

ALCESTER-HUDSON SCHOOL DISTRICT 61-1
SCHOOL BOARD AGENDA
October 9, 2017
Alcester-Hudson Library 7:20pm

MISSION: Inspire every student, every day, with every opportunity

School Board Members: Tara Cole, President; Jay Hallaway, Vice-President; Amanda Beeler, Dean Moller, Stacy Rasmussen, Mike Jansen and Josh Carlson

Board Committees: *Building and Grounds* – Mike, Stacy and Dean
 Bus Transportation – Dean, Jay and Stacy
 Southeast Coop. Board – Josh
 Negotiations – Josh, Tara, and Amanda
 Budget Oversight- Tara and Jay

A. START THE REGULAR MONTHLY MEETING AND REVIEW VOUCHERS FOR CONSENT AGENDA (7:20 P.M.)

B. PLEDGE OF ALLEGIANCE

C. ADDITIONS TO THE AGENDA

1. Will require a motion to approve the agenda.

MOTION BY _____ SECONDED BY _____ ALL YES _____ YES _____ NO _____

D. RECOGNITION OF VISITORS

E. PUBLIC INPUT

F. GOOD NEWS ITEMS

G. CONSENT AGENDA

1. Will require a motion to approve the following:

- Minutes of the regularly scheduled School Board Meeting of September 11, 2017, and special board meeting of the Alcester-Hudson School Board September 20, 2017
- Approve the Activity Fund, Athletic, Business Manager, Lunch and Imprest Fund reports.
- Approve all claims and approve for payment from the 2017-2018 budget.
- Approve School Board Member Vacancy Policy
- Approve School Board Meetings Policy
- Approve Electronic Communication by Board Policy
- Approve Payday Schedule Policy
- Approve Expense Reimbursement Policy
- Approve Cash in School Building Policy
- Approve Properties Disposal Policy
- Approve Conflict of Interest Disclosure and Authorization Policy
- Approve Conflict of Interest Disclosure Exhibit 1
- Approve Conflict of Interest Disclosure Exhibit 2

MOTION BY _____ SECONDED BY _____ ALL YES _____ YES _____ NO _____

2. Will require a motion to approve the Southeast Area Coop warrant

MOTION BY _____ SECONDED BY _____ ALL YES _____ YES _____ NO _____

H. OLD BUSINESS

- Building update

I. NEW BUSINESS

1. Will require a motion to approve agreement between The University of South Dakota and the Alcester-Hudson School District (PDC Program)

MOTION BY _____ SECONDED BY _____ ALL YES _____ YES _____ NO _____

2. Will require a motion to declare 7 TV's and wall mounts as surplus for the purpose of disposal.

MOTION BY _____ SECONDED BY _____ ALL YES _____ YES _____ NO _____

3. Will require a motion to declare 8 Promethean Boards and Projectors as surplus property and name _____, _____, and _____ as appraisers

MOTION BY _____ SECONDED BY _____ ALL YES _____ YES _____ NO _____

4. Will require a motion to approve agreement between Alcester-Hudson School District and Infrastructure Design Group (Survey of Elementary Area)

MOTION BY _____ SECONDED BY _____ ALL YES _____ YES _____ NO _____

5. Motion to approve Conflict of Interest agreement between Alcester-Hudson Board member and Southeast Area Coop

MOTION BY _____ SECONDED BY _____ ALL YES _____ YES _____ NO _____

6. Motion to approve agreement between Alcester-Hudson School District and Teachwell (Data Retreat)

MOTION BY _____ SECONDED BY _____ ALL YES _____ YES _____ NO _____

7. Motion to approve

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE AND PAYMENT OF GENERAL OBLIGATION BONDS, SERIES 2017, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED SEVEN MILLION THREE HUNDRED TEN DOLLARS (\$7,310,000) OF THE ALCESTER-HUDSON SCHOOL DISTRICT 61-1 OF LINCOLN AND UNION COUNTIES, SOUTH DAKOTA.

WHEREAS, the voters of the Alcester-Hudson School District 61-1 authorized the issuance of general obligation bonds at a special election held September 19, 2017, approximately 66% of the voters voted in favor of authorizing the Bonds to finance the (1) construction, equipping and furnishing of additions to the existing elementary and high school facilities, (2) remodeling the existing library, and (3) costs of issuance; and

WHEREAS, the School Board has determined that the issuance of general obligation bonds of the School District is in the best interests of School District; and

WHEREAS, the School Board has determined that it is necessary and in the best interest of the School District to issue General Obligation Bonds, Series 2017 of the School District.

NOW THEREFORE, BE IT RESOLVED BY THE SCHOOL BOARD OF THE ALCESTER-HUDSON SCHOOL DISTRICT 61-1 OF LINCOLN AND UNION COUNTIES, AS FOLLOWS:

ARTICLE I
DEFINITIONS

Section 1.1. Definition of Terms.

In addition to the words and terms elsewhere defined in this Bond Resolution, the following words and terms as used herein, whether or not the words have initial capitals, shall have the following meanings, unless the context or use indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

"Act" means collectively SDCL Chapter 6-8B and Title 13, as amended.

"Authorized Officer of the School District" means the President of the School Board and the Business Manager, or, in the case of any act to be performed or duty to be discharged, any other member, officer, or employee of the School District then authorized to perform such act or discharge such duty.

"Bonds" means not to exceed \$7,310,000 in aggregate principal amount of General Obligation Bonds, Series 2017, authorized and issued under this Bonds Resolution

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

"Bond Payment Date" means such dates as are set forth in the Bond Purchase Agreement.

"Bond Purchase Agreement" means the agreement or agreements between the School District and the Purchaser for the purchase of the Bonds.

"Bond Resolution" means the within Resolution, duly adopted by the School Board on the date hereof, as it may be amended from time to time.

"Bondholder", "Holder" and "Registered Owner" means the registered owner of a Bond, including any nominee of a Depository.

"Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical Bonds in fully registered form are issued to a Depository or to its nominee as Registered Owner, with the certificated Bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the School District or the Registration Agent, constitute the written record that identifies, and records the transfer of the beneficial "book-entry" interests in those Bonds.

"Business Manager" means the Business Manager of the School District appointed pursuant to the provisions of South Dakota Codified Laws Title 13 or, in the absence of such appointment or in the event the person so appointed is unable or incapable of acting in such capacity, the person appointed by the School Board to perform the duties otherwise performed by the Business Manager, or his designee.

"Closing Date" means the date the Bonds are exchanged for value.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Department of Treasury promulgated thereunder as in effect on the date of issuance of the Bonds.

"County Auditor" means the County Auditor of Lincoln and Union Counties, South Dakota.

"Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to DTC.

"District" means the Alcester-Hudson School District 61-1.

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

"DTC" means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

"Improvements" mean the (1) construction, equipping and furnishing of additions to the existing elementary and high school facilities, (2) remodeling the existing library, and (3) the costs of issuance.

"Interest Payment Dates" means such dates as set forth in the Bond Purchase Agreement.

"Letter of Representation" means the Issuer Letter of Representations or Blanket Issuer Letter of Representations to DTC of the School District.

"Official Statement" and "Preliminary Official Statement" means that Official Statement and Preliminary Official Statement described in Section 8.2 hereof pertaining to the sale of the Bonds.

"Original Issue Discount or O.I.D." means the difference between the issue price and the stated redemption price at maturity. The stated redemption price is determined without regard to optional call dates.

"Original Issue Premium or O.I.P." means the difference between the issue price and the stated redemption price at maturity. The stated redemption price is determined without regard to optional call dates.

"Outstanding," "Bonds Outstanding," or "Outstanding Bonds" means, as of a particular date all Bonds issued and delivered under this Bond Resolution except: (1) any Bonds paid or redeemed or otherwise canceled by the School District at or before such date; (2) any Bond for the payment of which cash, equal to the principal amount thereof with interest to date of maturity, shall have theretofore been deposited prior to maturity by the School District for the benefit of the Owner thereof; (3) any Bond for the redemption of which cash, equal to the redemption price thereof with interest to the redemption date, shall have theretofore been deposited with the Registration Agent and for which notice of redemption shall have been mailed in accordance with this Bond Resolution; (4) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to this Resolution, unless proof satisfactory to the School District is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State, as amended, in which case both the Bond in lieu of or in substitution for which a new Bond has been delivered and such new Bond so delivered therefor shall be deemed Outstanding; and, (5) any Bond deemed paid under the provisions of Article VII of this Resolution, except that any such Bond shall be considered Outstanding until the maturity or redemption date thereof only for the purposes of being exchanged, transferred, or registered.

"Person" means an individual, partnership, corporation, trust, or unincorporated organization, or a governmental entity or agency or political subdivision thereof.

"President" means the president of the School Board elected pursuant to the provisions of SDCL 13-8 or his or her designee acting on his or her behalf.

"Purchase Agreement" means the Bond Purchase Agreement or Agreements authorized pursuant to and described in Section 9.1 hereof by and between the School District and the Purchaser.

"Rating Agency" means one or more of the following rating agencies: S&P Global Ratings, Moody's Investors Service Inc. and Fitch IBCA, Inc.

"Record Date" means such date or dates as set forth in the Bond Purchase Agreement.

"Registration Agent" means the Business Manager or any Registration Agent appointed by the Business Manager its successor or successors hereafter appointed in the manner provided in Article VI hereof.

"Resolution" means this Bond Resolution.

"Schedule" the schedule which indicates the principal and interest payments on the Bonds.

"School Board" means the School Board of the School District elected pursuant to the provisions of the SDCL Title 13.

"School District" means the Alcester-Hudson School District 61-1.

"Underwriter" means Dougherty & Company LLC.

"Vice-President" means the Vice-President of the School Board who may act for the President in the absence of the President.

Section 1.2. References to Resolution.

The words "hereof", "herein", "hereunder", and other words of similar import refer to this Bond Resolution as a whole.

Section 1.3. References to Articles, Sections, Etc.

References to Articles, Sections, and other subdivisions of this Bond Resolution are to the designated Articles, Sections, and other subdivisions of this Bond Resolution as originally adopted.

Section 1.4. Headings.

The headings of this Bond Resolution are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II

FINDINGS

Section 2.1.

It is hereby found and determined by the School Board as follows:

- (a) The principal amount of the Bonds has been authorized by voters of the District;
- (b) The School District hereby determines that all limitations upon the issuance of Bonds have been met and the Bonds are being authorized, issued and sold in accordance with the provisions of this Bond Resolution and the Act.

ARTICLE III

AUTHORITY, PLEDGE, AND LEVY

Section 3.1. Authority.

It is declared necessary for the District to fund the (1) construction, equipping and furnishing of additions to the existing elementary and high school facilities, (2) remodeling the existing library, and (3) the costs of issuance of the Bonds described herein, there shall be issued pursuant to, and in accordance with, the provisions of the Act, the Bond Resolution, and other applicable provisions of law, General Obligation Bonds of the School District in the aggregate principal amount of not to exceed \$7,310,000.

Section 3.2. Pledge.

Pursuant to Article XIII § 5 of the State of South Dakota Constitution, the District does hereby provide for an annual tax sufficient to pay principal, premium if any, and interest when due. The full faith, credit and unlimited taxing powers of said District shall be and they are hereby irrevocably pledged to the prompt and full payment of the principal of, premium, if any, and interest on each and all of said Bonds as such principal and interest respectively become due.

To provide moneys for payment of principal and interest when due, there is hereby levied upon all taxable property in said District a direct, annual ad valorem tax, to be spread with other levies of the District upon the tax rolls in an amount sufficient to produce collected taxes in an amount not less than the amount sufficient to pay principal, premium, if any, and interest when due as indicated on a debt service schedule to be attached and made a part hereof.

The proceeds of said levies are hereby appropriated to, and shall be held in a separate sinking fund and used for no purpose other than for payment of principal, premium, if any, and interest on said Bonds; provided that, if any payment of interest or principal falls due when moneys in said sinking fund are insufficient, the District shall request and the County Auditor shall spread additional levies sufficient for payment of principal, premium, if any, and interest when due or the same shall be advanced from any funds of the District to said sinking fund.

Said levies shall be irrevocable so long as any of the Bonds or interest thereon shall remain unpaid, except that the School Board of the District and the County Auditor shall have the power to reduce the levy as provided by state law.

The Business Manager is hereby directed to file a certified copy of this Resolution with the County Auditor, and this Resolution shall constitute authority to said Auditor and her successor in office to spread said levy on the tax rolls for all years on the debt service schedule.

ARTICLE IV
FORM, TERMS, EXECUTION, AND TRANSFER OF BONDS

Section 4.1. Authorized Bonds.

The aggregate principal amount of Bonds that may be issued under the Bonds Resolution shall not exceed Seven Million Three Hundred Ten Thousand and No/0 Dollars (\$7,310,000).

Section 4.2. Form of Bonds; Execution.

(a) The Bonds are issuable only as fully registered Bonds, without coupons, in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof (but no single Bond shall represent installments of principal maturing on more than one date). All Bonds issued under the Resolution shall be substantially in the form set forth in Exhibit A attached hereto, and by this reference incorporated herein as fully as though copied. Exhibit A, the form of the Bond shall be on file with the Business Manager and open to public inspection.

(b) The Bonds shall be executed in such manner as may be prescribed by applicable law in the name and on behalf of the School District with the manual or facsimile signature of the President of the School Board, attested by the manual or facsimile signature of the Business Manager, and approved as to form and countersigned by a Resident Attorney by his manual or facsimile signature.

(c) In the event any officer whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such manual or such facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until such delivery. Any Bonds may bear the facsimile signature of, or may be manually signed by, such individuals who, at the actual time of the execution of such Bonds, were the proper officers of the School District to sign such Bonds, although on the date of the adoption by the School District of this Resolution, such individuals may not have been such officers.

Section 4.3. Maturities, Interest Rates, and Certain Other Provisions of Bonds.

(a) The Bonds shall become due and payable as set forth in the Bond Purchase Agreement. The Bonds may be sold with O.I.P. or O.I.D.

(b) The Bonds shall be designated "General Obligation Bonds, Series 2017" or such other designation as shall be determined by the School Board pursuant to Section 8.1 hereof. The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on Interest Payment Dates. Interest on each Bond shall be paid by wire transfer, check or draft of the Paying Agent, payable in lawful money of the United States of America, to the person in whose name such Bonds is registered at the close of business on the Record Date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office of the Paying Agent on the Bonds Payment Date. Each Bond shall state that it is issued pursuant to SDCL 6-8B.

(c) The Registration Agent shall make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the Record Date by wire transfer, check or draft mailed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the School District in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable.

Section 4.4. Negotiability of Bonds.

All Bonds issued under this Resolution shall be negotiable, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds.

Section 4.5. Registration, Transfer and Exchange of Bonds.

(a) The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Bond or Bonds to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the publication of notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the School District to call such Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bonds, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the School District nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Bonds of the same maturity in any authorized denomination or denominations.

(b) Except as otherwise provided in this subsection, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bond. References in this Section to a Bond or the Bonds shall be construed to mean the Bond or the Bonds that are held under the Book-Entry System. One Bond for each maturity shall be issued to DTC and immobilized in its custody. Unless otherwise provided herein, a Book-Entry System shall be employed, evidencing ownership of the Bonds in authorized denominations, with transfers of beneficial ownership affected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are herein referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. **SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.**

Payments of principal, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. Neither the School District nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the School District determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, the School District may discontinue the Book-Entry System with DTC. If the School District fails to identify another qualified securities depository to replace DTC, the School District shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

NEITHER THE SCHOOL DISTRICT NOR THE REGISTRATION AGENT SHALL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

SO LONG AS A BOOK-ENTRY SYSTEM OF EVIDENCE OF TRANSFER OF OWNERSHIP OF ALL THE BONDS IS MAINTAINED IN ACCORDANCE HERewith, THE PROVISIONS OF THIS RESOLUTION RELATING TO THE DELIVERY OF PHYSICAL BONDS SHALL BE DEEMED INAPPLICABLE OR BE OTHERWISE SO CONSTRUED AS TO GIVE FULL EFFECT TO SUCH BOOK-ENTRY SYSTEM. IF THE PROVISIONS OF THE LETTER OF REPRESENTATION SHALL BE IN CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION AS SAID PROVISIONS RELATE TO DTC, THE PROVISIONS OF THE LETTER OF REPRESENTATION SHALL CONTROL.

Section 4.6. Mutilated, Lost, Stolen, or Destroyed Bonds.

(a) In the event any Bond is mutilated, lost, stolen, or destroyed, the School District may execute, and upon the request of an Authorized Officer of the School District the Registration Agent shall authenticate and deliver, a new Bond of like maturity, interest rate, and principal amount, and bearing the same number (but with appropriate designation indicating that such new Bond is a replacement Bond) as the mutilated, destroyed, lost, or stolen Bond, in exchange for the mutilated Bond or in substitution for the Bond so destroyed, lost, or stolen. In every case of exchange or substitution, the Bondholder shall furnish to the School District and the Registration Agent: (1) such security or indemnity as may be required by them to save each of them harmless from all risks, however remote; and, (2) evidence to their satisfaction of the mutilation, destruction, loss, or theft of the subject Bond and the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, the School District and the Registration Agent may require the Owner thereof to pay a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including printing costs and counsel fees, of the School District and the Registration Agent. In the event any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost, or stolen, the School District may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the Owner thereof shall pay all costs and expenses, including attorney's fees, incurred by the School District and the Registration Agent in connection herewith, as well as a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and shall furnish to the School District and the Registration Agent such security or indemnity as they may require to save them harmless and evidence to the satisfaction of the School District and the Registration Agent the mutilation, destruction, loss, or theft of such Bond and of the ownership thereof.

(b) Every Bond issued pursuant to the provisions of this section shall constitute an additional contractual obligation of the School District (whether or not the destroyed, lost, or stolen Bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Bond Resolution equally and proportionately with any and all other Bonds duly issued under this Bond Resolution.

(c) All Bonds shall be held and owned upon the express condition that the provisions of this Section are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Bonds, and, to the maximum extent legally permissible, shall preclude all other rights or remedies, notwithstanding any law or statute now existing or hereafter enacted to the contrary.

Section 4.7. Authentication.

The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the Purchaser or as it may designate upon receipt by the School District of the proceeds of the sale thereof, to authenticate and deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the Bond set forth herein on the Bond form.

Section 4.08 Qualification for DTC.

The Registration Agent is hereby authorized to take such actions as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by the DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the Owners of the Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

Section 4.09. Designation of Rating Agency.

The District may authorize the retention of the Rating Agency to rate the Bonds.

Section 4.10. Underwriter.

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

Section 4.11. Bond Counsel. The President and Business Manager are authorized to retain Meierhenry Sargent LLP as Bond Counsel upon such terms as they approve.

Section 4.11. Rating Agency.

The President and Business Manager are authorized to retain the Rating Agency upon such terms as they approve.

Section 4.12. Dissemination Agent.

The District authorizes the Authorized Officer of the District to retain a dissemination agent with regard to the written undertaking authorized in Section 10.8 hereof.

ARTICLE V

REDEMPTION OF BONDS PRIOR TO MATURITY

Section 5.1. Redemption.

The Bonds are subject to redemption as set forth in the Bond Purchase Agreement.

Section 5.2. Notice of Redemption.

Notice of call for redemption, whether optional or mandatory, shall be given by the Registrar and Paying Agent on behalf of the District not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Certificates to be redeemed by first-class mail, postage prepaid, at the addresses shown on the bond registration records of the Registrar and Paying Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Certificates for which proper notice was given. As long as DTC, or a successor depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registrar and Paying Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the District nor the Registrar and Paying Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registrar and Paying Agent shall mail said notices, in the case of mandatory redemption of term Certificates, as and when provided herein and in the Certificates, and, in the case of optional redemption, as and when directed by the District pursuant to written instructions from an Authorized Representative of the District given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registrar and Paying Agent).

Section 5.3. Payment of Redeemed Certificates.

(a) If notice of redemption shall have been given in the manner and under the conditions provided in Section 5.2 hereof and if on the date so designated for redemption the Registrar and Paying Agent shall hold sufficient monies to pay the redemption price of, and interest to the redemption date on, the Certificates to be redeemed as provided in this Resolution, then: (1) the Certificates so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Certificates on such date; (2) interest on the Certificates so called for redemption shall cease to accrue; and, (3) such Certificates shall no longer be

Outstanding or secured by, or be entitled to, the benefits of this Resolution, except to receive payment of the redemption price thereof and interest thereon from monies then held by the Registrar and Paying Agent.

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

ARTICLE VI

REGISTRATION AGENT

Section 6.1. Appointment and Acceptance of Duties.

(a) The School District hereby authorizes the Business Manager to appoint the Registration Agent with respect to the Bonds and authorizes and directs the Registration Agent to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance, upon transfer, or as otherwise directed by the School District, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the School District at least annually a Bond of destruction with respect to Bonds canceled and destroyed, and to furnish the School District at least annually an audit confirmation of Bonds paid, Bonds Outstanding and payments made with respect to interest on the Bonds. The President and the Business Manager, or either of them is hereby authorized to execute and the Business Manager is hereby authorized to attest such written agreement between the School District and the Registration Agent, as they shall deem necessary or proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

Section 6.2. Permitted Acts and Functions.

The Registration Agent may become the Owner of any Bonds, with the same rights as it would have if it were not a Registration Agent. The Registration Agent may act as an Purchaser or fiscal agent in connection with the sale of the Bonds or of any other securities offered or issued by the School District.

Section 6.3. Resignation or Removal of the Registration Agent and Appointment of Successors.

(a) The Registration Agent may at any time resign and be discharged of the duties and obligations created by the Bond Resolution by giving at least sixty (60) calendar days' written notice to the Business Manager. The Registration Agent may be removed at any time by the Business Manager, provided that such removal does not constitute a breach of any contractual agreement with any such Registration Agent, by filing written notice of such removal with such Registration Agent. Any successor Registration Agent shall be appointed by the Business Manager and shall be a trust company or a bank having the powers of a trust company, having a combined capital, surplus, and undivided profits aggregating at least Forty Million Dollars (\$40,000,000), willing to accept the office of Registration Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Bond Resolution.

(b) In the event of the resignation or removal of the Registration Agent, such Registration Agent shall pay over, assign and deliver any monies and securities held by it as Registration Agent, and all books and records and other properties held by it as Registration Agent, to its successor, or if there be no successor then appointed, to the Business Manager until such successor be appointed.

Section 6.4. Merger or Consolidation of Registration Agent.

Any corporation or association into which the Registration Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole, or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party shall be and become successor Registration Agent hereunder and shall be vested with all the trusts, powers, discretion, immunities, privileges, and other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein contained to the contrary notwithstanding. Upon any such conversion, merger, consolidation, sale or transfer, the Business Manager shall have the right and option, upon notice to such converted, merged, consolidated or acquiring entity, to remove such entity and appoint a successor thereto pursuant to the procedures and requirements set forth in Section 6.3 hereof.

ARTICLE VII

ADDITIONAL BONDS

The District may issue additional bonds payable from general taxes on a parity herewith.

ARTICLE VIII *DEFEASANCE OF BONDS*

Section 8.1. Defeasance of Bonds.

If the School District shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways, to wit:

- (a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;
- (b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Federal Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);
- (c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the School District shall also pay or cause to be paid all other sums payable hereunder by the School District with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the School District to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the School District shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Federal Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Federal Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Federal Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the School District as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal and premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the School District, as received by the Registration Agent. For the purposes of this Section, Federal Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under South Dakota Law for the purposes described in this Section, which Bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

ARTICLE IX *SALE OF BONDS AND DEPOSIT OF PROCEEDS*

Section 9.1. Sale of Bonds.

The Bonds shall be sold to the Purchaser at a price set forth in the Bond Purchase Agreement. The President and the Business Manager, or either of them, in consultation with the Purchaser, is authorized to make such changes in the structuring of the terms and sale of the Bonds as they shall deem necessary. In this regard, they, or either of them, in consultation with the Purchaser, are authorized to cause to be sold an aggregate principal amount of the Bonds less than that authorized herein, to sell in one or more series at the same or different dates, to sell any or all of the Bonds as term Bonds with annual mandatory redemption requirements which will produce substantially the same annual principal reductions as authorized herein, to change the dated date of the Bonds, and to adjust principal and interest payment dates and redemption dates of the Bonds. The form of the Bond set forth in Exhibit A attached hereto shall be conformed to reflect any changes, if any, as hereinbefore mentioned. The President and the Business Manager, or either of them, are hereby authorized to execute and the Business Manager is authorized to attest the Bond Purchase Agreement with the Purchaser providing for the purchase and sale of the Bonds. The Bond Purchase Agreement shall be in form and content acceptable to the President and Business Manager, the execution thereof by either of them to constitute conclusive evidence thereof, and approved as to form and legality by the District's attorney; provided the Bond Purchase Agreement effects the sale of the Bonds in accordance with the provisions of this Resolution, and is not inconsistent with the terms hereof. The President and the Business Manager are authorized to cause the Bonds to be authenticated and delivered by the Registration Agent to the Purchaser and to execute, publish, and deliver all Bonds and documents, including the Official Statement, and closing Bonds and documents, as they shall deem necessary in connection with the sale and delivery of the Bonds. Bond Counsel is authorized to release the Bonds in any closing.

Section 9.2. Official Statement.

The President, Business Manager, and the Purchaser are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Bonds (the "Preliminary Official Statement"). After the Bonds have been sold, the President and Business Manager shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission.

To comply with paragraph (b) (3) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule") and with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board, the School District agrees to deliver to the Purchaser, the Official Statement (which shall be a final official statement, as such term is defined in the Rule, as of its date) in an electronic format as prescribed by the MSRB.

Section 9.3. Disposition of Bond Proceeds.

The proceeds of the sale of the Bonds, combined with interest earnings, shall be deposited and accredited in the fund and accounts as prescribed by the South Dakota Department of Legislative Audit and will be used by the District to (1) construct, equip and furnish additions to the existing elementary, and high school facilities, (2) remodel the existing library, and (3) finance the costs of issuance.

Section 9.4. Tax Matters.

- (a) The School District covenants and agrees with the registered owners from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the basic interest on the Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

- (b) The President and the Business Manager, being the officers of the District charged with the responsibility for issuing the Bonds pursuant to this Resolution are hereby authorized and directed to execute and deliver to the Purchaser thereof a Bond in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected that the proceeds of the Bonds will be used in a manner that would not cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations.
- (c) The District further certifies and covenants as follows with respect to the requirements of Section 148 of the Code that the District reasonably expects, as of the Closing Date, that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by it and all subordinate entities during the calendar year of 2017 will not exceed \$15,000,000, \$10,000,000 of which will be used to construct public school facilities.
- (d) The District shall file with the Secretary of the Treasury a statement concerning the Bonds containing the information required by Section 149(e) of the Code.
- (e) Pursuant to Section 265(b)(3)(B)(ii) of the Code, the District hereby designates the Certificates as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. The District hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265 (b) (3) of the Code and including "qualified 501 (c) (3) bonds" but excluding other "private activity bonds," as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the District and all "subordinate entities" of the District in 2017 in an amount greater than \$10,000,000.

ARTICLE X

MISCELLANEOUS

Section 10.1. Failure to Present Bonds.

- (a) Subject to the provisions of Section 4.7 hereof, in the event any Bond shall not be presented for payment when the principal or redemption price hereof becomes due, either at maturity or at the date fixed for prior redemption thereof or otherwise, and in the event monies sufficient to pay such Bond shall be held by the Registration Agent for the benefit of the Owner thereof, all liability of the School District to such Owner for the payment of such Bond shall forthwith cease, determine, and be completely discharged. Whereupon, the Registration Agent shall hold such monies, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such monies for any claim under the Resolution or on, or with respect to, said Bonds.
- (b) If any Bond shall not be presented for payment within a period of five years following the date when such Bond becomes due, whether by maturity or otherwise, the Registration Agent shall, subject to the provisions of any applicable escheat or other similar law, pay to the School District any monies then held by the Registration Agent for the payment of such Bond and such Bond shall (subject to the defense of any applicable statute of limitation) thereafter constitute an unsecured obligation of the School District.

Section 10.2. Payments Due on Saturdays, Sundays, and Holidays.

In any case where the date of maturity or interest on or principal of any Bonds, or the date fixed for redemption of any Bonds, shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions similar to the Registration Agent are authorized by law to close, then the payment of the interest on, or the principal, or the redemption price of, such Bond need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions similar to the Registration Agent are authorized by law to close, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 10.3. Miscellaneous Acts.

The appropriate officers of the School District are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments, and certifications, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of the Bond Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery by the School District of the Bonds.

Section 10.4. Amendment.

The School Board is hereby authorized to make such amendments to the Bond Resolution as will not impair the rights of the Bondholders.

Section 10.5. No Recourse Under Bond Resolution or on Bonds.

All stipulations, promises, agreements, and obligations of the School District contained in the Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the School District and not of any officer, director, or employee of the School District in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Initial Resolution or the Resolution against any officer, director, or employee of the School District or against any official or individual executing the Bonds.

Section 10.6. Partial Invalidity.

If any one or more of the provisions of the Bond Resolution, or of any exhibit or attachment thereto, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but the Bond Resolution, and the exhibits and attachments thereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 10.7. Continuing Disclosure.

The School District hereby covenants and agrees that it will provide financial information and material event notices as required by Rule 15c2-12 of the Securities Exchange Commission (SEC) for the Bonds. The President is authorized to execute at the Closing of the sale of the Bonds, an agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the School District to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any

such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the School District to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance. The President is authorized to execute any amendments as he or she deems necessary to comply with any rules of regulations adopted by the SEC.

Section 10.8. Post Issuance Compliance.

The School District does hereby adopt Meierhenry Sargent Post-Issuance Compliance Policy and Tax-Advantaged Obligations and Continuing Disclosure with regard to the Certificates attached hereto. The School District appoints the Business Manager as its chief post issuance compliance officer.

Section 10.9. Conflicting Resolutions Repealed.

All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 10.10. Effective Date.

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

Said motion was seconded by Member _____ and upon vote being taken the following voted AYE: _____

_____ and the following voted NAY: _____

ATTEST:

President

Business Manager

EXHIBIT A- (FORM OF BONDS)

UNITED STATES OF AMERICA
STATE OF SOUTH DAKOTA
ALCESTER-HUDSON SCHOOL DISTRICT 61-1
LINCOLN AND UNION COUNTIES, SOUTH DAKOTA
GENERAL OBLIGATION BONDS, SERIES 2017

REGISTERED

REGISTERED

No.

\$.00

Interest Rate

%

Maturity Date

Bond Date

CUSIP No.

Registered Owner:

Cede & Co.
55 Water Street, 1st Floor.
New York, New York 10041
Tax ID #13-2555119

Principal Amount

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THE BOND SET FORTH ON THE FOLLOWING PAGES, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law. This Bond is issued in full compliance with SDCL §13-16 and Resolution _____, adopted _____, 2017.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until it shall have been authenticated by the execution by the Registrar of the Bond of authentication endorsed hereon.

IN WITNESS WHEREOF, the School District has caused this Bond to be signed by the manual or facsimile signature of its President of the School Board of the School District and to be countersigned by the manual or facsimile signature of its Business Manager all as of the Bond Date specified above.

ATTEST:

Business Manager

Alcester-Hudson School District 61-1 South Dakota

COUNTERSIGNED:

By:

Resident Attorney

President of the School Board

CERTIFICATE OF AUTHENTICATION

This Bond is a Bond of the series designated therein and has been issued under the provisions of the within-mentioned Resolution and the date of its authentication is _____, 2017.

Bond Registrar and Paying Agent

By: _____
Authorized Officer

KNOW ALL MEN BY THESE PRESENTS: That the Alcester-Hudson School District 61-1, Lincoln and Union Counties, South Dakota (the "School District"), hereby acknowledges itself to owe and for value received promises to pay, to the Registered Owner mentioned above in lawful money of the United States of America, together with interest thereon from the Bond Date mentioned above at the Interest Rate mentioned above. The interest hereon is payable _____, and semiannually thereafter on _____ and _____ in each year to maturity or earlier redemption by wire transfer, check or draft mailed to the Registered Owner at its address as it appears on the Bond registration books of the School District maintained by _____, as Bond registrar and paying agent (the "Registrar"), on the close of business on the ____ day of the calendar month (whether or not a business day) immediately preceding the interest payment date (the "Record Date"). The principal hereof due at maturity or upon redemption prior to maturity is payable at the office of Registrar upon presentation and surrender of this Bond at maturity or upon earlier redemption. The principal of, premium (if any) and interest on this Bond is payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

This Bond is one of an authorized issue of Bonds limited in aggregate principal amount to a maximum of \$7,310,000 (the "Bonds") and was authorized by District voters at a special election held September 19, 2017. Approximately 66% of the voters voted in favor of authorizing the Bonds all of like date and tenor except as to maturity, interest rates and privileges of redemption, the proceeds of this issue will be used by the District to (1) construct, equip and furnish additions to the existing elementary and high school facilities, (2) remodel the existing library, and (3) finance the costs of issuance of the Bonds described herein., pursuant to a resolution duly and regularly adopted by the School District (the "Bond Resolution"), and are subject to all the provisions and limitations of the Resolution and Chapters 13-19 and 6-8B, South Dakota Codified Laws, as amended. The District has levied an irrevocable tax for the payment of the Bonds.

[REDEMPTION PROVISIONS]

This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the office of the Bond Registrar in _____, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefore.

The School District and the Bond Registrar may deem and treat the registered holder hereof as the absolute owner hereof and neither the School District nor the Bond Registrar shall be affected by any notice to the contrary.

BOND OPINION

\$ _____
Alcester-Hudson School District 61-1
Lincoln and Union Counties, South Dakota
General Obligation Bonds, Series 2,017

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Alcester-Hudson School District 61-1 (the "Issuer") of \$ _____ General Obligation Bonds, Series 2017, dated _____, _____, (the "Bonds"). We have examined such certified proceedings and other papers as we deem necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify such facts by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds are valid and binding general obligations of the Issuer.
2. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.
3. The Bonds have been duly authorized by the electors of the District and pursuant to Resolution No. _____ adopted by the Issuer on _____, 2017, executed and delivered by the Issuer in full compliance with SDCL § 6-8B and are valid and binding general obligations of the Issuer.
4. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on certain corporations as defined for federal income tax purposes, such interest is taken into account in determining adjusted current earnings. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986 as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.
5. Under existing law, the interest on the Bonds is includible in "taxable income" for the State of South Dakota income tax purposes when the recipient is a "financial institution" as defined by Chapter 10-43, South Dakota Codified Laws, according to present state laws, regulations and decisions. We express no further opinions regarding other South Dakota tax consequences arising with regard to the Bonds.
6. The Bonds are qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Code.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity and subject to regulatory requirements under the laws of the United States and of the State of South Dakota.

Meierhenry Sargent LLP

AS PROVIDED IN THE RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISIONS OF THE RESOLUTION TO THE CONTRARY, A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE REGISTRAR. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE RESOLUTION.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE REGISTRAR FOR PAYMENT OF PRINCIPAL, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, DTC OR ITS NOMINEE, HAS AN INTEREST HEREIN.

(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Post-Issuance Compliance Policy for Tax-Exempt and Tax-Advantaged Obligations and Continuing Disclosure

Definitions

“Compliance Officer” means the Business Manager of the Issuer.

“Issuer” means the Alcester-Hudson School District 61-1.

Statement of Purpose

This Post-Issuance Compliance Policy (the “Policy”) sets forth specific policies of the Issuer designed to monitor post-issuance compliance:

- (i) with applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations promulgated thereunder (“Treasury Regulations”) for obligations issued by the Issuer on tax-exempt or tax-advantaged basis (“Obligations”); and
- (ii) with applicable requirements set forth in certificates and agreement(s) (“Continuing Disclosure Agreements”) providing for ongoing disclosure in connection with the offering of obligations to investors (“Offerings”), for obligations (whether or not tax-exempt/tax-advantaged) subject to the continuing disclosure requirements of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934.

This Policy documents practices and describes various procedures and systems designed to identify on a timely basis facts relevant to demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Obligations in order that the interest on such Obligations continue to be eligible to be excluded from gross income for federal income tax purposes or that the Obligations continue to receive tax-advantaged treatment. The federal tax law requirements applicable to each particular issue of Obligations will be detailed in the arbitrage or tax certificate prepared by bond counsel and signed by officials of the Issuer and the post-closing compliance checklist provided by bond counsel with respect to that issue. This Policy establishes a permanent, ongoing structure of practices and procedures that will facilitate compliance with the requirements for individual borrowings.

This Policy similarly documents practices and describes various procedures and systems designed to ensure compliance with Continuing Disclosure Agreements, by preparing and disseminating related reports and information and reporting “material events” for the benefit of the holders of the Issuer's obligations and to assist the Participating Underwriters (within the meaning of the Rule) in complying with the Rule.

The Issuer recognizes that compliance with pertinent law is an on-going process, necessary during the entire term of the obligations, and is an integral component of the Issuer's debt management. Accordingly, the analysis of those facts and implementation of the Policy will require on-going monitoring and consultation with bond counsel and the Issuer's accountants and advisors.

General Policies and Procedures

The following policies relate to procedures and systems for monitoring post-issuance compliance generally.

- A. The Compliance Officer shall be responsible for monitoring post-issuance compliance issues.
- B. The Compliance Officer will coordinate procedures for record retention and review of such records.

- C. All documents and other records relating to Obligations issued by the Issuer shall be maintained by or at the direction of the Compliance Officer. In maintaining such documents and records, the Compliance Officer will comply with applicable Internal Revenue Service (“IRS”) requirements, such as those contained in Revenue Procedure 97-22.
- D. The Compliance Officer shall be aware of options for voluntary corrections for failure to comply with post-issuance compliance requirements (such as remedial actions under Section 1.141-12 of the Regulations and the Treasury's Tax-Exempt Bonds Voluntary Closing Agreement Program) and take such corrective action when necessary and appropriate.
- E. The Compliance Officer will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually.

Issuance of Obligations - Documents and Records

With respect to each issue of Obligations, the Compliance Officer will:

- A. Obtain and store a closing binder and/or CD or other electronic copy of the relevant and customary transaction documents (the “Transcript”).
- B. Confirm that bond counsel has filed the applicable information report (e.g., Form 8038, Form 8038-G, Form 8038-CP) for such issue with the IRS on a timely basis.
- C. Coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Obligations with other applicable staff members of the Issuer.

Arbitrage

The following policies relate to the monitoring and calculating of arbitrage and compliance with specific arbitrage rules and regulations.

The Compliance Officer will:

- A. Confirm that a certification of the initial offering prices of the Obligations with such supporting data, if any, required by bond counsel, is included in the Transcript.
- B. Confirm that a computation of the yield on such issue from the Issuer's financial advisor or bond counsel (or an outside arbitrage rebate specialist) is contained in the Transcript.
- C. Maintain a system for tracking investment earnings on the proceeds of the Obligations.
- D. Coordinate the tracking of expenditures, including the expenditure of any investment earnings. If the project(s) to be financed with the proceeds of the Obligations will be funded with multiple sources of funds, confirm that the Issuer has adopted an accounting methodology that maintains each source of financing separately and monitors the actual expenditure of proceeds of the Obligations.
- E. Maintain a procedure for the allocation of proceeds of the issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures. This procedure shall include an examination of the expenditures made with proceeds of the Obligations within 18 months after each project financed by the Obligations is placed in service and, if necessary, a reallocation of expenditures in accordance with Section 1.148-6(d) of the Treasury Regulations.

- F. Monitor compliance with the applicable “temporary period” (as defined in the Code and Treasury Regulations) exceptions for the expenditure of proceeds of the issue, and provide for yield restriction on the investment of such proceeds if such exceptions are not satisfied.
- G. Ensure that investments acquired with proceeds of such issue are purchased at fair market value. In determining whether an investment is purchased at fair market value, any applicable Treasury Regulation safe harbor may be used.
- H. Avoid formal or informal creation of funds reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.
- I. Consult with bond counsel prior to engaging in any post-issuance credit enhancement transactions or investments in guaranteed investment contracts.
- J. Identify situations in which compliance with applicable yield restrictions depends upon later investments and monitor implementation of any such restrictions.
- K. Monitor compliance with six-month, 18-month or 2-year spending exceptions to the rebate requirement, as applicable.
- L. Procure a timely computation of any rebate liability and, if rebate is due, to file a Form 8038-T and to arrange for payment of such rebate liability.
- M. Arrange for timely computation and payment of “yield reduction payments” (as such term is defined in the Code and Treasury Regulations), if applicable.

Private Activity Concerns

The following polices relate to the monitoring and tracking of private uses and private payments with respect to facilities financed with the Obligations.

The Compliance Officer will:

- A. Maintain records determining and tracking facilities financed with specific Obligations and the amount of proceeds spent on each facility.
- B. Maintain records, which should be consistent with those used for arbitrage purposes, to allocate the proceeds of an issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures.
- C. Maintain records allocating to a project financed with Obligations any funds from other sources that will be used for otherwise non-qualifying costs.
- D. Monitor the expenditure of proceeds of an issue and investment earnings for qualifying costs.
- E. Monitor private use of financed facilities to ensure compliance with applicable limitations on such use. Examples of potential private use include:
 - 1. Sale of the facilities, including sale of capacity rights;

2. Lease or sub-lease of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers) or leasehold improvement contracts;
3. Management contracts (in which the Issuer authorizes a third party to operate a facility, e.g., cafeteria) and research contracts;
4. Preference arrangements (in which the Issuer permits a third party preference, such as parking in a public parking lot);
5. Joint-ventures, limited liability companies or partnership arrangements;
6. Output contracts or other contracts for use of utility facilities (including contracts with large utility users);
7. Development agreements which provide for guaranteed payments or property values from a developer;
8. Grants or loans made to private entities, including special assessment agreements; and
9. Naming rights arrangements.

Monitoring of private use should include the following:

1. Procedures to review the amount of existing private use on a periodic basis; and
2. Procedures for identifying in advance any new sale, lease or license, management contract, sponsored research arrangement, output or utility contract, development agreement or other arrangement involving private use of financed facilities and for obtaining copies of any sale agreement, lease, license, management contract, research arrangement or other arrangement for review by bond counsel.

If the Compliance Officer identifies private use of facilities financed with tax-exempt or tax-advantaged debt, the Compliance Officer will consult with the Issuer's bond counsel to determine whether private use will adversely affect the tax status of the issue and if so, what remedial action is appropriate. The Compliance Officer should retain all documents related to any of the above potential private uses.

Qualified Tax-Exempt Obligations

If the Issuer issues qualified tax-exempt obligations in any year, the Compliance Officer shall monitor all tax-exempt financings (including lease purchase arrangements and other similar financing arrangements and conduit financings on behalf of 501(c)(3) organizations) to assure that the \$10,000,000 "Small Issuer" limit is not exceeded.

Federal Subsidy Payments

The Compliance Officer shall be responsible for the calculation of the amount of any federal subsidy payments and the timely preparation and submission of the applicable tax form and application for federal subsidy payments for tax-advantaged obligations such as Build America Bonds, New Clean Renewable Energy Bonds and Qualified School Construction Bonds.

Reissuance

The following policies relate to compliance with rules and regulations regarding the reissuance of Obligations for federal law purposes.

The Compliance Officer will identify and consult with bond counsel regarding any post-issuance change to any terms of an issue of Obligations which could potentially be treated as a reissuance for federal tax purposes.

Record Retention

The following policies relate to retention of records relating to the Obligations issued. The Compliance Officer will:

- A. Coordinate with staff regarding the records to be maintained by the Issuer to establish and ensure that an issue remains in compliance with applicable federal tax requirements for the life of such issue.
- B. Coordinate with staff to comply with provisions imposing specific recordkeeping requirements and cause compliance with such provisions, where applicable.
- C. Coordinate with staff to generally maintain the following:
 1. The Transcript relating to the transaction (including any arbitrage or other tax certificate and the bond counsel opinion);
 2. Documentation evidencing expenditure of proceeds of the issue;
 3. Documentation regarding the types of facilities financed with the proceeds of an issue, including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation.
 4. Documentation evidencing use of financed property by public and private entities (e.g., copies of leases, management contracts, utility user agreements, developer agreements and research agreements);
 5. Documentation evidencing all sources of payment or security for the issue; and
 6. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received by the investment of proceeds, guaranteed investment contracts, and rebate calculations).
- D. Coordinate the retention of all records in a manner that ensures their complete access to the IRS.
- E. Keep all material records for so long as the issue is outstanding (including any refunding), plus seven years.

Continuing Disclosure

Under the provisions of SEC Rule 15c2-12 (the "Rule"), Participating Underwriters (as defined in the Rule) are required to determine that issuers (such as the Issuer) have entered into written Continuing Disclosure Agreements to make ongoing disclosure in connection with Offerings subject to the Rule. Unless the Issuer is exempt from compliance with the Rule or the continuing disclosure provisions of the Rule as a result of certain permitted exemptions, the Transcript for each issue of related obligations will include a Continuing Disclosure Agreement executed by the Issuer.

In order to monitor compliance by the Issuer with its Continuing Disclosure Agreements, the Compliance Officer will, if and as required by such Continuing Disclosure Agreements:

- A. Assist in the preparation or review of annual reports ("Annual Reports") in the form required by the related Continuing Disclosure Agreements.
- B. Maintain a calendar, with appropriate reminder notifications, listing the filing due dates relating to dissemination of Annual Reports, which annual due date is generally expressed as a date within a certain number of days (e.g., 365 days) following the end of the Issuer's fiscal year (the "Annual Report Due Date"), as provided in the related Continuing Disclosure Agreements.
- C. Ensure timely dissemination of the Annual Report by the Annual Report Due Date, in the format and manner provided in the related Continuing Disclosure Agreements, which may include transmitting such filing to the Municipal Securities Rulemaking Board ("MSRB") through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB.
- D. Monitor the occurrence of any "Material Event" (as defined in the Continuing Disclosure Agreements) and timely file notice of the occurrence of any such Material Event in the manner provided under the Continuing Disclosure Agreements. To be timely filed, such notice must be transmitted within 10 days (or such other time period as set forth in the Continuing Disclosure Agreements) of the occurrence of such Material Event.
- E. Ensure timely dissemination of notice of any failure to perform under a Continuing Disclosure Agreement, if and as required by the Continuing Disclosure Agreement.
- F. Respond to requests, or ensure that the Issuer Contact (as defined in the Continuing Disclosure Agreement) responds to requests, for information under the Rule, as provided in the Continuing Disclosure Agreements.
- G. Monitor the performance of any dissemination agent(s) engaged by the Issuer to assist in the performance of any obligation under the Continuing Disclosure Agreements.

PASSED and ADOPTED by the Alcester-Hudson School District 61-1, this _____ day of _____, 2017.

President of the School Board

ATTEST:

Business Manager

MOTION BY _____ SECONDED BY _____ ALL YES _____ YES _____ NO _____

8. Discuss the bids received for soil boring
9. Motion to approve agreement between Alcester-Hudson School District and _____ (Soil Boring)

MOTION BY _____ SECONDED BY _____ ALL YES _____ YES _____ NO _____

10. Motion to approve a school board member _____ to the ASBSD Delegate Assembly

MOTION BY _____ SECONDED BY _____ ALL YES _____ YES _____ NO _____

11. Discuss future projects at the track

J. COMMITTEE/SUPERINTENDENT/PRICIPAL REPORTS

- a. Superintendent's Report
 - Bus Report
 - Elementary Report
 - Count Update
 - Strategic Planning Update

- b. Principal's Report

K. EXECUTIVE SESSION

1. Will require a motion to go into executive session for the purpose of SDCL 1-25-2(1) discussing the qualifications, competence, performance, character or fitness of any public officer or employee or prospective public officer or employee. In executive session at _____. Out of executive session at _____.

MOTION BY _____ SECONDED BY _____ ALL YES _____ YES _____ NO _____

L. ADJOURNMENT

1. Will require a motion to adjourn the regularly scheduled October 9, 2017 Board of Education meeting at _____.

MOTION BY _____ SECONDED BY _____ ALL YES _____ YES _____ NO _____