Agreement, from the proceeds of the Bonds to the extent available and then from other money lawfully available and appropriated or to be appropriated for that purpose.

No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under the Bond proceedings unless and until the certificate of authentication printed on the Bond is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under, and is entitled to the security and benefit of, the Bond proceedings. The certificate of authentication may be signed by any authorized officer or employee of the Bond Registrar or by any other person acting as an agent of the Bond Registrar and approved by the

Treasurer on behalf of the School District. The same person need not sign the certificate of authentication on all of the Bonds.

SECTION 5. Registration; Transfer and Exchange; Book Entry System. (a) Bond Registrar. So long as any of the Bonds remain outstanding, the School District will cause the Bond Registrar to maintain and keep the Bond Register at the designated corporate trust office of the Bond Registrar. Subject to the provisions of subsection (d) of Section 3 and subsection (c) of Section 6, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of the Bond proceedings. Payment of or on account of the debt charges on any Bond shall be made only to or upon the order of that person; neither the School District nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the School District's liability upon the Bond, including interest, to the extent of the amount or amounts so paid.

(b) Transfer and Exchange. Any Bond may be exchanged for Bonds of any Authorized Denomination upon presentation and surrender at the designated corporate trust office of the Bond Registrar, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. A Bond may be transferred only on the Bond Register upon presentation and surrender of the Bond at the designated corporate trust office of the Bond Registrar, together with an assignment signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any Authorized Denomination or Denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the School District are required, the Bond Registrar shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the School District. In all cases of Bonds exchanged or transferred, the School District shall sign and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Bond proceedings. The exchange or transfer shall be without charge to the owner, except that the School District and the Bond 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 School District or the Bond Registrar may require that those charges, if any, be paid before the procedure is begun for the exchange or transfer. All Bonds issued and authenticated upon any exchange or transfer shall be valid obligations of the School District, evidencing the same debt, and entitled to the same security and benefit under the Bond proceedings as the Bonds surrendered upon that exchange or transfer. Neither the School District nor the Bond Registrar shall be required to make any exchange or transfer of (i) Bonds then subject to call for redemption between the 15th day preceding the mailing of notice of Bonds to be redeemed and the date of that mailing, or (ii) any Bond selected for redemption, in whole or in part.

(c) Book Entry System. Notwithstanding any other provisions of this resolution, if the President and Treasurer of this Board determine in the Certificate of Award that it is in the best interest of and financially advantageous to the School District, the Bonds may be issued in book entry form in accordance with the following provisions of this Section.

The Bonds may be issued to a Depository for use in a book entry system and, if and so long as a book entry system is utilized, (i) the Bonds may be issued in the form of a single, fully registered Bond representing each maturity and interest rate within a maturity and registered in the name of the Depository or its nominee, as registered owner, and deposited with and maintained in the custody of the Depository or its designated agent that may be the Bond Registrar; (ii) the book entry interest owners of Bonds in book entry form shall not have any right to receive Bonds in the form of physical securities or certificates; (iii) ownership of book entry interests in Bonds in book entry form shall be shown by book entry on the system maintained and operated by the Depository and its Participants, and transfers of the ownership of book entry interests shall be made only by book entry by the Depository and its Participants; and (iv) the Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the School District.

If any Depository determines not to continue to act as a Depository for the Bonds for use in a book entry system, the Treasurer may attempt to establish a securities depository/book entry relationship with another qualified Depository. If the Treasurer does not or is unable to do so, the Treasurer, after making provision for notification of the book entry interest owners by the then Depository and any other arrangements deemed necessary, shall permit withdrawal of the Bonds from the Depository, and shall cause Bond certificates in registered form to be authenticated by the Bond Registrar and delivered to the assigns of the Depository or its nominee, all at the cost and expense (including any costs of printing), if the event is not the result of School District action or inaction, of those persons requesting such issuance.

The Treasurer is hereby authorized and directed, to the extent necessary or required, to enter into any agreements, in the name and on behalf of the School District, that he determines to be necessary in connection with a book entry system for the Bonds.

**SECTION 6. Sale of the Bonds.** (a) To the Original Purchaser. The Bonds shall be sold by the President and Treasurer of this Board to the Original Purchaser at private sale at a purchase price not less than 100% of the aggregate principal amount thereof plus accrued interest on the Bonds from their date to the Closing Date, as shall be specified in the Certificate of Award, and with and upon such other terms as are required or authorized by this resolution to be specified in the Certificate of Award, in accordance with law, the provisions of this resolution and the Purchase Agreement.

The President and Treasurer of this Board shall sign and deliver the Certificate of Award and shall cause the Bonds to be prepared and signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Original Purchaser upon payment of the purchase price. The President, Vice President and Treasurer of this Board, the Superintendent of Schools and other School District officials, as appropriate, each are authorized and directed to sign any transcript certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this resolution.

The President and Treasurer of this Board shall sign and deliver, in the name and on behalf of the School District, the Purchase Agreement between the School District and the Original

Purchaser, in substantially the form as is now on file with the Treasurer, providing for the sale of the Bonds to, and the purchase of the Bonds by, the Original Purchaser. The Purchase Agreement is approved, together with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to the School District and that are approved by the President and Treasurer of this Board on behalf of the School District, all of which shall be conclusively evidenced by the signing of the Purchase Agreement or amendments to that Agreement.

(b) Primary Offering Disclosure -- Official Statement. The President and Treasurer of this Board and the Superintendent of Schools, or any two of them, are authorized and directed, on behalf of the School District and in their official capacities, to (i) prepare or cause to be prepared, and to make or authorize modifications, completions or changes of or supplements to, an official statement in connection with the original issuance of the Bonds, (ii) determine, and to certify or otherwise represent, when the official statement is “deemed final” (except for permitted omissions) by the School District as of its date or is a final official statement for purposes of the Rule, (iii) use and distribute, or authorize the use and distribution of that official statement and any supplements thereto in connection with the original issuance of the Bonds, and (iv) complete and sign the final official statement as so approved, together with such certificates, statements or other documents in connection with the finality, accuracy and completeness of that official statement as they deem necessary or appropriate.

(c) Agreement to Provide Continuing Disclosure. For the benefit of the holders and beneficial owners from time to time of the Bonds, the School District agrees to provide or cause to be provided such financial information and operating data, audited financial statements and notices of the occurrence of certain events, in such manner as may be required for purposes of the Rule. The President of the Board, the Treasurer and the Superintendent of Schools are authorized and directed to complete, sign and deliver the Continuing Disclosure Agreement, in the name and on behalf of the School District, in substantially the form as is now on file with the Treasurer. The Continuing Disclosure Agreement is approved, together with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to the School District and that are approved by the President and Treasurer of this Board and the Superintendent of Schools on behalf of the School District, all of which shall be conclusively evidenced by the signing of the Continuing Disclosure Agreement.

The Treasurer is further authorized and directed to establish procedures in order to ensure compliance by the School District with its Continuing Disclosure Agreement, including timely provision of information and notices as described above. Prior to making any filing required under the Rule, the Treasurer shall consult with and obtain legal advice from, as appropriate, the bond counsel or other qualified independent special counsel selected by the School District. The Treasurer, acting in the name and on behalf of the School District, shall be entitled to rely upon any such legal advice in determining whether a filing should be made. The performance by the School District of its Continuing Disclosure Agreement shall be subject to the annual appropriation of any funds that may be necessary to perform it.

(d) Applications for Ratings and Bond Insurance; Financing Costs. If, in the judgment of the Treasurer of this Board, the filing of an application for (i) a rating on the Bonds by one or more nationally-recognized rating agencies and/or (ii) a policy of insurance from a company or

companies to better assure the payment of principal of and interest on all or a portion of the Bonds is in the best interest of and financially advantageous to this School District, he is authorized to prepare and submit those applications. The Treasurer is also authorized to provide to each such agency or company such information as may be required for the purpose and, if it is, in his judgment, in the best interest of and financially advantageous to this School District, to accept a commitment for insurance issued by a nationally recognized municipal bond insurance company insuring the payment when due of the principal of and interest on all or any portion of the Bonds. The Treasurer is further authorized to enter into any agreements, on behalf of and in the name of the District, that he determines to be necessary or required to obtain such ratings or insurance.

The expenditure of the amounts necessary to secure those ratings and to pay the other financing costs (as defined in Section 133.01 of the Revised Code) in connection with the Bonds, to the extent not paid by the Original Purchaser in accordance with the Purchase Agreement, is authorized and approved, and the Treasurer is authorized to provide for the payment of any such amounts and costs from the proceeds of the Bonds to the extent available and otherwise from any other funds lawfully available that are appropriated or shall be appropriated for that purpose.

**SECTION 7. Refunding; Call of Refunded Bonds.** This Board determines that it is in the best interest of the School District and its residents to refund the Refunded Bonds and to redeem those Refunded Bonds by optional redemption on December 15, 2014. The Treasurer is authorized and directed to give to The Bank of New York Mellon Trust Company, N.A., ultimate successor to J.P. Morgan Trust Company, National Association, as the authenticating agent, bond registrar, transfer agent and paying agent for the Refunded Bonds, on or promptly after the Closing Date, written notice of that call for redemption, and the Refunded Bonds shall be redeemed in accordance with the provisions of this resolution, the Refunded Bonds, the Original Bond Legislation and the Escrow Agreement. The District covenants for the benefit of the holders of the Refunded Bonds and of the Bonds that it will at no time on or after the Closing Date take actions to modify or rescind that call for prior redemption, and that it will take, and will cause the bond registrar and paying agent for the Refunded Bonds to take, all steps required by the terms of the Refunded Bonds to make and perfect that call for prior redemption.

**SECTION 8. Escrow Trustee.** The Bank of New York Mellon Trust Company, N.A., is authorized and appointed to act as the initial Escrow Trustee with respect to the refunding of the Refunded Bonds. The Escrow Trustee is authorized and directed to cause notice of the refunding of the Refunded Bonds to be given in accordance with the Escrow Agreement. The President and Treasurer of this Board shall sign and deliver, in the name and on behalf of the School District and in their official capacities, the Escrow Agreement, in substantially the form as is now on file with the Treasurer. The Escrow Agreement is approved, together with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to the District and that are approved by the President and Treasurer on behalf of the District, all of which shall be conclusively evidenced by the signing of the Escrow Agreement or amendments thereto. The Treasurer shall provide for the payment of the services rendered and for reimbursement of expenses incurred pursuant to the Escrow Agreement, except to the extent paid by the Original Purchaser in accordance with the Purchase Agreement, from the proceeds of the Bonds to the extent available and otherwise from other funds lawfully available and that are appropriated or shall be appropriated for that purpose.

SECTION 9. Escrow Fund. There is created under the Escrow Agreement a trust fund designated the “Shaker Heights City School District Refunded 2005 Bonds Escrow Fund” that shall be held and maintained by the Escrow Trustee in trust for the registered owners of the Refunded Bonds and is pledged for the payment of principal of and interest on the Refunded Bonds, all in accordance with the provisions of the Escrow Agreement. The Treasurer of this Board is hereby authorized and directed to pay to the Escrow Trustee for deposit in the Escrow Fund (i) any available funds on deposit in the Bond Retirement Fund for the payment of debt charges on the Refunded Bonds determined by the Treasurer to be applied for that purpose, and (ii) proceeds from the sale of the Bonds, except any accrued interest and any proceeds to be used for the payment of any expenses properly allocable to the refunding of the Refunded Bonds or the issuance of the Bonds as determined by the Treasurer, in the amount required, together with the funds referred to in (i), to provide for the defeasance of the Refunded Bonds. The funds and proceeds so paid to the Escrow Trustee are appropriated and shall be applied to pay principal of and interest on the Refunded Bonds, as provided in the Escrow Agreement.

The funds so deposited in the Escrow Fund shall be (a) held in cash to the extent that they are not needed to make the investments hereinafter described and (b) invested in direct obligations of, or obligations guaranteed as to payment by, the United States of America (within the meaning of Section 133.34(D) of the Revised Code) that mature or are subject to redemption by and at the option of the holder, in amounts sufficient, together with any uninvested cash in the Escrow Fund but without further investment or reinvestment, for the payment of (i) interest when due on the Refunded Bonds on each June 15 and December 15 following the date of issuance of the Bonds through and including December 15, 2014, and (ii) the principal of the Refunded Bonds upon their redemption by optional redemption on December 15, 2014, as provided in the Escrow Agreement.

If U.S. Treasury Securities -- State and Local Government Series are to be purchased for the Escrow Fund, the Escrow Trustee, the Treasurer and the Original Purchaser, or any of them individually, are hereby specifically authorized to file, on behalf of the School District, subscriptions for the purchase and issuance of those U.S. Treasury Securities - State and Local Government Series. If, in the judgment of the Treasurer, an open-market purchase of obligations described in (b) in the preceding paragraph for the Escrow Fund is in the best interest of and financially advantageous to this District, the Treasurer or any other officer of the District, on behalf of the District and in his official capacity, may purchase and deliver such obligations, engage the services of a financial advisor, bidding agent or similar entity for the purpose of facilitating the bidding, purchase and delivery of such obligations for, and any related structuring of, the Escrow Fund, execute such instruments as are deemed necessary to engage such services for such purpose, and provide further for the payment of the cost of obtaining such services, except to the extent paid by the Original Purchaser in accordance with the Purchase Agreement, from the proceeds of the Bonds to the extent available and otherwise from any other funds lawfully available and that are appropriated or shall be appropriated for that purpose. Any actions heretofore taken by any of those officers in connection with the foregoing are hereby ratified and approved.

SECTION 10. Application of Proceeds. The proceeds from the sale of the Bonds shall be applied as follows: (i) proceeds in the amount required, together with any funds on deposit in the Bond Retirement Fund for the payment of debt charges on the Refunded Bonds determined by the

Treasurer to be applied for the purpose, to provide for the defeasance of the Refunded Bonds shall be paid into the Escrow Fund as provided in Section 9, (ii) any proceeds to be used for the payment of any expenses properly allocable to the refunding of the Refunded Bonds or the issuance of the Bonds, as determined by the Treasurer, shall be paid into the proper fund or funds and (iii) any proceeds representing accrued interest and any other remaining proceeds shall be paid into the Bond Retirement Fund. The proceeds from the sale of the Bonds (except any accrued interest) are appropriated and shall be used for the purpose for which the Bonds are being issued.

SECTION 11. Provisions for Tax Levy. There shall be levied on all the taxable property in the School District, in addition to all other taxes, a direct tax annually during the period the Bonds are outstanding in an amount sufficient to pay the debt charges on the Bonds when due, which tax shall not be less than the interest and sinking fund tax required by Section 11 of Article XII of the Ohio Constitution. The tax shall be unlimited as to amount or rate, shall be and is 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 those years are certified, levied, extended and collected, and shall be placed before and in preference to all other items and for the full amount thereof. The proceeds of the tax levy shall be placed in the Bond Retirement Fund, which is irrevocably pledged for the payment of the debt charges on the Bonds when and as the same fall due.

SECTION 12. Federal Tax Considerations. The Board and the School District covenant that they will use, and will restrict the use and investment of, the proceeds of the Bonds in such manner and to such extent as may be necessary so that (a) the Bonds will not (i) constitute private activity bonds or arbitrage bonds under Sections 141 or 148 of the Code or (ii) be treated other than as bonds the interest on which is excluded from gross income under Section 103 of the Code, and (b) the interest on the Bonds will not be an item of tax preference under Section 57 of the Code.

The Board and the School District further covenant that (a) they will take or cause to be taken such actions that may be required of them for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, (b) they will not take or authorize to be taken any actions that would adversely affect that exclusion, and (c) they, or persons acting for them, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield on investment property, (iii) make timely and adequate payments to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of those proceeds, and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code.

The Bonds are hereby designated as “qualified tax exempt obligations” for purposes of Section 265(b)(3) of the Code. In that connection, the Board hereby represents and covenants that it and the School District, together with all its subordinate entities or entities that issue obligations on its behalf, or on behalf of which the Board issues obligations, in or during the calendar year in which the Bonds are issued, (i) have not issued and will not issue tax exempt obligations designated as “qualified tax exempt obligations” for purposes of Section 265(b)(3) of the Code, including the Bonds, in an aggregate amount in excess of \$10,000,000, and (ii) have not issued, do not reasonably



anticipate issuing, and will not issue, tax exempt obligations (including the Bonds, but excluding obligations, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code, that are private activity bonds as defined in Section 141 of the Code and excluding refunding obligations that are not advance refunding obligations as defined in Section 149(d)(5) of the Code) in an aggregate amount exceeding \$10,000,000, unless the School District first obtains a written opinion of nationally recognized bond counsel that such designation or issuance, as applicable, will not adversely affect the status of the Bonds as “qualified tax exempt obligations”. Further, the Board represents and the Board and the School District covenant that, during any time or in any manner as might affect the status of the Bonds as “qualified tax-exempt obligations”, it has not formed or participated in the formation of, or benefited from or availed itself of, any entity in order to avoid the purposes of subparagraph (C) or (D) of Section 265(b)(3) of the Code, and will not form, participate in the formation of, or benefit from or avail itself of, any such entity. The Board further represents that the Bonds are not being issued as part of a direct or indirect composite issue that combines issues or lots of tax-exempt obligations of different issuers.

The Treasurer, as fiscal officer, or any other officer of the Board or the School District having responsibility for the issuance of the Bonds is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the Board or the District with respect to the Bonds as the Board or the District is permitted or required to make or give under the federal income tax laws, including, without limitation, any of the elections available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting the favorable tax treatment or status of the Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments or penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the Board or the District, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Bonds, and (c) to give one or more appropriate certificates of the Board or the District, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the Board and the District regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment or status of the Bonds and interest thereon.

Each covenant made in this Section with respect to the Bonds is also made with respect to all issues any portion of the debt service on which is paid from proceeds of the Bonds (and, if different, the original issue and any refunding issues in a series of refundings), to the extent such compliance is necessary to assure exclusion of interest on the Bonds from gross income for federal income tax purposes, and the officers identified above are authorized to take actions with respect to those issues as they are authorized in this Section to take with respect to the Bonds.

**SECTION 13. Certification and Delivery of Resolution and Certificate of Award and Notice of Defeasance.** The Treasurer is directed to deliver to the Cuyahoga County Fiscal Officer (i) a certified copy of this resolution and a signed copy of the Certificate of Award as soon as each is available and (ii) promptly after the Closing Date, a certificate to the effect that, in accordance with

Section 133.34 of the Revised Code, the Refunded Bonds are no longer considered to be outstanding.

SECTION 14. Retention of Bond Counsel. The legal services of Squire Sanders (US) LLP, as bond counsel, be and are hereby retained. The legal services shall be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the issuance and sale of the Bonds and the refunding and defeasance of the Refunded Bonds and the rendering of the necessary legal opinion upon the delivery of the Bonds, all as set forth in the form of engagement letter, dated September 11, 2012, now on file with the Treasurer of this Board. In rendering those legal services, as an independent contractor and in an attorney-client relationship, that firm shall not exercise any administrative discretion on behalf of the School District in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, the School District or any other political subdivision, or the execution of public trusts. That firm shall be paid just and reasonable compensation for those legal services and shall be reimbursed for the actual out-of-pocket expenses it incurs in rendering those legal services. The Treasurer is authorized and directed to sign and deliver the engagement letter, and, to the extent they are not paid by the Original Purchaser in accordance with the Purchase Agreement, to make appropriate certification as to the availability of funds for those fees and any reimbursement and to issue an appropriate order for their timely payment as written statements are submitted by that firm.

SECTION 15. Satisfaction of Conditions for Bond Issuance. This Board determines that all acts and conditions necessary to be performed by the Board or the School District or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the Shaker Heights City School District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit and general property taxing power (as described in Section 11) of the School District are pledged for the timely payment of the debt charges on the Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

SECTION 16. Compliance with Open Meeting Requirements. This Board finds and determines that all formal actions of this Board and of any of its committees concerning and relating to the adoption of this resolution were taken, and that all deliberations of this Board and of any of its committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

SECTION 17. Effective Date. This resolution shall be in full force and effect immediately upon its adoption.

Roll Call: Ayes: Mr. Bliss, Mr. Clawson, Mrs. Fulford, Mr. Harris, Ms. Sutherland.  
The motion carried.

12-09-107

**ANNOUNCEMENTS AND PUBLIC COMMENT**

President Sutherland announced there would be a short recess before the Board convenes to executive session this evening to conduct personnel business. There will be a work session on September 27, 2012 at the Administration Building at 6:00 p.m.

At this time, President Sutherland asked for comments from the public audience, and reminded the audience that Board members are always available for individual communication through the district website and contact information listed in the PTO calendar.

One audience member complimented Superintendent Freeman and the Board for the outstanding job they do with the District, and inquired about how the District addresses the issue of education reform related to performance pay. Superintendent Freeman responded that there is currently a committee whose objective is to address such issues.

At 7:02 p.m. upon the recommendation of President Sutherland, Mr. Clawson moved, seconded by Mrs. Fulford that the Board of Education recess to executive session to discuss personnel matters related to performing a Superintendent search to replace Dr. Freeman who is retiring at the end of the current school year.

Roll Call: Ayes: Mr. Bliss, Mr. Clawson, Mrs. Fulford, Mr. Harris, Ms. Sutherland.  
The motion carried.

12-09-108

At 10:02 p.m. President Sutherland declared the end of executive session, at which time the public session was reconvened.

There being no further business to come before the Board, Mrs. Fulford moved, seconded by Mr. Clawson that the meeting be adjourned.

Roll Call: Ayes: Mr. Bliss, Mr. Clawson, Mrs. Fulford, Mr. Harris, Ms. Sutherland.  
The motion carried.

12-09-109

The regular meeting of the Shaker Heights Board of Education adjourned at 10:03 p.m.

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Annette Tucker Sutherland, President

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Bryan C. Christman, Treasurer