

Intermediate District 287

Responsive. Innovative. Solutions.



Intermediate District 287

Regular Meeting

Thursday, October 28, 2010 6:30 PM

Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS

GENERAL MEETING OF THE BOARD

Thursday, October 28, 2010

6:30 PM @ District Service Center Board Room

AGENDA

Page #

1. **CALL TO ORDER** (Action)
2. **APPROVAL OF GENERAL MEETING AGENDA** (Action)
3. **OPEN FORUM** (Information)
4. **APPROVAL OF CONSENT AGENDA** (Action)
 4. 1. General Board Meeting Minutes from October 14, 2010 4
 4. 2. Routine Human Resource Activities for October 28, 2010 7
5. **SHARE THE SUCCESS & RECOGNITIONS - None**
6. **SUPERINTENDENT'S REPORT - (15 minutes)** (Information)
 6. 1. Strategic Plan Update 13
 6. 2. Hennepin County Model for Dropout Prevention and Recovery
 6. 3. FY12 Budget
 6. 4. Bloomington Public Schools Report 28
7. **INSTRUCTIONAL REPORT - None**
8. **ADMINISTRATIVE SERVICES REPORT - (40 minutes)**
 8. 1. Financial Report
 8. 1. 1. Approval of Routine Monthly Finance Report (Action) 29
Janet Johnson will provide an overview of the monthly finance report and the Board will be asked to approve it.
 8. 2. Facilities Report
 8. 2. 1. North Education Center (NEC) Facility Committee Report (Information) 39
Committee Chair Peyton Robb will provide a brief overview of the October 19, 2010 meeting including key dates for future events.
 8. 2. 2. Design Development Phase for NEC (Action) 41
Committee Chair Peyton Robb will share an overview of the Design Development Phase for NEC and recommend approval.
 8. 2. 3. Revisions to the TSP Contract Related to the 3rd Floor Deduct Plan (Action) 43
Committee Chair Peyton Robb will summarize the revision to the TSP contract related to the 3rd floor deduct plan and recommend approval.
 8. 2. 4. Approval of Resolution to Complete NEC Financing (Resolution) 50
Janet Johnson will present a resolution that will complete this phase of financing for NEC and recommend approval.
 8. 2. 5. Designation of Financial Institution 179
 8. 3. Human Resource Report - None
9. **BOARD BUSINESS - (15 minutes)**
 9. 1. Policy Review & Revision 180

9. 1. 1. Policy Development, Adoptions, Implementation and Review (First Read) <i>(Information)</i>	181
9. 1. 2. Health and Medical Policies (Second Read & Approval) <i>(Action)</i>	
9. 1. 2. 1. Health and Medical Goals (HM 100)	184
9. 1. 2. 2. Drug-Free Workplace/Drug-Free Schools (HM 200)	190
9. 1. 2. 2. 1. Drug-Free Workplace/Drug-Free Schools Policy Memo	193
9. 1. 2. 3. Tobacco-Free Schools (HM 160)	195
9. 2. Board Reports	
9. 2. 1. Chair Report	
9. 2. 2. AMSD Report (Ann Bremer) <i>(Information)</i>	
9. 2. 2. 1. AMSD Connections October 2010 Newsletter	196
9. 2. 3. Expiration of Board Terms <i>(Information)</i>	
9. 2. 4. Local 2209 - School Board Breakfast <i>(Information)</i>	
9. 2. 5. Superintendent Evaluation <i>(Information)</i>	
9. 3. District News <i>(Information)</i>	
9. 3. 1. School Board Planning Calendar	201
9. 3. 2. October 28, 2010 Calendar	203
9. 4. Once Around the Table	
10. ADJOURNMENT	

DISTRICT 287 REGULAR BOARD MEETING
Intermediate District 287
October 14, 2010
MINUTES

1. CALL TO ORDER

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

286	Brooklyn Center	Greg Thielsen
272	Eden Prairie	Carol Bomben
270	Hopkins	Sally Johnson
276	Minnetonka	Don Draayer
278	Orono	Michèle Kunz
279	Osseo	Steven Antolak
280	Richfield	Nancy Rowley
281	Robbinsdale	Linda Johnson
283	St. Louis Park	Pam Rykken
284	Wayzata	Carter Peterson
277	Westonka	Ann Bremer

Absent: 271/Bush and 273/Robb

Guests: David Esposito

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

287 Staff Members: Bruce Mulder and Sara Ruff

2. APPROVAL OF GENERAL MEETING AGENDA

The general meeting agenda was presented for approval. *Motion by Michèle Kunz, seconded by Nancy Rowley, to approve the meeting agenda. All in favor. Motion carried unanimously.*

3. OPEN FORUM FOR COMMUNITY COMMENTS - None

4. APPROVAL OF CONSENT AGENDA

The Consent Agenda was presented for approval. The Consent Agenda included the general meeting minutes from September 23, 2010, approval of the Carl D. Perkins Education Act-Basic Grant, Federal Title II, Federal Title III, and Math & Science Teacher Partnership, and Minnesota State Arts Learning Grant, and St. David's Center Lease. *Motion by Carter Peterson, seconded by Carol Bomben, to approve the consent agenda as presented. All in favor. Motion carried unanimously.*

5. SHARE THE SUCCESS & RECOGNITIONS - None

6. SUPERINTENDENT'S REPORT

Superintendent Lewandowski and Dr. Jane Holmberg, Executive Director of Teaching and Learning presented a brief overview to the Board on "What Board Members Should Know About Our Online Learning Efforts and Vision." The summary gives an outline of Intermediate District Northern Star Online (NSO) program. Intermediate District 287 is a leader in online learning for the region and state, with course enrollment up and 85 teachers from many districts across the state having developed online units that are accessible to all schools.

Sandy presented to the Board a document summary on “Alternative School Talking Points.” The summary was developed in response to the recent State Auditor’s report and StarTribune article about contract alternatives. The summary provides Board members, lobbyists, and member district administrators’ information that differentiates the 287 Area Learning Center programs from the contract alternatives in the report.

Sandy presented to the Board an invitation to the North Education Center Groundbreaking ceremony, October 28, at 5:00 PM.

Sandy briefly updated the Board on the October 8 meeting of Hennepin County Commissioners and Superintendents. It was well attended and productive. Superintendents advised on how best to approach the scheduled November 10 strategic conversation on dropout prevention in Hennepin County.

7. INSTRUCTIONAL REPORT

Ms. Laura Keller-Gautsch, Executive Director of Special Education and Dr. Jane Holmberg, Executive Director of Teaching and Learning presented to the Board on the 2009-2010 Professional Learning Community (PLC) Summary Report. Laura discussed the fundamental shift in thinking that PLCs represents, particularly for an organization such as 287 that has had a culture of autonomous teaching. Dr. Holmberg reported on three district changes in the PLC support and structure this year; 1) “data coaches” are assisting each building team; 2) district expectations for literacy learning have been clearly articulated in the goals, and additional investments in reading specialist time and in reading curriculum have been made, and 3) the Superintendents’ goal for an integrated system of formative assessment guiding continuous improvement and increasing student achievement.

8. BOARD BUSINESS

Policy Review & Revision – None

Board Chair Johnson announced to the Board that the Policy Development, Adoption, Implementation & Review and Health and Medical Policies is moved to the October 28 Board agenda.

Chair Report

Board Chair Johnson announced 2011 NSBA Annual Conference is scheduled for April 9-11, 2010.

AMSD Report - None

Once Around the Table – None

Steven Antolak gave a brief overview to the Board on the TIES 43rd Annual meeting held on September 29, 2010.

9. ADMINISTRATIVE SERVICE REPORTS

Financial Report

Mrs. Janet Johnson, Director of Finance recommended approval of a resolution for Sale of Bonds for North Education Center. *Resolution motion was made by Steven Antolak, to waive the reading of the resolution and approve it as written, seconded by Don Draayer, to approve the resolution for Sale of Bonds for North Education Center as presented. Those voting in favor were: Bremer, Peterson, Rykken, Antolak, Kunz, S. Johnson, Bomben, Thielsen, Rowley, Draayer, and L. Johnson. There were no votes against, no abstentions. Motion carried.*

Janet briefly updated the Board on Intermediate District 287’s intent to apply for the district-allocated Federal Jobs Funding. The application will allow the district to use funds over a two year time period in two primary categories; 1) to help in areas where there district is spending but there is already an acknowledgement there may not adequate revenue to cover needed staffing; and 2) to invest in areas that support strategic goals.

Facilities Report

Mr. Tom Schultz, Director of Facilities briefly updated the Board on the October 5 unanimous recommendation by the New Hope City Planning Commission to approve the Conditional Use Permit to build a North Education Center, the recommendation now goes to the full New Hope City Council for approval.

Human Resources Report – Closed Session

At the recommendation of Board Chair Johnson, *a motion was made by Carter Peterson, seconded by Steven Antolak, to close the meeting pursuant to Minnesota Statutes, section 13D.05, subdivisions 2 and 3, this agenda item will be closed for preliminary consideration of allegations against one or more of its employees, and, a discussion with its attorneys. All in favor. Motion carried unanimously.* The meeting was closed to the public at 8:04 PM.

Bloomington Public Schools – Closed Session

At the recommendation of Board Chair Johnson, *a motion was made by Carter Peterson, seconded by Steven Antolak, to close the meeting to develop a plan for evaluation of the District’s real and personal property, as required in Minnesota Statute §13D.05, subd. 3(c). All in favor. Motion carried. All in favor. Motion carried unanimously.* The meeting was closed to the public at 8:04 PM. *A motion was made by Steven Antolak, seconded by Carter Peterson, to reopen the general meeting. All in favor. Motion carried unanimously.* The general meeting reopened at 9:02 PM.

10. ADJOURNMENT

Motion was heard and seconded to adjourn the meeting. Meeting adjourned at 9:08 PM.

The next general meeting will be held on October 28, 2010, at 6:30 PM in the DSC Board Room.

Submitted by
Wauneen Mgeni
Secretary to the Board

Signed: Chair _____ Clerk _____
Date _____ Date _____

**ROUTINE HUMAN RESOURCES ACTIVITIES FOR THE INTERMEDIATE DISTRICT 287
SCHOOL BOARD – October 28, 2010**

LICENSED STAFF

1. New Hires:

A. Regular

- DEBRA M. SETTAMBRINO, DCD Instructor at Bren Road Education Center, **additional position due to increased enrollment**, effective September 20, 2010 – 1.0 FTE.
- CARLA R. STEINBRING, Blind/Visually Impaired Instructor at the District Service Center, **refill for A. Abraham**, effective September 20, 2010 - .4 FTE.

B. Reinstatement of Licensure Waivers

- CONSTANCE HALL, Medical Careers Instructor at Eden Prairie Campus, effective September 27, 2010 - .8 FTE.
- SHIOW-JEN LIANG-SUN, Chinese Instructor at Orono High School, effective August 30, 2010 – 1.0 FTE.

Reinstatement

-

C. Temporary:

- JAYSEN ANDERSON, Independent Study Work Experience Coordinator at Brooklyn Center High School, effective September 29, 2010 through June 30, 2011.
- ROBERT ANDRESEN, Online English/Language Arts Instructor, effective September 13, 2010 through January 30, 2011.
- JOSEPHINE AUYEUNG, Online Japanese Instructor, effective September 13, 2010 through January 30, 2011.
- REBECCA J. BRUSTAD, Independent Study Work Experience Coordinator at SECA, effective October 5, 2010 through June 30, 2011.
- BRENDON J. BURK, Independent Study English/Language Arts Instructor at Westonka High School, effective October 26, 2010 through June 30, 2011.
- PAMELA J. CARLSON, Independent Study Science Instructor at SECA, effective October 5, 2010 through June 30, 2011.
- JODY CHERWENKA, Instructor DCD at Northwest Tech Center, effective October 4, 2010 through December 22, 2010.
- SARAH CHRISTOPHERSON, Online Social Studies Instructor, effective September 13, 2010 through January 30, 2011.
- RAINBOW ESPINOSA, RAMP UP Tutor effective October 6, 2010 through May 31, 2011.

- THOMAS FRANKE, Online Science Instructor, effective September 13, 2010 through January 30, 2011.
- KELLY GARITA, Independent Study Science Instructor at SECA, effective October 5, 2010 through June 30, 2011.
- KELLY GREISBACH, RAMP UP Tutor effective October 6, 2010 through May 31, 2011.
- KARIN C. GUSTAFSON, RAMP UP Tutor effective October 6, 2010 through May 31, 2011.
- JESSICA C. HASSIS, Physical Therapist at the District Service Center, effective September 22, 2010 through December 22, 2010.
- JENNIFER HEIMLICH, Online Social Studies Instructor, effective September 13, 2010 through January 30, 2011.
- KARAH HOLLE, Online English/Language Arts Instructor, effective September 13, 2010 through January 30, 2011.
- LINDSEY C. JELLE, Independent Study Math Instructor at SECA, effective October 5, 2010 through June 30, 2011.
- MASON J. JOHNSON, RAMP UP Tutor effective October 6, 2010 through May 31, 2011.
- ROBERT KIEFFER, Independent Study Social Studies Instructor at SECA, effective October 5, 2010 through June 30, 2011.
- BETH KOWSKI, Independent Study English Instructor at SECA, effective October 5, 2010 through June 30, 2011.
- WESLEY G. LARSON, RAMP UP Tutor effective October 6, 2010 through May 31, 2011.
- DARLENE LEIMER, Online Business Instructor, effective September 13, 2010 through January 30, 2011.
- TARIK LEMTOUNI, Online Math Instructor, effective September 13, 2010 through January 30, 2011.
- JULIE LENTZ, Online Social Studies Instructor, effective September 13, 2010 through January 30, 2011.
- DAIN LIEPA, Online English/Language Arts Instructor, effective September 13, 2010 through January 30, 2011.
- CANDACE J. LOVETT, RAMP UP Tutor effective October 6, 2010 through May 31, 2011.
- SACHIE MAKABE, Online Japanese Instructor, effective September 13, 2010 through January 30, 2011.
- DONNA McCARTHY, Online Social Studies Instructor, effective September 13, 2010 through January 30, 2011.
- BLAINE R. McCUTCHAN, RAMP UP Tutor effective October 6, 2010 through May 31, 2011.

- JULIE A. MURPHY, RAMP UP Tutor effective October 6, 2010 through May 31, 2011.
- DON MYHRE, Online Business Instructor, effective September 13, 2010 through January 30, 2011.
- CYNTHIA OLSON, Independent Study Math Instructor, effective September 28, 2010 through June 30, 2011.
- CINDI PATTEN, Online Social Studies Instructor, effective September 13, 2010 through January 30, 2011.
- ELIZABETH PETERSON, RAMP UP Math Coordinator, effective September 9, 2010 through May 31, 2011.
- ALYSON PURDY, Online Biology Instructor, effective September 13, 2010 through January 30, 2011.
- WILLIAM RAUEN, Online Math Instructor, effective September 13, 2010 through January 30, 2011.
- JASON REESE, Independent Study Math Instructor, effective September 21, 2010 through June 30, 2011.
- GREG RIEN, Online Social Studies Instructor, effective September 13, 2010 through January 30, 2011.
- MARK SATEREN, Online Mentor, effective September 13, 2010 through January 30, 2011.
- NAOMI SATOH, Japanese curriculum development, effective July 1, 2010 through September 30, 2010.
- JENNIFER TUURI SAYBOLT, Online English/Language Arts Instructor, effective September 13, 2010 through January 30, 2011.
- DANIELLE T. SCHLOMANN, Physical Therapist at the District Service Center, effective September 20, 2010 through December 22, 2010.
- MITSUKO SHAW, Japanese curriculum development at the District Service Center, effective July 1, 2010 through September 30, 2010.
- MICHAEL SMART, Online Japanese Instructor, effective September 13, 2010 through January 30, 2011.
- DONNA SMESTAD, Online Work Experience Coordinator, effective September 13, 2010 through January 30, 2011.
- KRIS TUMA, Occupational Therapist at the District Service Center, effective August 30, 2010 through June 10, 2011.
- CHRISTINE WHRITENOUR, Online Phy. Ed. Instructor, effective September 13, 2010 through January 30, 2011.
- SCOTT WOELBER, Online Math Instructor, effective September 13, 2010 through January 30, 2011.

- JACQUES YOUAKIM, Online Math Instructor, effective September 13, 2010 through January 30, 2011.

D. Substitutes

- MIKE PERSZYK

2. Extended Leaves of Absence:

A. Unpaid

- DAWN R. PETERSON, unpaid child care leave of absence effective October 25, 2010 through December 31, 2010.

3. Separations:

A. Dismissal

-

B. Resignation

- HAROLD G. WHITE, Math/EBD Instructor at Bren Road Education center, effective June 13, 2011.

C. Retirement (Regular/Disability)

- JUDITH M. NORMANDIN, Vision Instructor at the District Service Center, effective December 31, 2010.

4. Other:

A.

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

NON-LICENSED STAFF:

1. New Hires:

A. Regular

- AMY MARINO, Interpreter at Various Sites, **additional position due to increased enrollment**, effective September 20, 2010 Step 1 Lane 4 + BA Certification – .375 FTE.
- NATHANIEL TUBBS, Education Assistant at Edgewood Education Center, **additional position due to increased enrollment**, effective September 16, 2010 Step 10 Lane 5 +BA - .875 FTE.
- SARA BOULGER, (current clerical) Education Assistant at Bren Road Education Center, **additional position due to increased enrollment**, effective September 20, 2010 Step 11 Lane 4 +90 credits - .875 FTE.

- EMILY BECKER, Education Assistant at Sandburg Education Center, **additional position due to increased enrollment**, effective September 23, 2010 Step 5 Lane 4 +90 credits – .875 FTE.
- ANDREW LILLION, Education Assistant at Sandburg Education Center, **additional position due to increased enrollment**, effective September 24, 2010 Step 4 Lane 5 +BA – .875 FTE.
- RACHEL ARTH, Interpreter at Various Sites, **additional position due to increased enrollment**, effective September 27, 2010 Step 6 Lane 3 +AA Certification - .875 FTE.
- KEDRICK WILLIAMS, Education Assistant at Hennepin County Home School, **additional position due to increased enrollment**, effective September 30, 2010 Step 7 Lane 1 - .875 FTE.
- CHERYL PUCKETT, Clerical at Hennepin County Home School, **refill for S. Boulger**, effective September 30, 2010 Grade III Step 2 – 12 month - .8 FTE.
- ANNIE TOLLEFSON, Education Assistant at Sandburg Education Center, **additional position due to increased enrollment**, effective October 4, 2010 Step 5 Lane 5 +BA - .875 FTE.

B. Temporary

- MATT GARDNER, Education Assistant at South Education Center, effective October 6, 2010 through November 5, 2010.

C. Substitutes

-

2. Extended Leaves of Absence:

A. Unpaid

- MARK FOSTER, Education Assistant at Sandburg Education Center, effective October 22, 2010 through June 30, 2011.
- SHATIKA PENNY, Education Assistant at Sandburg Education Center, effective September 15, 2010 through June 13, 2011.
- TAMARA C ANDERSON, Education Assistant at Sandburg Education Center, .2 FTE effective September 27, 2010 through June 13, 2011.
- PAUL CAUSTON, Education Assistant at South Education Center, .075 FTE effective September 20, 2010 through June 13, 2011.

3. Separations:

A. Dismissal

-

B. Resignation

- ANGELA MAY, Parent Child Specialist at North Vista, effective January 2, 2011.
- BILL SANDY, Education Assistant at Sandburg Education Center, effective October 12, 2010.

C. Retirement (Regular/Disability)

- DAWN L ANDERSON, Parent Child Specialist, effective December 31, 2010.
- ROSE ANN MAZIERSKI, Education Assistant, effective June 30, 2011.

4. Other:

- A.** RECOMMEND the Board's approval to credit, Denise Hukriede, Education Assistant at Edgewood Education Center, with eleven (11) days of additional sick leave. These days have been donated by the staff members listed below who have authorized the District to reduce their individual sick leave balance by one (1) day.

Darla Jackson
Georgeann Wobschall
Teresa Schrempp
Bruce Mulder

Susan Brody
Kate Hanagan
Lyla Peterson
Carrie Agre

Lissa Pelzer
Susan Comer-Bergen
Mary Fredenburg

**Intermediate District 287
Strategic Plan
October 2010
Board Update**

Responsive. Innovative. Solutions.

The mission of Intermediate District 287 is to be the premier provider of innovative specialized services to ensure that each member district can meet the unique learning needs of its students.

Clarifying our mission is changing our work

- We are currently completing Year 2 of the plan.
- Strategic plan years are calendar years.
- Report on Year 2 Results will be made January 27, 2011
 - Core team day meeting
 - Board evening meeting

Where are we in the process

- Significant accomplishments related to each strategy
- How district systems have been redesigned to support the plan
- Circumstances that affect progress or significant changes to the environment
- Measurement of objectives

What we'll be reporting

Result 1.2 : Optimal web based and/or other tools have been selected and launched that visually present real time customized data for each district in order for them to make decisions.

Result 2.4 : A clear, concise system of decision making is established, understood, and used to meet the unique needs of individual districts.

Result 3.3 : District 287 uses quality indicators to evaluate, modify, and continually improve a spectrum of cost-effective direct and indirect services.

Three strategy results are the focus for year 2

By 2013, each member district will:

- Declare satisfaction with the value and effectiveness of specialized services delivered to it by Intermediate District 287.
- Declare that Intermediate District 287 services are vital to ensure that the member district can meet the unique learning needs of its students.

Two Strategic Objectives provide the measures of effectiveness

Objective One

- *Each district will declare satisfaction with the value and effectiveness of specialized services delivered to it by Intermediate District 287.*

Representatives of the two pilot districts, Osseo and Richfield, will respond regarding the extent to which the district has meet their previously identified conditions of satisfaction in three areas: Special Education, Teaching and Learning, and Business Services.

Measuring Objective One

Objective One

- *Each district will declare satisfaction with the value and effectiveness of specialized services delivered to it by Intermediate District 287.*

A unique password and login to a portion of the 287 website will allow us to place information related to their decision and for the representatives to make their declaration. This information also will be collected in November.

Measuring Objective One

SPECIAL EDUCATION Key Communicator Completing This Section of Form:	Check to Include Condition Date:	Check to What Extent Condition Met <i>Unsatisfied=1</i> <i>Somewhat Satisfied=2</i> <i>Mostly Satisfied=3</i> <i>Very Satisfied=4</i> Date:
1. Programs and services provided by Intermediate District 287 are available when our staff and students need them.	<input type="checkbox"/>	1. <input type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/>
2. The process of enrolling or withdrawing students is easy to navigate.	<input type="checkbox"/>	1. <input type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/>
3. The educational benefits are equal to or greater than what my district currently provides or could provide in equivalent programs or services.	<input type="checkbox"/>	1. <input type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/>
4. Member district and 287 program leads and coordinators are successful in seeking solutions to service gaps to program effectively for unique learners.	<input type="checkbox"/>	1. <input type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/>
5. Itinerant services provide a high quality of expertise and are delivered according to a predictable schedule that meets IEP service commitments and due process timelines.	<input type="checkbox"/>	1. <input type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/>
6. Program efficiencies to contain costs have been implemented.	<input type="checkbox"/>	1. <input type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/>
7. Add district specific special education items here. (optional)		1. <input type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/>

Sample template



Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.



District name Usage Report FY10

Intermediate District 287 ~ Programs and Services

This Usage Report provides a checklist of all programs and services that you, your students or teachers have selected as part of your membership in Intermediate District 287. A check in the box by an item indicates a program or service was used by your district during the 2009-2010 school year. Quantitative data about the extent of your district's usage is available to you via the Intermediate District 287 website: http://www.district287.org/index.php?submenu=MonthlyEnrollment&src_queries&ref=MonthlyEnrollment&category=About_287.

Sample Usage Report Cover

AREA LEARNING CENTER

Offers alternative educational settings or extended learning day or year for students who meet state criteria as being at risk of not graduating from high school

- City West Academy Sober School** Provides a sober and supportive academic learning environment for secondary students committed to their own sobriety
- Independent Study Programs** Provides credit recovery for students 10 years or older who meet periodically with a teacher and complete work assignments on their own time
- North Vista Education Center** Provides a secondary academic education for pregnant and parenting teens (on-site daycare), recent immigrants with limited formal schooling and those who need practical, credit-based work experience programs
 - Daycare**
- Open Track** Provides a highly individualized secondary program offering a variety of educational delivery methods
 - North**
 - South**
- Prairie Center Alternative** Provides an individualized curriculum with a balance of cooperative learning, group dynamics and community involvement
- South Education Center Alternative** For pregnant and parenting teens (on-site daycare), recent immigrants with limited formal schooling and those who need practical, credit-based make up and work experience programs
 - Daycare**
- Targeted Services Programs** Provides an educational boost through extended day and year programs to elementary and middle school students identified as potentially at-risk
- X-Track Expulsion Alternative** Provides a site based alternative to expulsion or exclusion from high school

BUSINESS AND ADMINISTRATIVE

Offers elective conference, human resources, legal and student information services to member districts

- CONFERENCE FACILITIES** Offers fully equipped meeting rooms in an educational environment
- FINANCE**
 - Data Services** Provides EDRS, levy and other data required for Member Districts to maximize revenue
 - Billing Services** Provides billing services and related flow-through revenue relative to nonresident students attending Member District managed Area Learning Center programs
- HUMAN RESOURCES**
 - Recruitment Services** Provides recruiting assistance to member districts including steering potential specialized candidates who are not hired by 287 towards member districts
 - Consultative Services** Provides advice and information related to electronic databases used by District 287 Human Resources, job description development and salary comparisons
- LEGAL SERVICES** Provides cost-effective legal services including consultation, legal representation and training
- STUDENT INFORMATION SYSTEMS**
 - MARSS Reporting** Provides report data to Minnesota Department of Education

Usage Report FY10 | District name

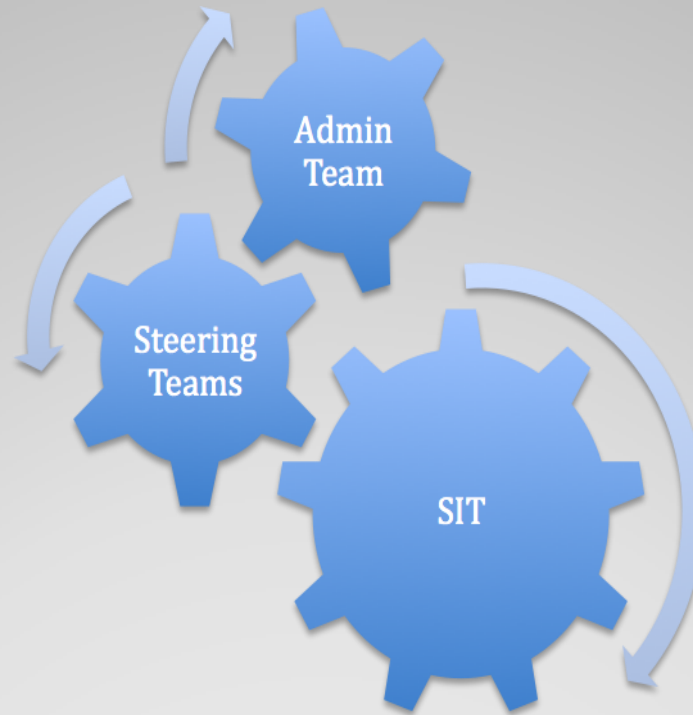
Sample Usage Report Page One

Objective Two

- *Declare that Intermediate District 287 services are vital to ensure that the member district can meet the unique learning needs of its students.*

In November, member Districts Superintendents each will receive an extensive usage report for their district along with a communication from our Superintendent asking them to respond back declaring whether or not the services have been vital to their meeting the unique learning needs of their students.

Measuring Objective Two



Strategic Planning Management

- Key Communicator Meetings for all districts to expand the pilot
- Leadership Trainings
- Conference presentations on Innovation
- Superintendent/Hennepin County Dropout Meetings and November 10 seminar

Additional Key Activities: Nov to Jan

Strategic Plan 2009- 2013

Responsive. Innovative. Solutions.

October 25, 2010

Les Fujitake, Superintendent
Bloomington Public Schools
1350 West 106th Street
Bloomington, MN 55431

Sandra Lewandowski, Superintendent
District Service Center
1820 Xenium Lane North
Plymouth, MN 55441-3708

Telephone: 763.550.7100
www.district287.org

Dear Les,

I am writing in response to your letter dated 9-17-10 and to our subsequent telephone conversation. As stated in my letter of 9-15-10, I have been directed by the 287 Board to complete a comprehensive, fair and thoroughly vetted financial analysis that is approved by our member districts and completed in conjunction with member district business directors.

I have subsequently been provided guidance and advice from member district business directors and several firms with experience and expertise in the fields of finance, actuarial analysis and OPEB analysis, auditing and valuation. It is clear that the process to determine the "distribution of assets and the assignment of liabilities" referenced in Minn. Statute 123A.24 is complex. The 287 Board, 287 business directors and all of the experts we have involved to date are telling me that mediation should commence when the methodology has been established, data collected, financial analysis is completed and a comprehensive proposal is written and approved by the 287 School Board.

Finally, District 287 has been advised that the most appropriate date to obtain valuations of real estate is the date of dissolution, June 30, 2011. In the meantime, we will continue to work on methodology, data collection and financial analysis in the months ahead. I will inform you when the 287 proposal has been approved by the 287 School Board and we are ready to begin mediation.

As always, 287 remains open to discuss this matter with you or your District's representative.

Sincerely,



Sandra Lewandowski, Ed.S.
Superintendent

cc: Jim Sorem, Bloomington School Board Chair
Linda Johnson, Intermediate District 287 School Board Chair

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

Regular Meeting – October 28, 2010

AGENDA SECTION: ADMINISTRATIVE SERVICES REPORTS

ITEM: Approval of Routine Monthly Finance Report

PRESENTED BY: Janet A. Johnson, Director of Finance

1. Background Information

The September Budget vs. Actual Reports are presented for Board information and review. These reports indicate that year-to-date revenue in all funds totals \$28,812,418, or 38.1% of the Adopted Revenue Budget of \$75,670,471. The District’s monthly revenue report will continue to reflect the impact of our conversion to the MDE Special Education Uniform Tuition system and related payments coming from the State. Over the course of the year our revenue reflects the cash payments we receive from MDE. During FY09 we were receiving payments based upon 90% of the entitlement. That dropped to 73% in FY10 and will be 70% in FY11. Revenue will be made whole at the end of each fiscal year as we calculate all of our receivables and recognize the revenue receivable as part of the audit.

Year-to-date expenditures in all funds, total \$11,330,852 or 15.4% of the Adopted Expenditure Budget of \$73,704,473.

The FY10 year end numbers are still preliminary. The audit work is in progress. The numbers will continue to change up to and through the end of that process.

DDA

Attachments

2. Fiscal Impact/Funding Source: None

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

Motion by: _____ Yes ____ Passed ____

Second by: _____ Yes ____ Failed ____

Abstentions: _____

REPORT: EXPREV 006 REVENUE SUMMARY BY FUND - Board Report
 STATEMENT OF REVENUE
 DIST 0287 Intermediate District 287 ACCOUNTING PERIOD 09/01/10 TO 09/30/10

RUN: WED 102010 13:50 PAGE 1

ACCT STATUS: All Account Statuses ACCOUNT RANGES: 01 TO 99-999
 ZERO BALANCES: Suppress Zero Balances INCLUDE/EXCLUDES: EXL FD 11 11
 SORTED BY: ACCOUNT FD
 SUBTOTALLED BY: ACCOUNT FD
 SERIES TOTALS: <None Selected>
 PAGE BREAK ON: <None Selected>

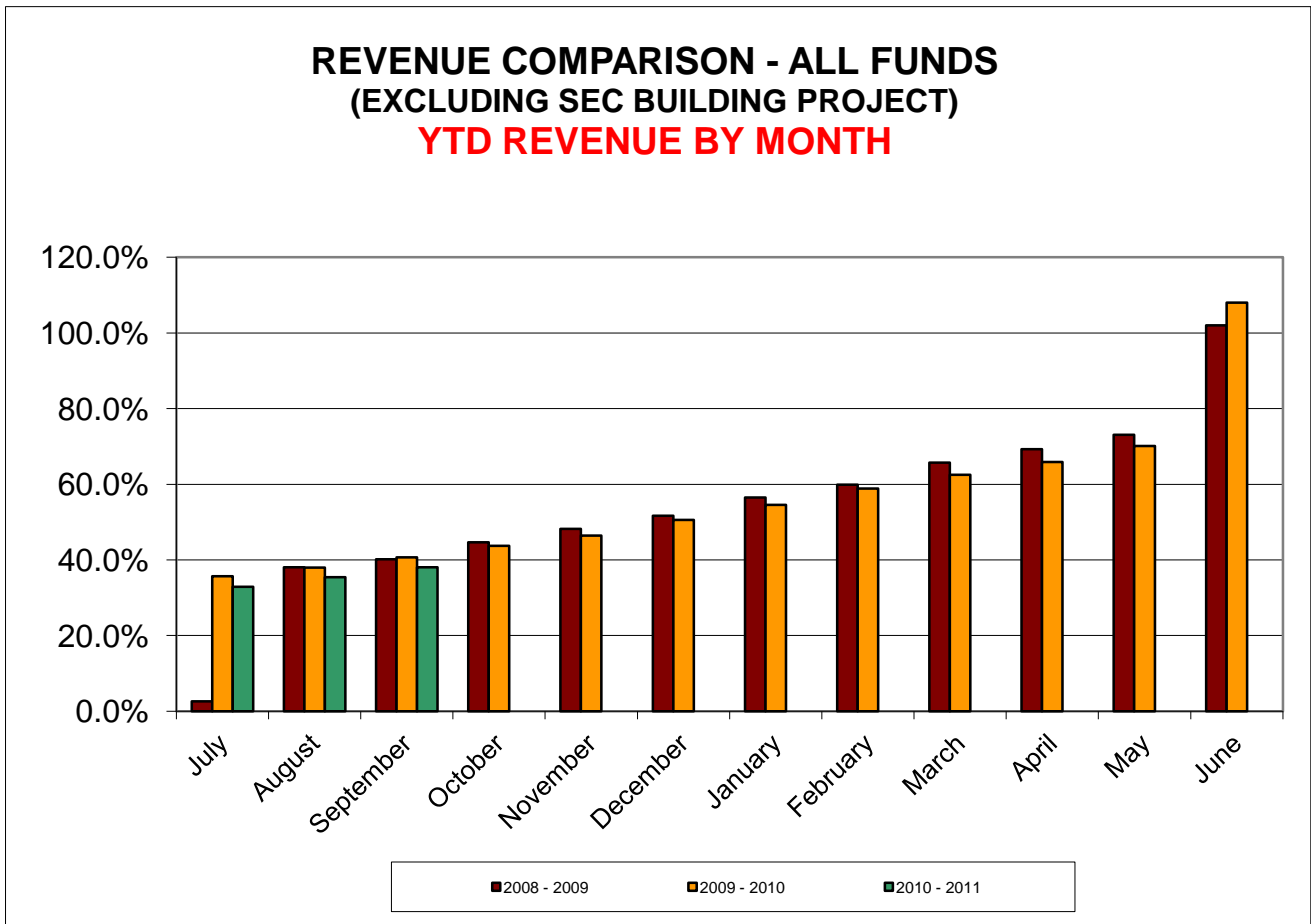
FD	PRIOR YEAR ACTUAL	REVISED BUDGET	09/01/10 09/30/10	FISCAL YEAR 201007 RECEIVED THRU 09/30/10	REMAINING ON 09/30/10	PERCENT REMAINING
01 GENERAL FUND	17,927,056.22	18,574,613	203,113.35	22,989,843.88	4,415,230.88-	23.77-%
02 FOOD SERVICE FUND	147,246.54	378,066	3,345.72	3,345.72	374,720.28	99.11 %
04 COMMUNITY SERVICE FUND	229,399.96	302,960	8,149.51	15,868.31	287,091.69	94.76 %
07 DEBT SERVICE	8,578,537.29	0	0.00	0.00	0.00	0.00 %
09 AGENCY FUND - FLEX FUND	348,977.47	0	38,433.25	67,795.27	67,795.27-	0.00 %
12 ALC-ACADEMIC	6,647,044.92	8,183,062	30,776.77	240,957.13	7,942,104.87	97.05 %
13 CAREER & TECH	1,755,482.93	1,926,354	85.00-	658.00	1,925,696.00	99.96 %
14 SPECIAL EDUCATION	42,550,409.07	46,276,616	1,730,456.20	5,485,671.72	40,790,944.28	88.14 %
20 INTERNAL SERVICE FUND	429,114.66	0	0.00	6,979.96	6,979.96-	0.00 %
30 KEYSTONE ITD	1,110,881.59	0	0.00	0.00	0.00	0.00 %
41 DONATIONS	2,134.55	0	49.20	98.40	98.40-	0.00 %
51 STUDENT CLUBS	30,704.33	28,800	635.47	1,199.43	27,600.57	95.83 %
*** REPORT TOTALS:	79,756,989.53	75,670,471	2,014,874.47	28,812,417.82	46,858,053.18	61.92 %

DISTRICT 287

REVENUE COMPARISON - ALL FUNDS EXCLUDING SEC BUILDING PROJECT

Month	2008 - 2009		2009 - 2010		2010 - 2011	
	\$ Amount	% of Budget	\$ Amount	% of Budget	\$ Amount	% of Budget
July	1,848,739	2.6%	26,339,259	35.7%	24,862,125	32.9%
August	25,269,197	38.1%	1,662,122	37.9%	1,935,418	35.4%
September	1,488,574	40.2%	2,014,369	40.7%	2,014,874	38.1%
October	3,156,289	44.6%	2,236,266	43.7%		
November	2,534,489	48.2%	2,016,891	46.4%		
December	2,467,467	51.6%	3,033,588	50.5%		
January	3,455,875	56.5%	2,938,663	54.5%		
February	2,420,448	59.9%	3,222,516	58.9%		
March	4,158,279	65.7%	2,660,739	62.5%		
April	2,528,874	69.3%	2,539,462	65.9%		
May	2,695,389	73.1%	3,109,298	70.1%		
June	20,591,549	102.0%	27,983,816	108.0% *		
TOTAL	72,615,169	102.0%	79,756,990	108.0%	28,812,418	38.1%
BUDGET	71,203,550		73,818,687		75,670,471	

*Pre Audit



REPORT: EXPREV 007 EXPENDITURE SUMMARY BY FUND - Board Rept
 STATEMENT OF EXPENDITURES
 DIST 0287 Intermediate District 287 ACCOUNTING PERIOD 09/01/10 TO 09/30/10

RUN: WED 102010 13:50 PAGE 1

ACCT STATUS: All Account Statuses ACCOUNT RANGES: 01 TO 99-999
 ZERO BALANCES: Suppress Zero Balances INCLUDE/EXCLUDES: EXL FD 11 11
 SORTED BY: ACCOUNT FD
 SUBTOTALLED BY: ACCOUNT FD
 SERIES TOTALS: <None Selected>
 PAGE BREAK ON: <None Selected>

FD	PRIOR YEAR ACTUAL	REVISED BUDGET	09/01/10 09/30/10	FISCAL YEAR 201007 EXPENDED THRU 09/30/10	ENCUMBERED THRU 09/30/10	REMAINING ON 09/30/10	PERCENT REMAINING
01 GENERAL FUND	17,196,025.18	18,486,175	1,072,961.14	4,097,563.18	2,422,036.43	11,966,575.39	64.73 %
02 FOOD SERVICE	272,748.12	378,066	16,444.67	31,072.90	79,085.11	267,907.99	70.86 %
04 COMMUNITY SERVICE FUND	343,711.35	294,105	13,098.14	39,598.74	50,636.58	203,869.68	69.31 %
06 BUILDING CONSTRUCTION FUND	353,761.21	0	102,594.65	233,146.92	327,109.91	560,256.83-	0.00 %
07 DEBT SERVICE	8,576,563.91	0	0.00	0.00		0.00	0.00 %
09 AGENCY FUND - FLEX FUND	353,766.11	0	38,433.25	67,795.27		67,795.27-	0.00 %
12 ALC-ACADEMIC	7,089,826.54	7,920,291	617,511.61	1,309,235.58	443,100.37	6,167,955.05	77.87 %
13 CAREER & TECH	1,813,162.27	1,835,278	139,813.17	210,408.85	41,221.62	1,583,647.53	86.28 %
14 SPECIAL EDUCATION	42,019,482.96	44,761,758	3,702,279.00	5,341,035.70	832,698.84	38,588,023.46	86.20 %
20 INTERNAL SERVICE FUND	388,752.17	0	0.00	0.00		0.00	0.00 %
30 KEYSTONE IDT	1,110,881.59	0	0.00	0.00		0.00	0.00 %
51 STUDENT CLUBS	33,230.14	28,800	595.07	995.07	1,294.11	26,510.82	92.05 %
*** REPORT TOTALS:	79,551,911.55	73,704,473	5,703,730.70	11,330,852.21	4,197,182.97	58,176,437.82	78.93 %

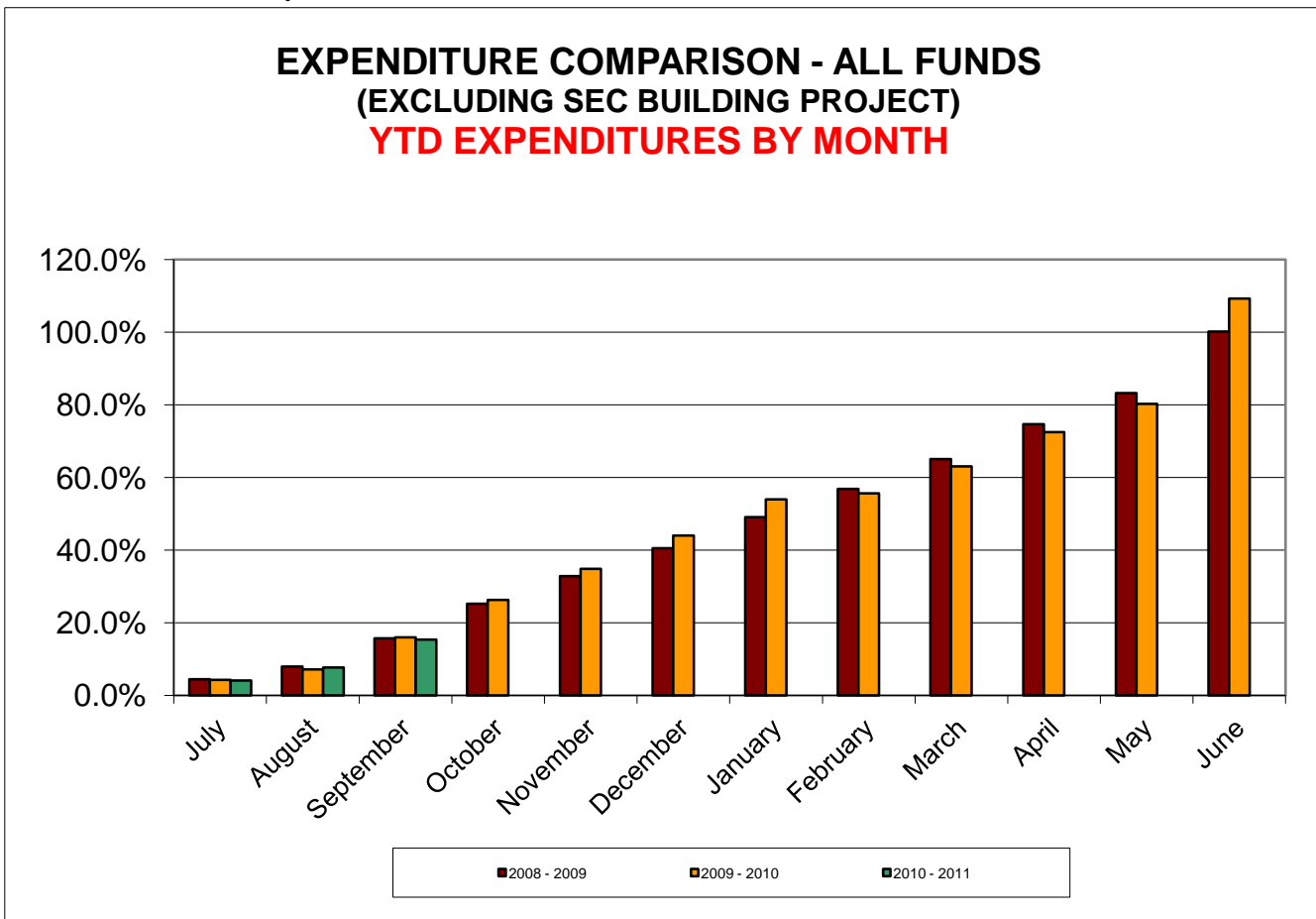
DISTRICT 287

EXPENDITURE COMPARISON - ALL FUNDS EXCLUDING SEC BUILDING PROJECT

Month	2008 - 2009		2009 - 2010		2010 - 2011	
	\$ Amount	% of Budget	\$ Amount	% of Budget	\$ Amount	% of Budget
July	3,131,464	4.5%	3,110,761	4.3%	3,011,881	4.1%
August	2,428,763	7.9%	2,109,112	7.2%	2,615,241	7.6%
September	5,457,295	15.7%	6,398,418	16.0%	5,703,731	15.4%
October	6,728,518	25.3%	7,497,732	26.3%		
November	5,330,730	32.8%	6,246,933	34.8%		
December	5,361,530	40.5%	6,653,398	44.0% *		
January	6,044,579	49.1%	7,240,751	53.9% *		
February	5,459,050	56.8%	1,245,041	55.6% *		
March	5,770,557	65.1%	5,409,777	63.1%		
April	6,755,660	74.7%	6,861,541	72.5%		
May	6,017,108	83.2%	5,652,779	80.2%		
June	11,887,784	100.1%	21,125,667	109.2% **		
TOTAL	70,373,038	100.1%	79,551,912	109.2% *	11,330,852	15.4%
BUDGET	70,271,671		72,817,617		73,704,473	

**Pre Audit

* All required adjusting entries have been completed to correct the benefit cost overstatement. These reflect the adjusted numbers.



INTERMEDIATE DISTRICT 287

Partner in Education

DATE: **October 20, 2010**

TO: Members of the School Board

FROM: Janet A. Johnson, Director of Finance

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

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

- | | |
|---|---------------------------------|
| 1. Claim payments for: September 2010 | Totaling <u>\$ 8,532,051.77</u> |
| a) Check #'s 479796 - 480186, 70007104 - 70007178
and Electronic Wire Transfers out - #'s 2180 - 2187, 80000068 - 80000078 | |
| 2. Payroll for: September 2010 | Totaling <u>\$ 2,169,590.49</u> |
| a) Check #'s 675181 - 675212
b) Direct Deposit #'s 175705 - 177312 | |
| 3. Receipts for: September 2010 | Totaling <u>\$ 8,629,391.17</u> |
| a) Receipt #'s 127195 - 127335
and Electronic Wire Transfers in | |
| 4. Investments at end of month | Totaling <u>\$ -</u> |

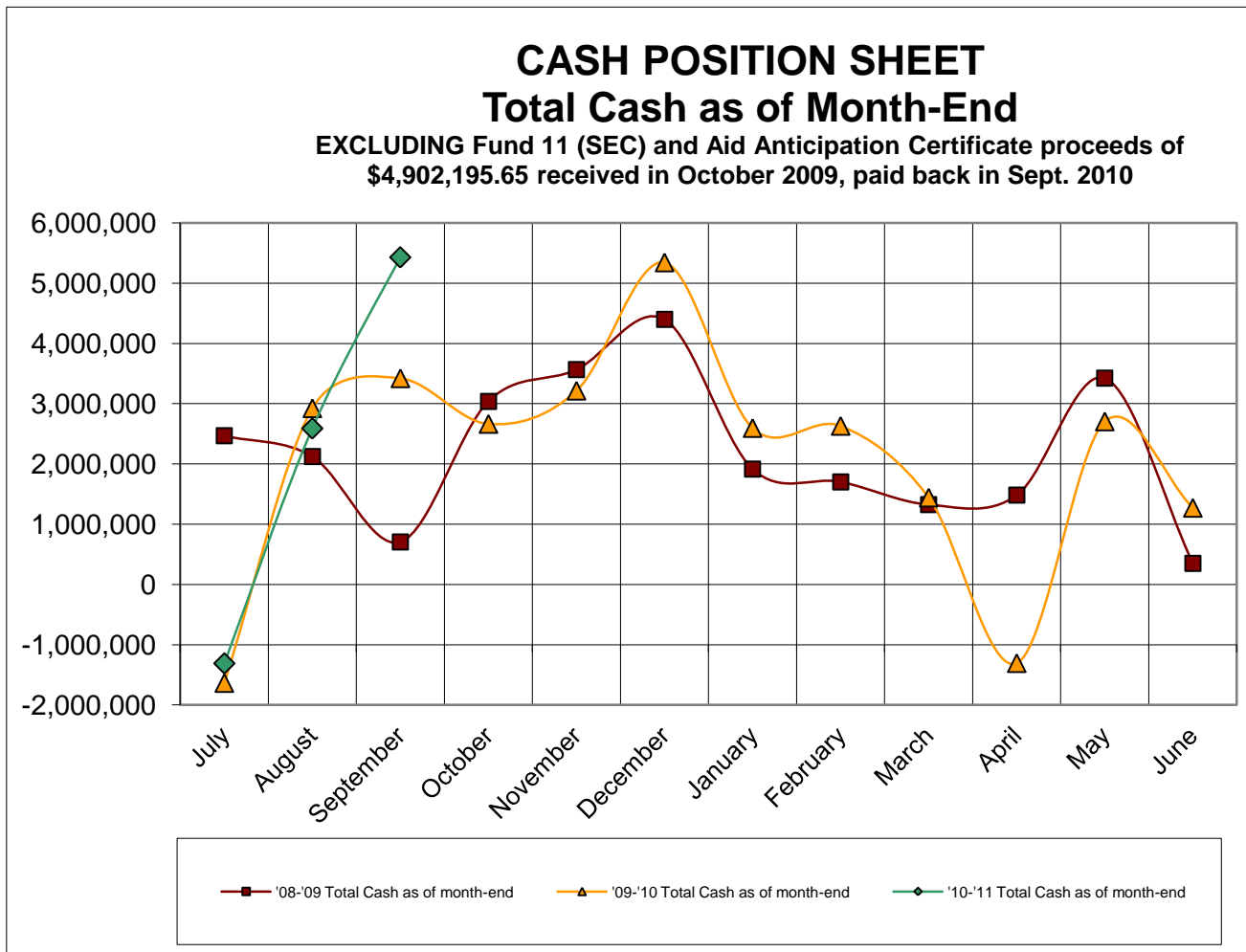
Expenditures, wire transfers, payroll, claims receipts and investments have been prepared under the direction of Dave Anderson and is presented for approval by the School Board. Dave and I would be glad to answer any questions.

Intermediate District 287

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

<u>Date</u>	<u>'08-'09 Total Cash as of month-end</u>	<u>'09-'10 Total Cash as of month-end</u>	<u>'10-'11 Total Cash as of month-end</u>
July	2,466,323	-1,635,886	-1,311,376 *
August	2,120,954	2,924,129	2,589,499 *
September	703,434	3,420,767	5,429,517
October	3,040,273	2,663,437 *	
November	3,565,934	3,215,281 *	
December	4,399,671	5,343,251 *	
January	1,915,347	2,595,593 *	
February	1,701,975	2,630,541 *	
March	1,323,076	1,441,697 *	
April	1,481,056	-1,306,262 *	
May	3,423,055	2,705,205 *	
June	347,873	1,270,575 *	

* excludes Aid Anticipation Certif. proceeds of \$4,902,195.65 in Oct. 2009, paid back in Sept. 2010



INTERMEDIATE DISTRICT 287
SEPTEMBER 2010 ACTIVITY

WIRE TRANSFERS IN:

DATE	AGENCY	TO	EF#	AMOUNT	DESCRIPTION
09/01/10	DEPT OF EDUCATION	MSDLAF	4826468	4,663.73	INV#66991 BLDG CAPACITY GRANT
09/14/10	EDUCATIONAL AID	MSDLAF	4846594	1,620,174.45	01S360 SPEC EDUC 11
	EDUCATIONAL AID	MSDLAF	4846594	15,278.35	01S211 GEN ED AID 11 50% COMPENSATORY
	EDUCATIONAL AID	MSDLAF	4846594	15,278.35	01S211 GEN ED AID 11 50% COMPENSATORY
	EDUC-FOOD & NUTRITION	MSDLAF	4846594	1,119.36	02F705 BREAKFAST 11
	EDUC-FOOD & NUTRITION	MSDLAF	4846594	1,318.56	02F701 FREE-RED LUNCH 11
	EDUC-FOOD & NUTRITION	MSDLAF	4846594	150.08	02F701 REG LUNCH 11
	EDUC-FOOD & NUTRITION	MSDLAF	4846594	64.32	02S300 STSCHLUNCH 11
09/24/10	ARTS BOARD	MSDLAF	4863325	16,250.00	ARTS LEARNING GRANT #606
09/29/10	EDUCATIONAL AID	MSDLAF	4873096	73,935.30	01S211 ONLINE LEARNING 10
	EDUCATIONAL AID	MSDLAF	4873096	53,016.09	01S211 GEN ED AID 10 50% COMPENSATORY
	EDUCATIONAL AID	MSDLAF	4873096	53,016.09	01S211 GEN ED AID 10 50% COMPENSATORY
	EDUCATIONAL AID	MSDLAF	4873096	3,850,317.99	01S360 SPEC EDUC 10
	EDUCATIONAL AID	MSDLAF	4873096	15,278.35	01S211 GEN ED AID 11 50% COMPENSATORY
	EDUCATIONAL AID	MSDLAF	4873096	15,278.35	01S211 GEN ED AID 11 50% COMPENSATORY
MTD TOTALS				5,735,139.37	

WIRE TRANSFERS OUT:

DATE	FROM	AGENCY	WIRE #	AMOUNT	DESCRIPTION
(8/31/10)	MSDLAF	BANK OF MONTREAL	2180	7,804.30	P-CARD ACTIVITY FOR JULY10
	MSDLAF	WELLS FARGO	2181	119,318.37	LEASE PURCHASE PAYMENT(COMPUTERS)
	MSDLAF	BANK CARD SERVICE	2182	142.62	MERCHANT FEES JULY10
09/15/10	MSDLAF	MN DEPT OF REV		68,917.24	STATE WITHHOLDING TAXES
	MSDLAF	US BANK		124,682.10	FEDERAL TAXES (EMPLOYER)
	MSDLAF	US BANK		280,367.83	FEDERAL TAXES (EMPLOYEE)
	MSDLAF	EBC		19,222.39	EMPLOYEE & EMPLOYER 403B
	MSDLAF	EBC		51,506.24	EMPLOYEE & EMPLOYER 403B
	MSDLAF	US BANK		1,087,440.37	DIRECT DEPOSIT PAYROLL
09/30/10	MSDLAF	WELLS FARGO	2183	5,007,517.01	WELLS FARGO AAC LOAN PAYMENT
	MSDLAF	US BANK	2184	12,755.83	CORP. HEALTH SYSTEMS JUNE 30(9/10)
	MSDLAF	US BANK	2184	38,433.25	CORP. HEALTH SYSTEMS SEPT10
	MSDLAF	MN DEPT OF REV	2187	7.68	STATE WITHHOLDING TAXES ADDITION
	MSDLAF	LOCAL 2209	2186	2,490.98	LOCAL #2209 UNION DUES
	MSDLAF	LOCAL 2209	80000077	24,695.09	LOCAL #2209 UNION DUES
	MSDLAF	MN DEPT OF REV	80000078	67,183.16	STATE WITHHOLDING TAXES
	MSDLAF	US BANK	80000074	121,763.65	FEDERAL TAXES(EMPLOYER)
	MSDLAF	US BANK	80000076	269,031.89	FEDERAL TAXES(EMPLOYEE)
	MSDLAF	EBC	80000073	19,051.58	EMPLOYEE & EMPLOYER 403B
	MSDLAF	EBC	80000075	51,194.92	EMPLOYEE & EMPLOYER 403B
	MSDLAF	US BANK	2185	113.13	APR FEES VOUCHER JULY10
	MSDLAF	US BANK	3051	5.61	ARP FEES RECEIPT ACCT JULY10
	MSDLAF	US BANK	4063	90.77	ARP FEES PAYROLL ACCT JULY10
	MSDLAF	US BANK		1,061,207.05	DIRECT DEPOSIT PAYROLL
MTD TOTALS				8,434,943.06	

INTERMEDIATE DISTRICT 287

AUGUST 2010 ACTIVITY

WIRE TRANSFERS IN:

DATE	AGENCY	TO	EF#	AMOUNT	DESCRIPTION
08/03/10	EDUCATION SVRS	MSDLAF	4774526	2,516.62	INV#67025 FIN0417 (6/30/10)
	H55 DHS - MMIS	MSDLAF	4774526	285,168.40	INV#67027 THIRD PARTY (6/30/10)
08/09/10	G45 MEDIATION SVS	MSDLAF	4782742	2,089.46	INV#67010 BMS GRANT #10-1 (4/1/10-6/30/10)
08/09/10	DEPT OF EDUCATION	MSDLAF	4784330	290,499.34	INV#66947 MATH & SCIENCE PARTNERSHIP FIN862
08/11/10	DEPT OF EDUCATION	MSDLAF	4788796	96.79	INV#66994 ARRA ENHANCING EDUCATORS FIN477
08/12/10	EDUCATION AID	MSDLAF	4793641	1,617,009.82	01S360 SPEC EDUC 11
	EDUCATION SVRS	MSDLAF	4793641	292.07	INV#67029 FIN0417 TIER III
	EDUC-FOOD & NUTRITION	MSDLAF	4793641	68.67	INV#67039 02S473 COMMOD REBATE 10
08/12/10	DEPT OF EDUCATION	MSDLAF	4793642	23,891.98	INV#66947 MATH & SCIENCE PARTNERSHIP FIN862
	DEPT OF EDUCATION	MSDLAF	4793642	32,111.92	INV#66992 MATH & SCIENCE PARTNERSHIP FIN862
08/17/10	H55 DHS - MMIS	MSDLAF	4800466	2,167.48	INV#67038 1417080730 MA IEP SERVICES(FED)
08/18/10	DEED-FISCAL	MSDLAF	4804945	139,542.55	INV#67026 D/HH VECTOR INTERPRETER TRANSITION
08/19/10	DEPT OF EDUCATION	MSDLAF	4806630	172.13	INV#66170 REIMBURSEMENT GRETA PALMBERG
08/26/10	DEPT OF EDUCATION	MSDLAF	4815014	18,156.63	INV#67040 EMPLOYEE EXCHANGE/ANDERSON, K
08/27/10	EDUCATIONAL AID	MSDLAF	4817377	2,489,152.73	01S360 SPEC EDUC 10
	EDUCATIONAL AID	MSDLAF	4817377	356.47	INV# 67048 01S211 ONLINE LEARN 10
	EDUCATIONAL AID	MSDLAF	4817377	79,524.13	01S211 GEN ED AID 10
	EDUCATIONAL AID	MSDLAF	4817377	244,453.61	01S211 GEN ED AID 11

MTD TOTALS 5,227,270.80

WIRE TRANSFERS OUT:

DATE	FROM	AGENCY	WIRE #	AMOUNT	DESCRIPTION
(7/31/10)	MSDLAF	BANK CARD SERVICE	2174	58.11	MERCHANT FEES JULY10
	MSDLAF	BANK OF MONTREAL	2175	1,325.30	P-CARD ACTIVITY FOR JULY10
08/15/10	MSDLAF	MN DEPT OF REV	80000062	26,480.80	STATE WITHHOLDING TAXES
	MSDLAF	US BANK	80000059	53,673.93	FEDERAL TAXES
	MSDLAF	US BANK	80000061	109,653.34	FEDERAL TAXES
	MSDLAF	EBC	80000058	3,007.59	EMPLOYEE & EMPLOYER 403B
	MSDLAF	EBC	80000060	9,234.33	EMPLOYEE & EMPLOYER 403B
	MSDLAF	US BANK		506,892.15	DIRECT DEPOSIT PAYROLL
08/27/10	MSDLAF	ING	2176	18,526.25	MN STATE RETIREMENT(MSRS)
	MSDLAF	EBC	2177	19,514.46	RETIREE'S SEVERANCE 403B
08/30/10	MSDLAF	US BANK	2178	13,577.67	CORP. HEALTH SYSTEMS JUNE 30(8/10)
	MSDLAF	US BANK	2178	17,554.32	CORP. HEALTH SYSTEMS JULY10
	MSDLAF	MN DEPT OF REV	80000067	17,410.17	STATE WITHHOLDING TAXES
	MSDLAF	US BANK	80000064	31,328.69	FEDERAL TAXES(EMPLOYER)
	MSDLAF	US BANK	80000066	72,120.69	FEDERAL TAXES(EMPLOYEE)
	MSDLAF	ING	2176	18,526.25	MN STATE RETIREMENT
	MSDLAF	EBC	2177	19,514.46	RETIREE'S SEVERANCE 403B
	MSDLAF	EBC	80000063	3,113.53	EMPLOYEE & EMPLOYER 403B
	MSDLAF	EBC	80000065	9,344.08	EMPLOYEE & EMPLOYER 403B
	MSDLAF	US BANK	2179	101.98	APR FEES MAY10 VOUCHER
	MSDLAF	US BANK	3050	17.49	ARP FEES MAY10 RECEIPT ACCT
	MSDLAF	US BANK	4062	88.22	ARP FEES MAY10 PAYROLL ACCT
	MSDLAF	US BANK		288,256.58	DIRECT DEPOSIT PAYROLL

MTD TOTALS 1,239,320.39

DONATIONS
INTERMEDIATE DISTRICT 287
2010-2011

SEPTEMBER 2010

DON. DATE	DESCRIPTION	VIN#	EST VALUE	DONOR	SS# OR FED ID#	CAMPUS	PROGRAM
09/20/10	1979 SEA RAY BOAT	SER16T860979	\$ 4,000.00	ANDERSEN, BOB		EPC	AUTO MECHANICS
09/23/10	SHOP VAC,FAN,SCREW DRIVER/DRILL,GAME& SUPPLIES		\$ 75.00	HAERLE, CLYDE			VENTURE/INVEST
09/15/10	2002 DODGE NEON ES	1B3ES56C42D598394	\$ 3,500.00	MATHESON, TODD		EPC	AUTO MECHANICS
09/20/10	CROSSWALK TREADMILL		\$ 100.00	SHOBE, JULIE			SUN
09/08/10	CHECK		\$ 987.21	TARGET CORP			EXPLORE
09/03/10	CHECK		\$ 49.20	WELLS FARGO FOUNDATION			GENERAL FUND
			\$ 8,711.41				

Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

GROUP: Facilities Committee

DATE: October 19 2010

TIME: 8:30 – 10:30 a.m

LOCATION: DSC Board Room

PROTOCOLS:

Decisions will be made via consensus on the agenda items.

CONVENER: Tom Shultz

FACILITATOR: Peyton Robb

ATTENDING: Steve Antolak, Colleen Baumtrog, Lea Dahl, Don Draayer, Janet Johnson, Linda Johnson, Michèle Kunz, Sandy Lewandowski, Peyton Robb, Tom Shultz, Mark Thiede (TSP), Rick Wessling (TSP)

LONG TERM PURPOSE

The Facilities Committee for the North Education Center project will provide oversight and direction to administration and bring recommendations to the full Board for approval as needed.

AGENDA ITEMS	OUTCOMES	TIME BUDGETED	ACTION
1. Design Development Phase	<ul style="list-style-type: none"> Committee will approve Design Development Phase 	<p>30 minutes</p> <p>Tom & Mark</p>	<ul style="list-style-type: none"> Mark T presented the final Design Development Report including space needs and budget. Discussion took place regarding the process for justifying space needs. That process included taking into account the projected number of students, equity for career tech and program needs. It is clear that staff/administration have worked closely with the architect in the design of NEC. Related to this discussion, a new NEC Fact Sheet will be published soon. A motion to recommend full Board approval of the completion of the Design Development Phase was made by Dan Draayer and seconded by Steve Antolak. Motion was passed unanimously.
2. TSP Contract Amendment & Associated Fees	<ul style="list-style-type: none"> Committee will understand the amended contract 	<p>15 minutes</p> <p>Mark</p>	<ul style="list-style-type: none"> Mark T explained the TSP <i>Fee Matrix</i> which included the value of design estimates applied to the construction of the 3rd floor, 3rd floor technology and security and the demountable wall system, such as the DIRTT system. It reflects the change in scope from 122,143 sq. ft. to 136,000 sq. ft. A motion to recommend full Board approval of the TSP Contract Amendment was made by Steve Antolak, seconded by Linda Johnson. This motion was passed unanimously.
3. Financing & QSCB Requirements	<ul style="list-style-type: none"> Committee will understand the requirements of the bonds and how District 287 will meet these requirements 	<p>15 minutes</p> <p>Janet</p>	<ul style="list-style-type: none"> Janet J gave the financing update. We are currently working on the preliminary offering statement. October 28, 2010 – buy bonds November 18, 2010 – receive cash associated with bonds We basically have six months from the time we receive the bonds (November 18, 2010) to settle bonds. Cost of land does not apply.

			<ul style="list-style-type: none"> • We need 10% of the bond funds committed within the first 6 months, or approximately \$3 million. • The identification of <i>Best Value</i> vendors should be completed mid-February 2011, with Board approval in March. Note that completion of bid process constitutes “commitment” and must be signed by May 31, 2011. • It was also noted that the SEC escrow will be used for principle and interest payments on SEC during the year that 287 is funding SEC, NEC, and paying for Sandburg – 2011-12.
4. CUP Process – City Council Hearing 7:00 PM 10/25/10	<ul style="list-style-type: none"> • Confirm attendance 	5 minutes	<ul style="list-style-type: none"> • Peyton R and Linda J will attend
5. Ground Breaking: 5:00 PM 10/28/10	<ul style="list-style-type: none"> • Committee members will understand agenda and responsibilities 	15 minutes Tom	<ul style="list-style-type: none"> • Agenda still being developed.

HANDOUTS:

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

Regular Meeting – October 28, 2010

AGENDA SECTION: Administrative Services / Facilities Report

ITEM: Completion of the NEC Design Development Phase

PRESENTED BY: Tom Shultz, Director of Facilities

1. Background Information

The Board Facilities Committee met on October 19, 2010 and discussed the Final Design Development Report for the NEC presented by TSP. A motion to recommend Board approval the Design Development Phase was made by Don Draayer and seconded by Steve Antolak.

The Board Facilities Committee is recommending that the Board approve the completion of the Design Development phase of NEC which will allow TSP to proceed into the Construction Document phase of the project.

2. Fiscal Impact/Funding Source: No new funds are associated with this Action item.

3. RECOMMENDED ACTION: Recommendation for the Board to approve the Design Development Phase of the NEC project.

Motion by: _____ Yes ____ Passed ____

Second by: _____ Yes ____ Failed ____

Abstentions: _____

The mission of Intermediate District 287 is to be the premier provider of innovative specialized services to ensure that each member district can meet the unique learning needs of its students.

Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

M E M O R A N D U M

Date: October 28, 2010

To: Sandra Lewandowski, Superintendent

From: Thomas Shultz, Director of Facilities

RE: Recommendation to Approve Completion of the Design Development Phase

The Board Facilities Committee met on October 19, 2010 and thoroughly discussed the Final Design Development Report for the NEC presented by TSP. The Board Facilities Committee is recommending that the Board approve the Design Development phase of NEC which will allow TSP to proceed into the Construction Document phase of the project.

The spreadsheet for Program Space Needs and Budget is attached.

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

Regular Meeting – October 28, 2010

AGENDA SECTION: Administrative Services / Facilities Report

ITEM: TSP Contract Amendment

PRESENTED BY: Tom Shultz, Director of Facilities

1. Background Information

The Board Facilities Committee met on October 19, 2010 and discussed the additional fees presented by TSP relating to the scope of work for the proposed 3rd floor Technology and Security, construction of the 3rd floor, and the use of a demountable wall system. A motion to recommend Board approval the TSP contract amendment was made by Don Draayer and seconded by Michèle Kunz.

The Facilities Committee recommends that the Board approve the TSP contract amendment for the NEC project.

2. Fiscal Impact/Funding Source: \$373,625

3. RECOMMENDED ACTION: Recommendation for the Board to approve the TSP Amended Contract for an additional \$373,625

Motion by: _____ Yes ____ Passed ____

Second by: _____ Yes ____ Failed ____

Abstentions: _____

Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

M E M O R A N D U M

Date: October 28, 2010

To: Sandra Lewandowski, Superintendent

From: Thomas Shultz, Director of Facilities

RE: Recommendation to Approve TSP Contract Amendment

The Board Facilities Committee met on October 19, 2010 and discussed the revised Fee Matrix presented by TSP for the NEC. The additional fees relate to the scope of work for the proposed 3rd floor Technology and Security, construction of the 3rd floor, and the use of the demountable wall system. The Board Facilities Committee is recommending that the Board approve the Amended Contract for TSP on the NEC project in the amount of \$373,625.

A copy of the revised TSP Fee Matrix is attached.



**INTERMEDIATE DISTRICT 287
NORTH EDUCATION CENTER
SPACE NEEDS PROGRAM**
September 23, 2010

To Solve. To Excel. Together.

PROGRAM	FUNCTION	2/17/10				5/6/10				SD 8/15/10				DD 9/23/10			
		Number of Students	Number of Staff	Number of Rooms	Square Feet Per Room	Programmed Square Feet	Number of Rooms	Square Feet Per Room	Designed Square Feet	Number of Rooms	Square Feet Per Room	Designed Square Feet	Number of Rooms	Square Feet Per Room	Designed Square Feet		
ELEMENTARY SCHOOL																	
(ASD, DCD, EBD)		50	27.0														
	Classroom		24.0	8	900	7,200	8	900	7,200	8	891	7,128	8	891	7,128		
	Large sensory room			0	900	0	0	900	0	0	900	0	0	900	0		
	Commons			1	400	400	1	400	400	1	378	378	1	297	297		
	Toilets- students			4	55	220	0	55	0	4	47	188	4	56	224		
	Toilets- staff			2	55	110	0	55	0	2	47	94	2	56	112		
	Office- facilitator		1.0	1	120	120	0	120	0	1	120	120	1	100	100		
	Office- social worker		1.0	2	100	200	0	100	0	1	100	100	1	100	100		
	Office- behavioral specialist		1.0	1	100	100	0	100	0	1	100	100	1	100	100		
	Office									1	100	100	1	100	100		
	Break out room			4	84	336	5	90	450	4	100	400	8	52	416		
	Teacher/ para office			4	180	720	5	200	1,000	0	200	0	0	200	0		
	Para storage			16	1	16	0	0	0	0	0	0	0	0	0		
	General storage			1	400	400	0	400	0	1	330	330	1	366	366		
	Janitor Closet			1	45	45	0	45	0	1	45	45	1	85	85		
	Electrical Closet			1	30	30	0	96	0	1	80	80	1	81	81		
	Support						1	1,400	1,400	0	1,400	0	0	1,400	0		
	Circulation Factor					2,969			3,135			4,052			4,158		
TOTAL AREA						12,866			13,585			13,115			13,417		
SUN																	
(ASD)		55	29.4														
	Classroom		27.0	9	900	8,100	10	900	9,000	10	870	8,700	10	840	9,400		
	Large sensory room			0	900	0	0	900	0	0	900	0	0	900	0		
	Commons			1	400	400	1	400	400	1	780	780	1	819	819		
	Toilets- students			4	55	220	0	55	0	4	47	188	4	56	224		
	Toilets- staff			2	55	110	0	55	0	2	47	94	2	56	112		
	Office- facilitator		1.0	1	120	120	0	120	0	1	120	120	1	134	134		
	Office- behavioral specialist		0.3	1	100	100	0	100	0	1	100	100	1	114	114		
	Office- social worker		1.1	1	100	100	0	100	0	0	100	0	0	100	0		
	Office- co-located									1	204	204	1	232	232		
	Break out room			27	84	2,268	30	77	2,310	30	58	1,740	30	58	1,740		
	Break out room												2	64	128		
	Teacher/ para office			4	180	720	5	297	1,485	5	283	1,415	5	180	900		
	Para storage			18	1	18	0	1	0	0	1	0	0	1	0		
	General storage			1	400	400	0	400	0	1	492	492	1	463	463		
	Janitor Closet			1	45	45	0	45	0	1	45	45	1	74	74		
	Electrical Closet			1	30	30	0	96	0	1	80	80	1	74	74		
	Support						1	1,800	1,800	0	1,800	0	0	1,800	0		
	Circulation Factor					3,789			4,499			4,502			4,559		
TOTAL AREA						16,420			19,494			18,460			18,973		
CIP/ STRIVE/ OPTIONS/ INVEST MS																	
(DCD and EBD)		73	35.9														
	Classroom		33.0	11	900	9,900	10	956	9,560	10	857	8,570	10	894	8,940		
	Small Classroom			4	400	1,600	5	400	2,000	5	366	1,830	5	340	1,700		
	Commons			1	400	400	1	400	400	1	781	781	1	819	819		
	Toilets- students			5	55	275	0	55	0	4	47	188	4	56	224		
	Toilets- staff			2	55	110	0	55	0	2	47	94	2	56	112		
	Office- facilitator		2.0	2	120	240	0	120	0	1	120	120	1	111	111		
	Office- facilitator									1	100	100	1	111	111		
	Office- social worker		0.9	2	100	200	0	100	0	2	100	200	2	92	184		
	Break out room			5	84	420	5	90	450	5	72	360	5	75	375		
	Break out room												2	84	168		
	Break out room												1	170	170		
	Teacher work station			5	180	900	5	200	1,000	5	144	720	5	140	700		
	Para work station (incl above)			0	10	0	0	10	0	0	10	0	0	10	0		
	Para storage			24	1	24	0	1	0	0	1	0	0	1	0		
	General storage			1	400	400	0	400	0	1	479	479	1	463	463		
	Janitor Closet			1	45	45	0	45	0	1	45	45	1	64	64		
	Electrical Closet			1	30	30	0	96	0	1	80	80	1	74	74		
	Technology Closet									1	60	60	1	74	74		
	Mechanical Support									1	100	100	1	70	70		
	Support						1	1,800	1,800	0	1,800	0	0	1,800	0		
	Circulation Factor					4,383			4,553			4,753			4,614		
TOTAL AREA						18,907			19,773			18,460			18,973		

PROGRAM	FUNCTION	Number of Students	Number of Staff	Number of Rooms	Square Feet Per Room	Programmed Square Feet	Number of Rooms	Square Feet Per Room	Designed Square Feet	Number of Rooms	Square Feet Per Room	Designed Square Feet	Number of Rooms	Square Feet Per Room	Designed Square Feet
INVEST/ VENTURE															
(ASD)		25	6.5												
	Classroom		5.0	5	900	4,500	5	900	4,500	5	900	4,500	5	900	4,500
	Commons			1	400	400	1	550	550	1	400	400	1	396	396
	Toilets- students			3	55	165	3	55	165	0	55	0	5	61	305
	Toilets- staff			2	55	110	2	55	110	0	55	0	0	55	0
	Office- facilitator		1.0	1	120	120	1	112	112	1	120	120	1	134	134
	Office- social worker		0.5	1	100	100	1	112	112	1	100	100	1	120	120
	Break out room			6	84	504	5	50	250	5	50	250	5	52	250
	Teacher/ para office			3	180	540	3	200	600	2	185	370	2	210	420
	Teacher/ para office									1	92	92	1	105	105
	Para storage			12	1	12	0	1	0	0	12	0	0	12	0
	General storage			1	400	400	1	534	534	1	374	374	1	414	414
	Janitor Closet			1	45	45	1	50	50	0	50	0	0	50	0
	Electrical Closet			1	30	30	1	96	96	0	96	0	1	69	69
	Circulation Factor					2,078			2,124			1,846			2,003
TOTAL AREA						9,004			9,203			8,052			8,726
NORTH VISTA EDUCATION CENTER (NVEC)															
(ALC)		100	12.0												
	Classroom		6.0	6	900	5,400	7	1,000	7,000	7	891	6,237	7	891	6,237
	Break out room												1	149	149
	Science												1	916	916
	Science prep												1	97	97
	Staff curriculum storage			3	100	300	4	90	360	4	99	396	3	112	336
	Commons			1	900	900	1	900	900	1	891	891	1	906	906
	Toilets- students			2	225	450	2	143	286	2	240	480	2	167	334
	Toilets- staff			2	55	110	0	55	0	2	47	94	2	58	116
	Waiting			1	64	64	0	64	0	0	64	0	0	64	0
	Reception		1.0	1	64	64	0	64	0	1	64	64	1	254	254
	Office- facilitator		2.0	2	120	240	0	120	0	1	120	120	1	133	133
	Office- case manager		2.0	2	100	200	0	100	0	1	100	100	1	117	117
	Office- counselor		2.0	2	100	200	0	100	0	1	100	100	1	100	100
	Office- work experience coord		2.0	2	100	200	0	100	0	1	100	100	1	100	100
	Office- itinerant (4)		1.0	1	100	100	0	100	0	0	100	0	0	100	0
	Office- future									1	107	107	1	93	93
	Clerical		2.0	2	64	128	0	64	0	1	64	64	1	64	64
	Staff work/ communications room			1	100	100	0	100	0	1	117	117	1	110	110
	Storage			1	100	100	0	100	0	1	100	100	0	100	0
	Janitor Closet			1	45	45	0	45	0	1	45	45	1	58	58
	Electrical Closet			1	30	30	0	96	0	1	80	80	1	81	81
	Technology Closet			0	60	0	0	60	0	1	60	60	1	85	85
	Mechanical Support									1	100	100	1	40	40
	Support						1	1,800	1,800	0	1,800	0	0	1,800	0
	Circulation Factor					2,589		1,800	3,104		1,800	3,860		1,800	3,091
TOTAL AREA						11,220			13,450			13,115			13,417
DAYCARE															
		50	10.0												
	Daycare rooms (infant)			5	800	4,000	5	900	4,500	5	875	4,375	3	700	2,100
	Daycare rooms (toddler)												2	900	1,800
	Daycare rooms (nap)												3	180	540
	Observation/ check-in			1	300	300	1	300	300	1	283	283	1	283	283
	Lactation			1	64	64	1	50	50	1	50	50	1	45	45
	Laundry			1	64	64	1	50	50	1	50	50	1	45	45
	Food prep			1	200	200	1	216	216	1	209	209	0	209	0
	Food serving			1	100	100	1	97	97	2	102	204	3	108	324
	Toilet			5	55	275	5	50	250	5	47	235	5	58	290
	Record Storage			1	64	64	1	97	97	1	102	102	1	83	83
	Janitor Closet			1	45	45	0	45	0	0	45	0	1	39	39
	Electrical Closet												1	53	53
	Circulation Factor					1,534			1,668			1,802			1,880
TOTAL AREA						6,646			7,228			7,310			7,482

PROGRAM	FUNCTION	Number of Students	Number of Staff	Number of Rooms	Square Feet Per Room	Programmed Square Feet	Number of Rooms	Square Feet Per Room	Designed Square Feet	Number of Rooms	Square Feet Per Room	Designed Square Feet	Number of Rooms	Square Feet Per Room	Designed Square Feet
LEARNING POD															
	Classroom		5.0	0	400	0	0	400	0	0	400	0	0	400	0
	Computer Lab			1	400	400	1	400	400	1	400	400	0	400	0
	Literacy Library			1	1,000	1,000	1	1,080	1,080	1	1,412	1,412	1	1,673	1,673
	Circulum Storage			1	400	400	1	400	400	1	432	432	1	516	516
	Circulum Specialist		2.0	1	120	120	1	114	114	1	100	100	1	100	100
	IT Specialist		1.0	1	100	100	1	114	114	1	100	100	1	100	100
	Specialist									1	100	960	1	100	100
	Science Lab		1.0	1	1,000	1,000	1	960	960	1	960	960	0	960	0
	Science Prep			1	100	100	1	114	114	1	88	88	0	88	0
	Home Living Lab		1.0	1	1,000	1,000	1	960	960	1	960	960	1	266	266
	Home Living Laundry			1	20	20	1	20	20	0	20	0	0	20	0
	Home Living Storage			1	100	100	1	114	114	0	114	0	0	114	0
	Home Living Bathroom			1	50	50	0	50	0	1	88	88	0	88	0
	Culinary Arts Lab												1	990	990
	Art and Communication Careers		1.0	1	1,000	1,000	1	960	960	1	960	960	0	960	0
	Art and Communication Storage			1	100	100	1	114	114	1	88	88	0	88	0
	Technology Lab												1	940	940
	Production Lab												1	940	940
	Production/ Tech Lab Storage												1	210	210
	Health Careers Lab									1	960	960	1	882	882
	Health Careers Storage									1	88	88	1	213	213
	Electrical Closet			1	30	30	0	96	0	0	96	0	0	96	0
	Circulation Factor					1,628			1,605			1,124			2,079
TOTAL AREA						7,046			6,955			7,860			9,009
VOCATIONAL POD															
	Lab- Attain/ Production		6.0	0	1,000	0	0	1,000	0	0	1,000	0	0	1,000	0
	Storage		6.0	0	1,000	0	0	1,000	0	0	1,000	0	0	1,000	0
	Circulation Factor					0		0	0		0	0		0	0
TOTAL AREA						0		0	0		0	0		0	0
ACTIVITY POD															
	Motor Space		0.0	0	3,000	0	0	3,000	0	0	3,000	0	0	3,000	0
	Motor Storage			1	300	0	1	300	0	1	300	0	1	300	0
	Gymnasium			1	6,000	6,000	1	6,400	6,400	1	6,000	6,000	1	6,000	6,000
	Fitness			1	1,000	1,000	1	1,680	1,680	1	780	780	1	780	780
	Gymnasium Storage			1	600	600	1	580	580	1	580	580	1	580	580
	Circulation Factor					2,280		2,598			2,208			2,208	2,208
TOTAL AREA						9,880		11,258			9,568			9,568	9,568
ADMINISTRATION															
	Office- principal		7.0							1	200	200	1	150	150
	Office- principal's assistant												1	90	90
	Office- assistant principal		2.0	2	120	240	2	120	240	2	120	240	1	135	135
	Office- psychologist		2.0	2	120	240	2	120	240	2	120	240	2	120	240
	Office- due diligence												1	112	112
	Office- purchasing												1	112	112
	Police Liaison		1.0	1	48	48	1	48	48	1	48	48	0	48	0
	Co-located offices for mental hith			5	48	240	5	48	240	5	48	240	5	48	240
	Support staff work stations		2.0	2	48	96	2	48	96	2	48	96	2	48	96
	Work/ Mail Room			1	120	120	1	120	120	1	100	100	1	220	220
	Storage			1	120	120	1	120	120	1	120	120	1	190	190
	Vestibule												1	160	160
	Circulation Factor					331		331			779			318	318
TOTAL AREA						1,435		1,435			2,063			2,063	2,063
FOOD SERVICE															
	Prep Kitchen		4.0	1	2,000	2,000	1	2,000	2,000	1	2,108	2,108	1	2,450	2,450
	Cafeteria		4.0	1	2,500	2,500	1	2,500	2,500	1	2,589	2,589	1	2,530	2,530
	Table Storage			1	400	400	1	618	618	1	662	662	1	706	706
	Staff Dining/ break room			1	400	400	1	400	400	1	527	527	1	490	490
	School Store Office									1	120	120	1	120	120
	School Store Storage									1	60	60	0	60	0
	School Store			1	100	100	1	130	130	1	100	100	1	115	115
	Jitterbug coffee bar			1	100	100	1	130	130	1	100	100	1	120	120
	Circulation Factor					1,650		1,733			1,880			1,959	1,959
TOTAL AREA						7,150		7,511			8,146			8,490	8,490



To Solve. To Excel. Together.

Fee Matrix
Intermediate District 287
North Education Center

December 9, 2009
Revised Dec 14, 2009
Revised Jan 11, 2010
Revised Feb 26, 2010
Revised March 1, 2010
Revised March 19, 2010
Revised March 24, 2010
Revised March 29, 2010
Revised September 23, 2010

Basic Services

	Construction Costs			Contingency	Total
	\$500,000	\$1,800,000	\$20,770,000	\$1,200,000	\$23,770,000
	5.50%	5.50%	5.50%	0.00%	
	\$27,500	\$99,000	\$1,142,350	\$0	
Phase	Building Demo	Site	Building	Contingency	Sub Total
Pre-Dsn	\$0	\$0	\$25,000	\$0	\$25,000
SD	\$0	\$14,850	\$171,353	\$0	\$186,203
DD	\$0	\$19,800	\$228,470	\$0	\$248,270
CD	\$19,250	\$34,650	\$399,823	\$0	\$453,723
BN	\$1,375	\$4,950	\$57,118	\$0	\$63,443
CA	\$6,875	\$24,750	\$285,588	\$0	\$317,213
Total	\$27,500	\$99,000	\$1,167,350	\$0	\$1,293,850

Thru PUD \$27,500 \$69,300 \$424,823

Additional Services

			Construction Costs				
			\$350,000	\$814,000	\$153,900	\$3,729,360	\$2,784,000
			7.00%	10.00%	10.00%	5.50%	5.50%
\$100,000	\$10,000	\$2,500	\$24,500	\$81,400	\$15,390	\$205,115	\$153,120
Commissioning	Energy Modeling	Review & Comment	FF&E	Technology and Security	3rd Floor Technology and Security	3rd Floor	"DIRTT"
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$15,000	\$4,000	\$2,500	\$3,675	\$12,210	\$0	\$0	\$0
\$20,000	\$4,000	\$0	\$4,900	\$16,280	\$2,309	\$51,279	\$22,968
\$35,000	\$1,000	\$0	\$8,575	\$28,490	\$8,465	\$92,302	\$76,560
\$5,000	\$0	\$0	\$1,225	\$4,070	\$770	\$10,256	\$15,312
\$25,000	\$1,000	\$0	\$6,125	\$20,350	\$3,848	\$51,279	\$38,280
\$100,000	\$10,000	\$2,500	\$24,500	\$81,400	\$15,390	\$205,115	\$153,120

\$1,885,875

\$15,000 \$4,000 \$2,500 \$3,675 \$12,210

\$559,008

INTERMEDIATE DISTRICT 287
PLYMOUTH, MINNESOTA
BOARD OF EDUCATION

Regular Meeting – October 28, 2010

AGENDA SECTION: ADMINISTRATIVE SERVICES

ITEM: Resolution Authorizing the Issuance and Award the
Sale of Taxable Certificates of Participation Series 2010E

PRESENTED BY: Janet A. Johnson, Director of Finance

1. Background Information

The financial markets have been shifting over the past couple of weeks. We worked closely with our financial advisors at Springsted and our underwriters at BMO Capital Markets starting with a pre-pricing conference call late Tuesday. By the end of the day Wednesday we had decided to make the recommendation to accept pricing on the District's \$29,790,000 COP sale that is higher than previously anticipated and higher than the 5.5% stated in the parameters resolution passed two weeks ago. The rate that we will be recommending is 6.0%.

Several things to keep in mind, this is a taxable rate. It will look high relative to tax-exempt rates. The Federal government will pay the interest up to the Tax Credit Rate. The rate relative to this issue is today's rate of 5.37%. The District pays the difference, .63%. The District's principal payments will be invested in a sinking fund over the 19 year term. The bid on Wednesday for a Guaranteed Investment Contract (GIC) for those investments was 3.552%. Springsted's materials show the impact at a conservative 3.30% earnings rate. Those earnings will help offset the cost of this borrowing. Moody's has confirmed the District's Aa2 rating for this issue. Finally, this is still well within the promise to keep lease costs at current amounts assuming 5% annual increases on lease payments.

There are several factors that come into play supporting this recommendation. Probably the most significant is that investors are anticipating a large supply of federally backed financing over the next few months, prior to the December 31, 2010 sunset. Springsted and BMO both feel that we are on the front end of this and rates will go even higher. Investors are reluctant to accept a low rate now with the anticipation that it will be higher a few weeks out. In addition there is uncertainty about what effect next week's elections will have on the financial markets.

The resolution before you will rescind the parameters resolution and award the sale of \$29,790,000 in Taxable Certificates of Participation, Series 2010E (Qualified School

Construction Bonds – Direct Pay) to BMO Capital Markets GKST, Inc. at a price of \$29,636,879.40 and 6.00% interest rate.

2. Fiscal Impact/Funding Source:

Funds will be available to construct the North Education Center. The District will be well within the promise to keep lease costs at current amounts assuming 5% annual increases on lease payments.

3. RECOMMENDED ACTION:

The Board passes the attached resolution rescinding the parameters resolution and authorizing the issuance and award the sale of Taxable Certificates of Participation, Series 2010E.

Motion by: _____ Yes ____ Passed ____

Second by: _____ Yes ____ Failed ____

Abstentions: _____



Springsted Incorporated
380 Jackson Street,
Suite 300
Saint Paul, MN 55101-
2887

Tel: 651-223-3067
Fax: 651-268-5067
dlifto@springsted.com
www.springsted.com

MEMORANDUM

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

FROM: Don Lifto, Senior Vice President
Springsted Incorporated

DATE: October 28, 2010

SUBJECT: Qualified School Construction Bond Sale Summary

Springsted Incorporated negotiated the sale of QSCBs on Wednesday on behalf of Intermediate District 287. I am pleased to inform you that we were successful in placing the bonds through the underwriter, BMO Capital Markets. Below is a summary of the transaction for your information. Your legal counsel has prepared the appropriate resolution for consideration by the Board of Education.

Issuance of 2010E Debt

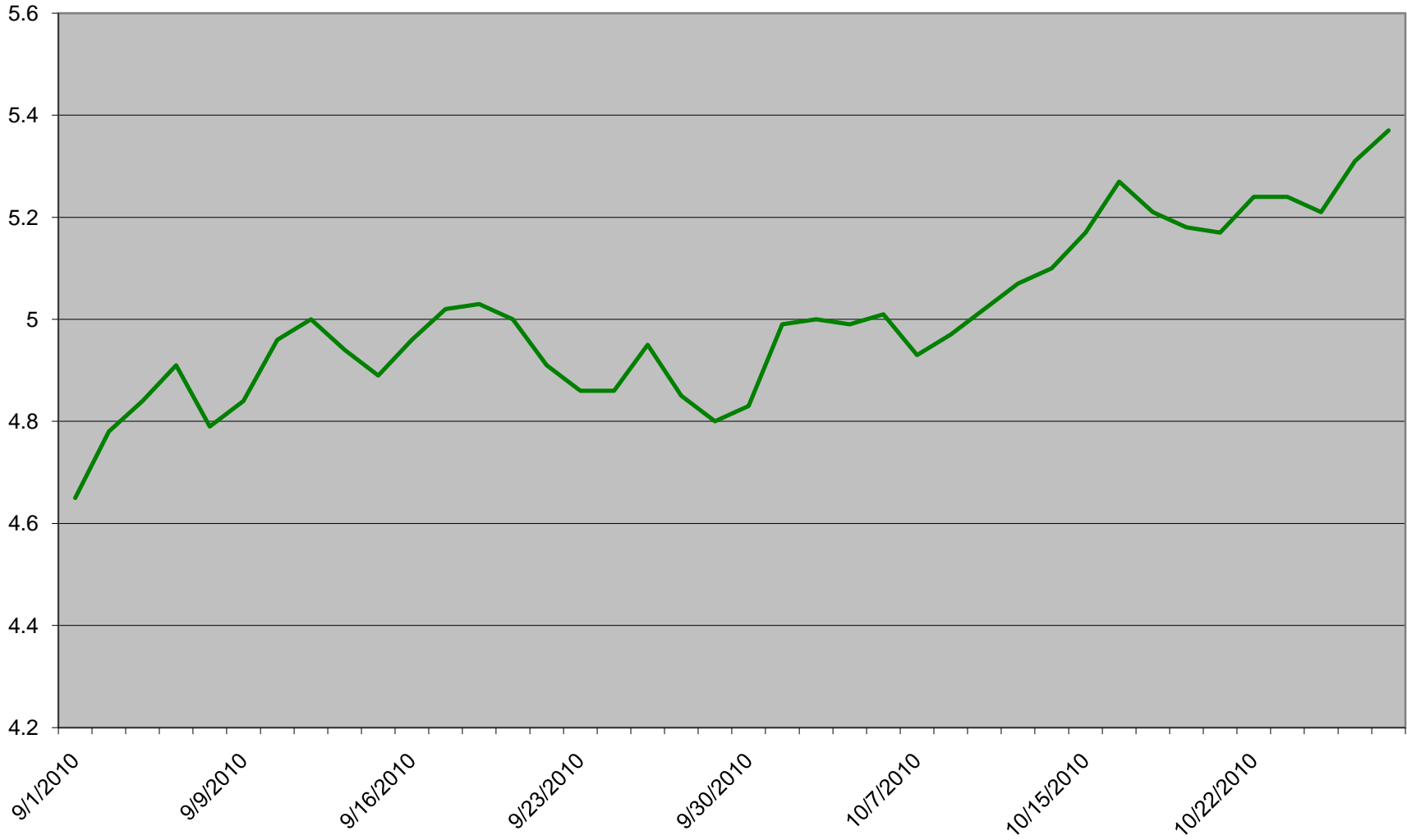
Type of Financing:	Qualified School Construction Bonds (QSCBs) American Reinvestment and Recovery Act
Underwriter:	BMO Capital Markets
Par Amount of Sale:	\$29,790,000
Structure of Financing:	19 year level debt service with sinking fund and bullet maturity
Method of Sale:	Negotiated
Gross Interest Rate of Bonds:	6.00%
Federal Tax Reimbursement Rate:	5.37%
Net Interest Rate:	0.63% (Gross interest rate minus tax credit)
Estimated Sinking Fund Interest Rate:	3.30% (Bid opening Friday)
Estimated Earnings on Sinking Fund:	\$7,738,750 (assuming 3.30% rate)
Net Cost to Retire Debt:	\$25,467,493
Moody's Rating:	Aa2

Moody's Rating Scale

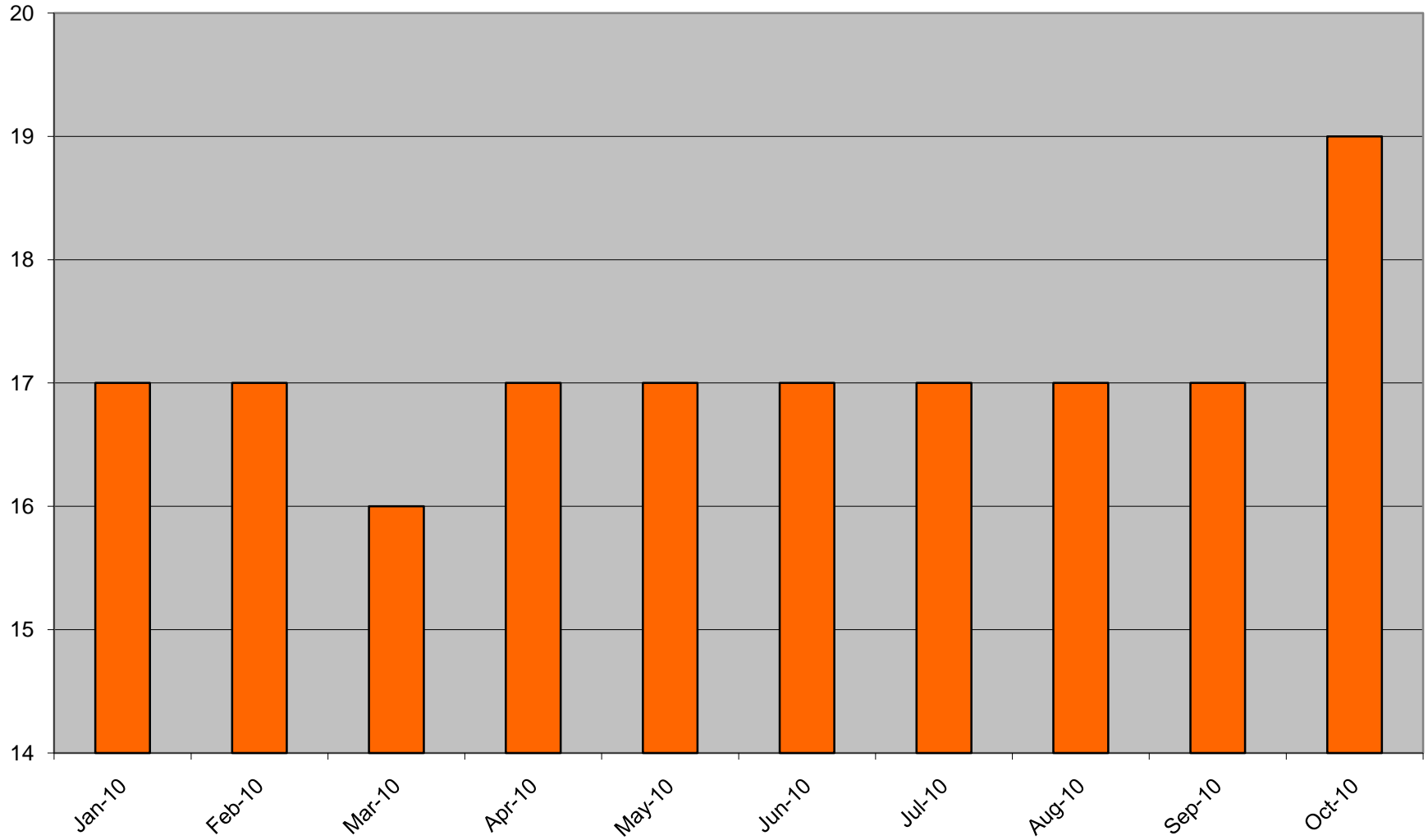
According to Moody's, the Aa2 underlying rating "...reflects the essentiality of the project to be funded with certificate proceeds, the annual risk of non-appropriation by Intermediate 287 , the availability of a dedicated, though limited, capital levy for member school districts to use for lease payments, the limited revenue raising ability and narrow cash levies of the obligor, the districts role as a provider of special education and other essential services for independent schools districts, and the general obligation credit characteristics of the member districts."

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

Tax Credit Rate
September 1, 2010 - October 28, 2010



Maximum Permitted Maturity
January 1, 2010 - October 28, 2010



CERTIFICATION OF MINUTES RELATING TO A LEASE-PURCHASE AGREEMENT
AND \$29,790,000 TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2010E
(QUALIFIED SCHOOL CONSTRUCTION BONDS – DIRECT PAY) THEREIN

Issuer: Intermediate District. No. 287, Plymouth, Minnesota

Governing Body: School Board

Kind, date, time and place of meeting: A regular meeting held October 28, 2010 at 6:30 p.m. at the District offices.

Members present:

Members absent:

Documents attached:

Minutes of said meeting (including):

RESOLUTION AUTHORIZING ISSUANCE AND AWARDED SALE RELATING TO A LEASE-PURCHASE AGREEMENT AND \$29,790,000 TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2010E (QUALIFIED SCHOOL CONSTRUCTION BONDS – DIRECT PAY) THEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE-PURCHASE AGREEMENT AND APPROVING AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS

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

WITNESS my hand officially as such recording officer this 28th day of October, 2010.

School District Clerk

Member _____ introduced the following resolution (the Resolution) and moved its adoption, which motion was seconded by Member _____:

RESOLUTION AUTHORIZING ISSUANCE AND AWARDING SALE RELATING TO A LEASE-PURCHASE AGREEMENT AND \$29,790,000 TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2010E (QUALIFIED SCHOOL CONSTRUCTION BONDS – DIRECT PAY) THEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE-PURCHASE AGREEMENT AND APPROVING AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS

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

SECTION 1. AUTHORIZATION AND SALE.

1.01. Purpose. By resolution duly adopted on October 14, 2010 (the Authorizing Resolution), this Board authorized the execution and delivery of a Lease-Purchase Agreement (the Lease) and the creation of \$29,790,000 Taxable Certificates of Participation, 2010E (Qualified School Construction Bonds – Direct Pay) therein (the Certificates) to provide funds to construct the North Education Center school facility to provide teaching/learning, support and office spaces for the delivery of special education and area learning programs to be located at 5530 Zealand Avenue North, in New Hope, Minnesota (the Project) pursuant to Minnesota Statutes, Sections 123B.51, 126C.40, and 136D.24. **In the Authorizing Resolution, the Board provided that the coupon on any Certificate shall not exceed 5.50% per annum; that parameter is hereby rescinded.** This Board hereby determines that it is in the best interests of the District to enter into the lease purchase transaction as described above and authorizes the sale of the Certificates in the aggregate principal amount of \$29,790,000. The Commissioner of Education of the State of Minnesota authorized, by its Review and Comment Statement dated September 23, 2010, the lease purchase of the Project and the making of an additional capital expenditure levy for this purpose pursuant to Minnesota Statutes, Section 126C.40, Subdivision 1(h).

1.02. Sale. The District has retained Springsted Incorporated, as independent financial advisor in connection with the sale of the Certificates. **A proposal has been received BMO Capital Markets GKST, Inc., in Chicago, Illinois (the Purchaser) to purchase the Certificates at a price of \$29,636,879.40 plus accrued interest** on all Bonds to the day of delivery and payment, on the further terms and conditions hereinafter set forth.

1.03. Award. The sale of the Certificates is hereby awarded to the Purchaser, and the Chairperson and Clerk are hereby authorized and directed on behalf of the District to execute a contract for the sale of the Certificates in accordance with the terms and conditions hereinafter set forth.

SECTION 2. DOCUMENTS; APPROVAL; OFFICIAL STATEMENT.

2.01. Ground Lease and Easement Agreement. The District has agreed with U.S. Bank

National Association in St. Paul, Minnesota (the Trustee) that the District will lease and agree to sell the Land (as defined in the Ground Lease and Easement Agreement (the Ground Lease) to the Trustee pursuant to the Ground Lease.

2.02. Lease Purchase Agreement. The District has agreed with the Trustee that the Trustee will lease and agree to sell the Project to the District pursuant to a Lease Purchase Agreement between the Trustee and the District (the Lease).

2.03. Trust Agreement. The Trustee will execute and deliver a Trust Agreement (the Trust Agreement), joined in by the District, pursuant to which the Trustee will (i) issue the Certificates representing interests in the Rental Payments (as defined in the Lease) to be made by the District under the Lease, (ii) receive the proceeds of the sale of the Certificates and disburse such proceeds to finance the Project and pay costs of issuance of the Certificates and (iii) file the necessary forms to receive, on behalf of the District, the Federal Payments referred to in Section 4 hereof for deposit in the Rental Payment Account established under the Trust Agreement.

2.04. Form of Documents. In connection with the proposed financing and the issuance of the Certificates, forms of the Lease, Ground Lease, and Trust Agreement have been prepared, submitted to the District and filed with the Clerk.

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

2.06. Official Statement. The Preliminary Official Statement relating to the Certificates, as of its date October 20, 2010, prepared and distributed by Springsted Incorporated, the financial advisor to the District, is hereby approved. Springsted Incorporated, is hereby authorized on behalf of the District to prepare and distribute to the Purchaser within seven business days from the date hereof, a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Certificates required to be included in the Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission (the SEC) under the Securities Exchange Act of 1934. The officers of the District are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

SECTION 3. ISSUANCE OF CERTIFICATES. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Certificates having been done, now existing, having happened and having been performed, the District shall proceed forthwith to cause the Trustee to issue the Certificates in the form and upon the terms set forth in the Trust Agreement and the proposal received by the Purchaser described in Section 1.02 hereof. The

Chairperson and Clerk are authorized to approve the final terms of the Certificates, which approval shall be conclusively evidenced by the execution of the Trust Agreement by said officers. The Certificates shall be prepared, executed and delivered as prescribed in the Trust Agreement and the officers of the District shall deliver to the Trustee a certified copy of this resolution and other documents required by the Trust Agreement, for authentication and delivery to the Purchaser. The Trustee is hereby appointed authenticating agent with respect to the Certificates, and as registrar and paying agent for the Certificates pursuant to the Trust Agreement.

SECTION 4. QUALIFIED SCHOOL CONSTRUCTION BONDS. The Lease and the Certificates are hereby designated as "Qualified School Construction Bonds" for purposes of Section 54F of the Internal Revenue Code (the Code). The District finds that the Lease and the Certificates will be "specified tax credit bonds" within the meaning of Section 6431(f)(3) of the Code and irrevocably elects to have Section 6431(f) of the Code apply to the Lease and the Certificates, with the result that the District shall be entitled to the credit provided in Section 6431 of the Code. The District hereby irrevocably pledges any and all amounts received from the United States Department of the Treasury as federal credit payments under Section 6431 of the Code (the "Federal Payments") to the payment of the Lease and the Certificates.

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

SECTION 6. TAX COVENANTS, ARBITRAGE MATTERS, REIMBURSEMENT AND CONTINUING DISCLOSURE.

6.01. Restrictive Action. The Project will be owned and maintained by the District and used to carry out its program of public education. The District shall not enter into any lease, management agreement, use agreement or other contract with any nongovernmental entity relating to the Project or a portion thereof which would cause the Lease and Certificates to be considered "private activity bonds" or "private loan bonds" pursuant to the provisions of Section 141 of the Code.

6.02. General Covenant. The District covenants and agrees with the holders from time to time of the Certificates that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the Lease and the Certificates to lose their status as Qualified School Construction Bonds under the Code and applicable Treasury Regulations (the "Regulations") and IRS notices, and covenants to take any and all actions within its powers to ensure that the Lease and the Certificates will remain Qualified School Construction Bonds under the Code, the Regulations and IRS notices.

6.03. Arbitrage Certification. The Chairperson and Clerk being the officers of the District charged with the responsibility for issuing the Lease and Certificates pursuant to this

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

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

6.05. Reimbursement. The District certifies that the proceeds of the Certificates will not be used by the District to reimburse itself for any expenditure with respect to the Project which the District paid or will have paid more than 60 days prior to the issuance of the Certificates unless, with respect to such prior expenditures, the District shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations; provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, with respect to the Project meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to “preliminary expenditures” for the Project as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the “issue price” of the Certificates. The District will also comply with the requirements of Sections 54A and 54F of the Code with respect to use of Certificate proceeds for reimbursement.

6.06. Information Reporting. The District shall file with the Secretary of the Treasury, not later than February 15, 2011, a statement concerning the Certificates containing the information required by Sections 149(e) and 54A(d)(3) of the Code, and Treasury Notice 2009-35.

6.07. Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Certificates and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Certificates to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Certificates, the District hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Certificates. The District is the only obligated person in respect of the Certificates within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. The District has complied in all material respects with any undertaking previously entered into

by it under the Rule. If the District fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any outstanding Certificates, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law.

Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Certificates or under any other provision of this resolution.

As used in this section, Owner or Certificateowner means, in respect of a Certificate, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Certificate, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Certificate (including persons or entities holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Certificate for federal income tax purposes.

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

- (1) on or before 365 days after the end of each fiscal year of the District, commencing with the fiscal year ending June 30, 2010, the following financial information and operating data in respect of the District (the Disclosure Information):
 - (A) the audited financial statements of the District for such fiscal year, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the District, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the District, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the District; and
 - (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: District Property Values; District Indebtedness; District Enrollment; and District Employment, which information may be unaudited.

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

- (2) In a timely manner, notice of the occurrence of any of the following events which is a Material Fact (as hereinafter defined):
 - (A) Principal and interest payment delinquencies;
 - (B) Non-payment related defaults;
 - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (E) Substitution of credit or liquidity providers, or their failure to perform;
 - (F) Adverse tax opinions or events affecting the tax-exempt status of the security;
 - (G) Modifications to rights of security holders;
 - (H) Certificate calls;
 - (I) Defeasances;
 - (J) Release, substitution, or sale of property securing repayment of the securities;
and
 - (K) Rating changes.

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

discovery of the occurrence of the event.

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

(c) Manner of Disclosure.

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

(d) Term; Amendments; Interpretation.

- (1) The covenants of the District in this section shall remain in effect so long as any Certificates are outstanding. Notwithstanding the preceding sentence, however, the obligations of the District under this section shall terminate and be without further effect as of any date on which the District delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the District to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Certificates to be in violation of the Rule or other applicable

requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the District from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Certificates, by a resolution of this Board filed in the office of the recording officer of the District accompanied by an opinion of Bond Counsel, who may rely on certificates of the District and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the District or the type of operations conducted by the District, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Certificates, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Certificateowners under the Rule.

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

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

SECTION 7. ADDITIONAL AUTHORIZATIONS. In the absence or other unavailability of the Chairperson, any document authorized in this resolution to be executed by the Chairperson may be executed by the Acting Chairperson and, in the absence or other unavailability of the Clerk, any document authorized in this resolution to be executed by the Clerk may be executed by the Acting Clerk.

Upon vote being taken on the foregoing resolution, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted.

INTERMEDIATE DISTRICT NO. 287

Taxable Certificates of Participation, Series 2010E
(Qualified School Construction Bonds – Direct Pay)

CERTIFICATE PURCHASE AGREEMENT

Dated as of October 28, 2010

\$29,790,000 TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2010E
(QUALIFIED SCHOOL CONSTRUCTION BONDS—DIRECT PAY)
INTERMEDIATE DISTRICT NO. 287

CERTIFICATE PURCHASE AGREEMENT

Members of the Board
Intermediate District No. 287
Plymouth, Minnesota

Board Members:

The undersigned, BMO Capital Markets GKST Inc., Chicago, Illinois, acting on behalf of themselves (the “Purchaser”), and not as agent or fiduciary for you, hereby offers to enter into the following agreement with Intermediate District No. 287, Plymouth, Minnesota, (the “Issuer”), which, upon the Issuer’s acceptance and approval of this offer, will be binding upon the Issuer and upon the Purchaser.

1. Upon the terms and conditions and upon the basis of the representations, warranties and covenants set forth herein, the Purchaser hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Purchaser, all (but not less than all) of the \$29,790,000 aggregate principal amount of the Intermediate District No. 287 Certificates of Participation, Series 2010E (Qualified School Construction Bonds—Direct Pay) (the “Certificates”). The Certificates shall be dated as of the date of issuance thereof, mature, be subject to redemption and bear interest at the rates per annum set forth on Appendix A attached hereto, such interest being payable on February 1 and August 1 of each year, commencing August 1, 2011. The purchase price for the Certificates shall be \$29,636,879.40, which is equal to the principal amount of the Certificates, less underwriter’s discount of \$153,120.60, no interest having accrued on the Certificates (calculated on the basis of a 360-day year) from their dated date to the date of the payment for and delivery of the Certificates (such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery being herein sometimes called the “Closing”).

2. The Certificates shall be as described in, and shall be issued and secured under, the provisions of Minnesota Statutes, Sections 465.71, 123B.51 and 126C.40 and Chapters 136D and 471 (together, the “Act”), the provisions of the resolution duly adopted by the Issuer on October 28, 2010 (the “Resolution”) and the Trust Agreement dated as of November 18, 2010 (the “Trust Agreement”), between the Issuer and U.S. Bank National Association (the “Trustee”). The Certificates shall be payable at the principal corporate office of the Trustee as described in the Trust Agreement. Proceeds of the sale of the Certificates will be used to finance the construction of the North Education Center school facility to provide teaching/learning, support, and office spaces for the delivery of special education and area learning programs.

3. It shall be a condition to the Issuer’s obligations to sell and to deliver the Certificates to the Purchaser and to the obligation of the Purchaser to purchase, accept delivery of and pay for the Certificates that the entire \$29,790,000 aggregate principal amount of the Certificates authorized by the Resolution shall be issued, sold and delivered by the Issuer and purchased, accepted and paid for by the Purchaser at the Closing.

4. (a) The Issuer shall deliver or cause to be delivered to the Purchaser (at the Issuer's expense), promptly after acceptance hereof, copies of the final official statement relating to the Certificates, inclusive of appendices and exhibits thereto (the "Official Statement"), with only such changes as shall have been accepted by the Purchaser. The Issuer has heretofore authorized and hereby ratifies the distribution by the Purchaser of the Preliminary Official Statement dated October 20, 2010 (the "Preliminary Official Statement") in offering the Certificates for public sale to prospective purchasers of the Certificates.

(b) The Issuer agrees to deliver to the Purchaser, at such addresses as the Purchaser shall specify, as many copies of the final Official Statement as the Purchaser shall reasonably request as necessary to comply with Paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934 (the "Rule") and all other applicable rules of the municipal securities rule-making board. The Issuer agrees to deliver such final Official Statements within seven business days after the execution hereof.

(c) The Purchaser agrees that it shall, until a final Official Statement is available, send or cause to be sent no later than the next business day, by first class mail or other equally prompt means, to any potential customer, on request, one or more copies of the Preliminary Official Statement, as most recently supplemented or amended.

(d) The Issuer represents and warrants to and agrees with the Purchaser that the statements and information contained in the Official Statement are, and will be as of the Closing, true and correct in all material respects and do not, and will not as of the Closing, contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading. If, at any time prior to twenty-five (25) days following the end of the underwriting period, any event occurs with respect to the Issuer as a result of which the Official Statement as then amended or supplemented might include an untrue statement of a material fact, or omit to state any fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall promptly notify the Purchaser in writing of such events. Any information supplied by the Issuer for inclusion in any amendments or supplements to the Official Statement will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Any amendment of or supplement to the Official Statement to be distributed pursuant to this Paragraph (d), shall contain a statement that the Purchaser has neither participated in the preparation thereof nor made any independent investigation of the facts contained therein and does not assume any responsibility for the sufficiency, accuracy or completeness of the information contained therein.

5. The Issuer represents and warrants to and agrees with the Purchaser that:

(a) the Issuer is a political subdivision of the State of Minnesota (the "State") organized and existing under the Constitution and laws of the State and has, and at the date of the Closing will have, full legal right, power and authority to (i) enter into this Certificate Purchase Agreement, (ii) adopt the Resolution, the Trust Agreement and the Lease-Purchase Agreement and Ground Lease and Easement Agreement each dated as of November 18, 2010 and between the Issuer and the Trustee (the documents described in (ii) of this paragraph together, the "Issuer Documents") and (iii) issue, sell and deliver the Certificates to the Purchaser as provided herein, (iv) carry out and consummate the transactions contemplated by this Certificate Purchase Agreement, the Issuer Documents and the Official Statement prepared in connection with the Certificates;

(b) the Issuer has complied, and will at the Closing be in compliance, in all respects related to the transactions contemplated hereby, with the Issuer Documents and the Constitution and laws of the State including the Act;

(c) by official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly adopted the Resolution, has duly authorized and approved the execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Issuer Documents and this Certificate Purchase Agreement, and has duly authorized and approved the consummation by it of all other transactions contemplated by this Certificate Purchase Agreement;

(d) the Issuer is not in breach of or default under any applicable law or administrative regulation of the State or the United States in any manner relating to or affecting the transactions contemplated hereby and is not in breach of or default under any applicable judgment or decree or any loan agreement, note, resolution, ordinance, agreement or other instrument to which the Issuer is a party or is otherwise subject, except as described in the Official Statement; and the execution and delivery of the Certificates, the Issuer Documents and this Certificate Purchase Agreement and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any constitutional provision, law, regulation, judgment, decree, order, loan agreement, note, resolution, ordinance, agreement or other instrument to which the Issuer is a party or is otherwise subject;

(e) all approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Issuer of its obligations hereunder and under the Issuer Documents and the Certificates have been obtained;

(f) the Certificates, when issued, authenticated and delivered in accordance with the Issuer Documents and sold to the Purchaser as provided herein, will be validly issued and outstanding revenue obligations of the Issuer entitled to the benefits of the Issuer Documents;

(g) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer or affecting the corporate existence of the Issuer or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Certificates, or in any way contesting or affecting the transactions contemplated hereby or by the Official Statement or the validity or enforceability of the Certificates, the Issuer Documents or this Certificate Purchase Agreement or contesting the powers of the Issuer or any authority for the issuance of the Certificates, the adoption of the Resolution or the execution and delivery of this Certificate Purchase Agreement or the Issuer Documents;

(h) the Issuer will not take or omit to take any action which action or omission will in any way cause the proceeds from the sale of the Certificates to be applied in a manner contrary to that provided for in the Issuer Documents;

(i) the issuance, sale and delivery of the Certificates to the Purchaser will not be subject to any transfer or other documentary stamp taxes of the State or any political subdivision thereof;

(j) any certificate signed by an authorized officer of the Issuer and delivered to the Purchaser shall be deemed a representation and warranty to the Purchaser as to the statements made therein;

(k) the Issuer does not intend to issue any bonds, notes or other obligations under the Resolution for a period of 90 consecutive days following delivery of the Certificates to the Purchaser.

6. At 10:00 o'clock A.M., Central Standard Time, on November 18, 2010, or at such other time or on such other date as shall have been mutually agreed upon by the Issuer and the Purchaser, the Issuer will deliver the Certificates to the Purchaser in definitive form, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Purchaser will accept such delivery and pay the purchase price of the Certificates as set forth in Paragraph 1 hereof in federal funds payable to the order of the Issuer. Delivery and payment as aforesaid shall be made at the offices of Dorsey & Whitney LLP, in Minneapolis, Minnesota, or at such other place as shall have been mutually agreed upon by the Issuer and the Purchaser. The Certificates shall be delivered in definitive form in denominations authorized by the Issuer Documents, shall be prepared and delivered as fully registered obligations and registered as directed by the Purchaser.

7. The Purchaser has entered into this Certificate Purchase Agreement in reliance upon the representations and warranties of the Issuer contained herein and to be contained in the documents and instruments to be delivered by the Issuer at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Purchaser's obligations under this Certificate Purchase Agreement to purchase, to accept delivery of and to pay for the Certificates shall be subject to the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following conditions (any or all of which may be waived by the Purchaser in its discretion):

(a) the representations and warranties of the Issuer contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) at the time of the Closing, all necessary official action of the Issuer relating to the Issuer Documents shall have been taken and the Issuer Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except as may have been agreed to by the Purchaser and the Issuer;

(c) the Purchaser shall have the right to terminate its obligations under this Certificate Purchase Agreement to purchase, to accept delivery of and to pay for the Certificates by notifying the Issuer of its election to do so if, after the execution hereof and prior to the Closing: (i) legislation shall be enacted by the House of Representatives or the Senate of the Congress of the United States, or recommended to the Congress of the United States for passage by the President of the United States, or favorably reported for passage to either the House of Representatives or the Senate by any committee of either such body to which such legislation has been referred for consideration, a decision by a court established under Article III of the Constitution of the United States, or by the Tax Court of the United States, shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing federal income taxation, or any

other event shall have occurred which results in the imposition of federal income taxation, upon revenues or other income of the general character to be derived and pledged by the Issuer under the Issuer Documents or by any similar body under similar circumstances or upon interest received on obligations of the general character of the Certificates, which, in the Purchaser's judgment, materially adversely affects the market price of the Certificates; (ii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by, any governmental body, department or agency in the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in the Purchaser's judgment, materially adversely affects the market price of the Certificates; (iii) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission shall be proposed or made to the effect that the issuance, offering or sale of the Certificates or obligations of the general character of the Certificates is in violation or would be in violation unless registered or otherwise qualified under any provisions of the Securities Act of 1933, as amended and as then in effect (the "Securities Act"), or the Issuer is required to be registered under the Securities Exchange Act of 1934, as amended and as then in effect, or any of the Issuer Documents is required to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the "Trust Indenture Act"); (iv) legislation shall be introduced in or be enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, or a ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission (including a no action or interpretive letter of the staff thereof) or other governmental agency having jurisdiction of the subject matter shall be made or proposed to the effect that the Certificates or an obligation or obligations of the general character of the Certificates are not exempt from registration, qualification or other requirements of the Securities Act or of the Trust Indenture Act; (v) a general banking moratorium shall have been established by federal, State of Minnesota or Illinois authorities; (vi) a war involving the United States of America shall have been declared, or any other national or international calamity shall have occurred; (vii) in the Purchaser's judgment, the market price of the Certificates is adversely affected because: (A) additional material restrictions not in force as of the effective date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; (B) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Certificates or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of underwriter; (C) any conflict involving the armed forces of the United States of America shall have occurred; or (D) there shall have occurred a default with respect to the debt obligations of or the institution of proceedings under the Federal bankruptcy laws by or against any state of the United States or any city located in the United States having a population of over one million; (viii) there shall have occurred any change in, or any development involving a prospective change in, or affecting the financial condition of the Issuer generally which, in the Purchaser's judgment, materially adversely affects the market price of the Certificates; (ix) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance or sale of the Certificates or in any way contesting or affecting any authority for or the validity of the Certificates, or the existence or powers of the Issuer; (x) if, in the opinion of counsel to the Purchaser, the contemplated distribution of the Certificates must be registered under the Securities Act or any of the Issuer Documents must be qualified under the Trust Indenture Act; or (xi) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of counsel to the Purchaser, has the effect of requiring

the Certificates to be registered under the Securities Act or the Issuer Documents to be qualified under the Trust Indenture Act;

(d) at or prior to the Closing, the Purchaser and the Issuer shall have received each of the following documents:

(i) the Resolution certified by the Clerk of the Issuer as having been duly adopted by the Issuer and as being in effect, with only such changes or amendments as may have been agreed to by the Purchaser;

(ii) the unqualified approving opinion, dated the date of the Closing, of Dorsey & Whitney LLP, Bond Counsel to the Issuer, in form and substance acceptable to the Purchaser;

(iii) a certificate dated the date of the Closing and signed by the Chair and Clerk of the Issuer to the effect that: (A) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing; (B) no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or to the best of their knowledge, threatened against the Issuer, affecting the corporate existence of the Issuer or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the issuance, delivery or sale of the Certificates or the collection of taxes, which taxes are pledged to pay the principal of and interest on the Certificates or in any way contesting or affecting the validity or enforceability of the Certificates, the Issuer Documents, this Certificate Purchase Agreement, or contesting the powers of the Issuer or any authority for the issuance of the Certificates, the adoption of the Resolution or the execution of the Issuer Documents and this Certificate Purchase Agreement, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Certificates, the Resolution, the Issuer Documents or this Certificate Purchase Agreement and that there is no litigation pending or, to the best of their knowledge, threatened against the Issuer or involving any of the property or assets under the control of the Issuer which involves the possibility of any judgment or liability, not fully covered by insurance, which may result in any material adverse change in the business, properties, assets or in the condition, financial or otherwise, of the Issuer (but in lieu of or in conjunction with such certificate the Purchaser may, in its sole discretion, accept certificates or opinions of counsel to the Issuer, that in its opinion the issues raised in any such pending or threatened litigation are without substance or that the contentions of all plaintiffs therein are without merit); and (C) the Issuer has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing;

(iv) a specimen Certificate;

(v) a copy of the executed Information Return for Tax Credit Bonds and Specified Tax Credit Bonds, Form 8038-TC relating to the Certificates;

(vi) a transcript of all proceedings relating to the authorization and issuance of the Certificates;

(vii) an executed copy of a tax certificate of the Issuer relating to matters affecting the qualification of the Certificates as Qualified School Construction Bonds eligible for direct payment, including the use of proceeds of sale of the Certificates, in form and substance satisfactory to Bond Counsel;

(viii) a certificate of the Trustee, executed by an authorized officer thereof, as to the due authentication of the Certificates by duly authorized officers of the Trustee;

(ix) an opinion of disclosure counsel to the Issuer, in form satisfactory to the Issuer and Purchaser;

(x) such additional legal opinions, certificates and other documents as Bond Counsel may reasonably request to enable such counsel to render their opinions or to evidence compliance with legal requirements and the due performance or satisfaction by the Issuer on or prior to the date of the Closing of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

All of the legal opinions, certificates and other documents mentioned above or elsewhere in this Certificate Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Purchaser. If the Issuer shall be unable to satisfy the conditions to the obligations of the Purchaser to purchase, to accept delivery of and to pay for the Certificates contained in this Certificate Purchase Agreement, or if the obligations of the Purchaser to purchase, to accept delivery of and to pay for the Certificates shall be terminated for any reason permitted by this Certificate Purchase Agreement, this Certificate Purchase Agreement shall terminate and neither the Purchaser nor the Issuer shall be under further obligation hereunder, except that the respective obligations of the Issuer and the Purchaser set forth in Paragraph 8 hereof shall continue in full force and effect.

8. The Purchaser shall be under no obligation to pay, and the Issuer shall pay (or cause to be paid from Certificate proceeds) at Closing, all expenses incurred in connection with the issuance of the Certificates and all expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to: (a) the fees and disbursements of Bond Counsel; (b) the cost of printing the Certificates; (c) the fees and disbursements of the Trustee; and (d) costs and expenses directly incurred by the Issuer.

9. All representations, warranties, and agreements of the Issuer shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Purchaser and shall survive the Closing.

10. Any notice or other communication to be given to the Issuer under this Certificate Purchase Agreement may be given by delivering the same in writing at the Issuer's address set forth above, and any notice or other communication to be given to the Purchaser under this Certificate Purchase Agreement may be given by delivering the same in writing to 115 S. LaSalle, 36th Floor, Chicago, Illinois, 60603.

11. This Certificate Purchase Agreement is made solely for the benefit of the Issuer and the Purchaser (including the successors or assigns of the Purchaser) and no other person shall acquire or have any right hereunder or by virtue hereof.

12. This Certificate Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

13. This Certificate Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

14. This Certificate Purchase Agreement shall become effective upon the execution of the acceptance and approval hereof by the Chair and Clerk and shall be valid and enforceable as of the time of such acceptance and approval.

EXECUTED BY THE PURCHASER ON OCTOBER 28, 2010, _____ A.M. / P.M., C.S.T.

Very truly yours,

BMO CAPITAL MARKETS GKST INC.
as Purchaser

By _____
Its _____

[SIGNATURE PAGE TO CERTIFICATE PURCHASE AGREEMENT]

ACCEPTED BY THE ISSUER ON OCTOBER 28, 2010, _____ A.M. / P.M., C.S.T.

INTERMEDIATE DISTRICT NO. 287

By _____
Chair

And _____
Clerk

[SIGNATURE PAGE TO CERTIFICATE PURCHASE AGREEMENT]

APPENDIX A

Intermediate District No. 287
\$29,790,000 Taxable Certificates of Participation, Series 2010E
(Qualified School Construction Bonds—Direct Pay)

MATURITY SCHEDULE

<u>Maturity Date</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
2029	\$29,790,000	6.00%	5.999%

Extraordinary Optional Redemption

The Certificates are subject to redemption prior to their stated maturity dates at the option of the District, in whole or in part upon the occurrence of an Extraordinary Event (defined below), at a redemption price equal to 100% of the principal amount of such Certificates to be redeemed; plus accrued interest on such Certificates to be redeemed to the redemption date. The term “Extraordinary Event” means a determination by the District that a material adverse change has occurred to Sections 54A, 54F, 54AA or 6431 of the Code or the publication of any procedures, rules or guidance by the Internal Revenue Service or the Treasury Department with respect to such Sections or any other determination by the Internal Revenue Service or the Treasury Department, which determination is not the result of any act or omission by the District or the County, that there has been a failure to satisfy the requirements of the District to qualify to receive the Federal Payments, pursuant to which such the Federal Payments are reduced, deferred or eliminated.

The Certificates shall be subject to extraordinary optional redemption and prepayment, in whole but not in part, at the option of the District on any date upon the conditions and terms set forth in Section 6.5 of the Lease if there occurs an event of damage, destruction or condemnation relating to the Premises and the District determines that rebuilding, restoration and replacement of the Premises to an acceptable condition would not be economically feasible.

Extraordinary Mandatory Redemption

The Certificates shall be subject to extraordinary mandatory redemption, in whole or in part, on November 18, 2013, or, in the event of an extension negotiated with the Internal Revenue Service, on any date between November 19, 2013 and November 18, 2015, in authorized denominations, at a redemption price equal to the principal amount of the Certificates called for redemption, in an amount equal to unexpended proceeds of the sale of the Certificates held by the District, but only to the extent that the District fails to expend all of the proceeds of the Certificates and investment earnings thereon within three years of the issuance thereof and no extension for the period for expenditure has been granted by the Internal Revenue Service.

All capitalized terms used but not defined in this Exhibit A shall have the meanings given such terms in the Issuer Documents.

TRUST AGREEMENT

by

U.S. BANK NATIONAL ASSOCIATION, as Trustee

and

INTERMEDIATE DISTRICT NO. 287, PLYMOUTH, MINNESOTA

Dated as of the 18th day of November, 2010

Relating to

TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2010E

This instrument drafted by:

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

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION	3
Section 1.1. Definitions	3
Section 1.2. Rules of Construction	5
ARTICLE II RECITALS AND REPRESENTATIONS	6
Section 2.1. Lease of the Facilities	6
Section 2.2. Creation of Trust	6
Section 2.3. Conditions Precedent Satisfied.....	6
ARTICLE III CERTIFICATES; TERMS AND PROVISIONS	7
Section 3.1. Preparation of Certificates	7
Section 3.2. Form; Denominations; Medium of Payment	7
Section 3.3. Terms of Certificates.....	7
Section 3.4. No Optional or Mandatory Sinking Fund Redemption	7
Section 3.5. Extraordinary Mandatory Redemption	7
Section 3.6. Extraordinary Optional Redemption of Certificates	7
Section 3.7. Redemption of Certificates upon Damage, Destruction or Condemnation.....	8
Section 3.8. Legends.....	8
Section 3.9. Execution	8
Section 3.10. Interchangeability of Certificates	8
Section 3.11. Negotiability, Transfer and Registry.....	8
Section 3.12. Transfer of Certificates	8
Section 3.13. Regulations with Respect to Exchange and Transfer.....	9
Section 3.14. Register	9
Section 3.15. Temporary Certificates	9
Section 3.16. Certificates Mutilated, Lost, Destroyed or Stolen.....	10
Section 3.17. Place of Payment	10
Section 3.18. Federal Subsidy Payments.....	10
Section 3.19. Evidence of Signatures of Certificate Owners and Ownership of Certificates.....	12
Section 3.20. Securities Depository for Certificates	12
Section 3.21. Selection of Certificates for Redemption.....	14
Section 3.22. Notice of Redemption	14
Section 3.23. Effect of Redemption	15
Section 3.24. Additional Certificates	15
ARTICLE IV ESTABLISHMENT AND ADMINISTRATION OF FUNDS AND ACCOUNTS.....	18
Section 4.1. Trust Fund; Accounts; Payment of Costs of Issuance	18
Section 4.2. Establishment and Application of Acquisition Account.....	18
Section 4.3. Establishment and Application of Rental Payment Account	18

Section 4.4.	Establishment and Application of Redemption Account.....	19
Section 4.5.	Deposit and Investment of Moneys in Funds	20
Section 4.6.	Arbitrage Rebate	21
Section 4.7.	Unclaimed Moneys	21
ARTICLE V SINKING FUND DEPOSITS		22
Section 5.1.	Sinking Fund Deposits.....	22
Section 5.2.	Investments	23
Section 5.3.	Limitations Arising from Section 54A(d)(4)(C) of the Code.....	23
Section 5.4.	Subsequent Directions	23
Section 5.5.	Notice	24
ARTICLE VI COVENANTS; DEFAULT AND LIMITATION OF LIABILITY		25
Section 6.1.	District to Perform Agreement	25
Section 6.2.	Trustee to Perform Agreement	25
Section 6.3.	Notice of Non-Payment	25
Section 6.4.	Notice of Event of Default.....	25
Section 6.5.	Action on Default, Nonappropriation or Termination	25
Section 6.6.	No Remedy Exclusive.....	26
Section 6.7.	No Additional Waiver Implied by One Waiver	26
Section 6.8.	Application of Moneys Upon Default or Nonappropriation	26
Section 6.9.	Collection of Rental Payments	27
Section 6.10.	Action by Owners.....	27
Section 6.11.	No Obligation by the District to Owners	27
Section 6.12.	No Obligation with Respect to Performance by Trustee	27
Section 6.13.	No Liability to Owners for Payment.....	28
Section 6.14.	No Responsibility for Sufficiency.....	28
Section 6.15.	Indemnification to Trustee.....	28
ARTICLE VII THE TRUSTEE.....		29
Section 7.1.	Employment of Trustee	29
Section 7.2.	Acceptance of Employment.....	29
Section 7.3.	Trustee; Duties, Removal and Resignation	29
Section 7.4.	Removal of Trustee	29
Section 7.5.	Appointment of Successor Trustee	30
Section 7.6.	Compensation of the Trustee	30
Section 7.7.	Protection to the Trustee	30
ARTICLE VIII AMENDMENT; DEFEASANCE; ADMINISTRATIVE PROVISIONS		32
Section 8.1.	Amendment	32
Section 8.2.	Amendment to Trust Agreement or Lease Not Requiring Consent of Certificate Owners	32
Section 8.3.	Defeasance.....	32
Section 8.4.	Trustee to Keep Records.....	33
Section 8.5.	Notices	33
Section 8.6.	Minnesota Law	33
Section 8.7.	Severability	33

Section 8.8.	Binding on Successors	33
Section 8.9.	Headings	33
Section 8.10.	Execution in Counterparts	34

TRUST AGREEMENT

TRUST AGREEMENT, made and entered into as of November 18, 2010 (the Trust Agreement), by **U.S. BANK NATIONAL ASSOCIATION**, in St. Paul, Minnesota, a banking association duly organized and existing under the laws of the United States, as trustee (the Trustee) and joined in by **INTERMEDIATE DISTRICT NO. 287, PLYMOUTH, MINNESOTA**, a political subdivision of the State of Minnesota (the District);

W I T N E S S E T H:

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

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

WHEREAS, the American Recovery and Reinvestment Act of 2009 grants a national allocation of \$11 billion to provide for the issuance of qualified school construction bonds, in accordance with the qualified tax credit bond program (the “Tax Credit Program”) found in Section 54A of the Internal Revenue Code of 1986, as amended (the “Code”), and \$29,790,000 of said allocation has been granted to the District (the “District Allocation”) to provide financing for the construction, reconstruction or repair of public school facilities, or the acquisition of land on which such facilities are to be constructed or equipment to be used in such portion or portions of the public school facilities that are to be constructed with part of the proceeds of such issue;

WHEREAS, the School Board of the District has determined that it is in the best interests of the District to use all or a portion of the District Allocation to issue and sell the Certificates as a separate series pursuant to the Tax Credit Program in order to finance improvements to school facilities permitted by the Tax Credit Program and Minnesota law (the “Project”) and to pay costs of issuance of the Certificates; and

WHEREAS, BMO Capital Markets GKST, Inc., in Chicago, Illinois (the Original Purchaser) has agreed to purchase the Certificates;

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

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

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

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

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

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

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

Bond Year: means the first Bond Year is the period ending on February 1, 2012 and each subsequent Bond Year is the year ending each February 1.

Certificates: means the Certificates prepared and delivered by the Trustee pursuant to this Trust Agreement.

Certificate Payment Date: means February 1 and August 1 of each year commencing August 1, 2011.

Closing Date: means November 18, 2010.

Code: means the Internal Revenue Code of 1986, as amended

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

Discount Rate: means the rate equal to 110 percent of the long-term adjusted applicable Federal rate (AFR), compounded semi-annually, for October 2010; i.e., 3.76%.

Draw Request Certificate: means the written request, in the form attached hereto as Exhibit C, by the District to the Trustee to disburse funds from the Acquisition Account for the payment of Acquisition Costs.

Federal Payment: means any and all amounts received from the United States Department of the Treasury as federal credit payments under Section 6431 of the Code with respect to the Certificates.

Ground Lease: means the Ground Lease and Easement Agreement dated as of the date hereof by and between Lessee, as lessor, and Lessor, as lessee, relating to the Land.

Land: means the real property legally described on Exhibit A hereto.

Lease: means the Lease Purchase Agreement, dated as of November 18, 2010, between the Trustee, as lessor, and the District, as lessee, and any amendment thereof or supplement thereto.

Original Purchaser: means BMO Capital Markets GKST, Inc., in Chicago, Illinois.

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

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

Permitted Investments: means any investments legal for the investment of the funds of District under Minnesota law; for funds credited to the Sinking Fund, such investments shall be as directed by an officer of the District to the Trustee in writing, in accordance with the provisions of Sections 5.2 and 5.3 hereof.

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

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

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

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

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

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

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

Sinking Fund: means the sinking fund established within the Rental Payment Account pursuant to Article V hereof.

SLGS: means United States Treasury Securities – State and Local Government series.

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

Treasury Regulations: means the Treasury Regulations applicable to the Lease and the Certificates and promulgated under the Code, including, without limitation, Treasury Regulations, Sections 1.148-0 through 1.148-11, and Sections 1.149(b)-1, 1.149(d)-1, 1.149(g)-1, 1.150-1 and 1.150-2.

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

ARTICLE II

RECITALS AND REPRESENTATIONS

Section 2.1. Lease of the Facilities. The Trustee and the District have entered into the Ground Lease whereby the District has leased to the Trustee the Land for a term as described therein. The Trustee and the District have entered into the Lease whereby the Trustee agrees to lease the Land and Facilities to the District and the District agrees to lease the Land and Facilities from the Trustee.

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

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

ARTICLE III

CERTIFICATES; TERMS AND PROVISIONS

Section 3.1. Preparation of Certificates. The Trustee is hereby directed to prepare, execute and deliver to the Original Purchaser, Certificates in an aggregate principal amount of \$29,790,000 evidencing undivided ownership interests in the Rental Payments to be paid by the District under the Lease, in exchange for the purchase price thereof. The total stated principal amount of Certificates that may be issued hereunder is hereby expressly limited to \$29,790,000.

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

Section 3.3. Terms of Certificates. The Certificates shall bear a date of original issue as of November 18, 2010. The Certificates shall mature on February 1, 2029 in the principal amount \$29,790,000, and shall bear interest from date of issue to maturity or prior redemption at the rate of _____% per annum. Interest with respect to Certificates shall accrue from their date of original issue or from the most recent date to which interest has been paid or duly provided for. Said interest shall represent the sum of the portion of Rental Payments coming due on the twentieth day of January and July immediately preceding said February 1 and August 1 dates, respectively, designated as interest.

Section 3.4. No Optional or Mandatory Sinking Fund Redemption. The Certificates shall not be subject to optional or mandatory sinking fund redemption prior to their stated maturity date.

Section 3.5. Extraordinary Mandatory Redemption. The Certificates shall be subject to extraordinary mandatory redemption, in whole or in part, on November 18, 2013, or, in the event of an extension negotiated with the Internal Revenue Service, on any date between November 19, 2013 and November 18, 2015, in authorized denominations, at a redemption price equal to the principal amount of the Certificates called for redemption, in an amount equal to unexpended proceeds of the sale of the Certificates held by the District, but only to the extent that the District fails to expend all of the proceeds of the Certificates and investment earnings thereon within three years of the issuance thereof and no extension for the period for expenditure has been granted by the Internal Revenue Service.

Section 3.6. Extraordinary Optional Redemption of Certificates. The Certificates are subject to redemption prior to their stated maturity dates at the option of the District, in whole or in part upon the occurrence of an Extraordinary Event (defined below), at a redemption price equal to 100% of the principal amount of such Certificates to be redeemed; plus accrued interest

on such Certificates to be redeemed to the redemption date. The term “Extraordinary Event” means a determination by the District that a material adverse change has occurred to Sections 54A, 54F, 54AA or 6431 of the Code or the publication of any procedures, rules or guidance by the Internal Revenue Service or the Treasury Department with respect to such Sections or any other determination by the Internal Revenue Service or the Treasury Department, which determination is not the result of any act or omission by the District or the County, that there has been a failure to satisfy the requirements of the District to qualify to receive the Federal Payments, pursuant to which such the Federal Payments are reduced, deferred or eliminated.

Section 3.7. Redemption of Certificates upon Damage, Destruction or Condemnation. The Certificates shall be subject to extraordinary optional redemption and prepayment, in whole but not in part, at the option of the District on any date upon the conditions and terms set forth in Section 6.5 of the Lease if there occurs an event of damage, destruction or condemnation relating to the Premises and the District determines that rebuilding, restoration and replacement of the Premises to an acceptable condition would not be economically feasible.

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

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

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

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

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

Section 3.12. Transfer of Certificates.

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

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

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

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

Section 3.15. Temporary Certificates. Pending preparation of the definitive Certificates, any Certificates delivered under this Trust Agreement may be initially delivered in temporary form exchangeable for definitive Certificates when ready for delivery. The temporary Certificates may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the District, shall be without coupons and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Certificate shall be executed by the Registrar and be delivered by the Registrar upon the same conditions and in substantially the same manner as definitive Certificates. If the Registrar delivers temporary Certificates, it shall execute and furnish definitive Certificates without delay and, thereupon, the temporary Certificates shall be surrendered for cancellation at the Principal Office of the Registrar and the Registrar shall deliver in exchange for such temporary Certificates an equal aggregate principal amount of definitive Certificates of authorized denominations and of the

same maturity and interest rate or rates. Until so exchanged, the temporary Certificates shall be entitled to the same benefits under this Trust Agreement as definitive Certificates delivered pursuant hereto.

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

Section 3.17. Place of Payment. The Trustee is hereby appointed as the paying agent for the Certificates. The principal of all Certificates shall be payable at the principal office of the Trustee; provided that principal of the Certificates shall be paid first with funds in the Sinking Fund as provided in the Bond Resolution. Interest with respect to Certificates shall be payable by check or draft of the Trustee mailed on the Certificate Payment Date to the Owner of record as of the Record Date at the address shown on the Certificate Register

Section 3.18. Federal Subsidy Payments.

(a) At least ninety-five (95) days prior to each Interest Payment Date with respect to the Certificates, the Trustee shall deliver to the District a completed Form 8038-CP, which is to be signed by an Authorized Officer of the District. The form shall be sent to the attention of the District Clerk. The District shall return such signed Form 8038-CP to the Trustee not later than ninety (90) days prior to each Interest Payment Date with respect to the Certificates. The District may hire an independent consultant, at the District's expense, to review the Form 8038-CP.

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

(c) The Federal Payment is to be made by the United States Department of the Treasury to the Trustee, on behalf of the District, and deposited into the Rental Payment Account held by the Trustee.

(d) The Trustee may require reimbursement of any additional expenses incurred in connection with the filing required by clause (b) above.

(e) The Trustee shall give notice to the District, not later than the Rental Payment Date immediately prior to each Certificate Payment Date of (i) the amount of Federal Payments on hand in the Rental Payment Account on the Rental Payment Date and (ii) the amount of Federal Payments anticipated to be received prior to such Certificate Payment Date, and the District shall, as permitted by Section 5.3 of the Lease, be entitled to reduce its Rental Payment by the amount of such Federal Payments on hand and anticipated to be received. In the event that the Federal Payments are not received in the full amount anticipated by the third Business Day preceding the Certificate Payment Date, the Trustee will immediately notify the District of the amount, if any, by which such Federal Payments and amounts on hand in the Rental Payment Account for the payment of Interest are insufficient for payment of the Interest component to become due on the Certificates on such Certificate Payment Date. The District shall remit to the Trustee no later than the Business Day prior to such Certificate Payment Date an amount equal to such insufficiency. If necessary to make any such payment of principal or interest, the Trustee shall advance funds from amounts on hand in the Sinking Fund and the Sinking Fund shall be restored from any Federal Payments thereafter received by the Trustee. If the Sinking Fund has not been reimbursed for any such advances by the next succeeding July 20, the Trustee shall direct the District to make additional Rental Payments in amounts sufficient to restore any deficiency in the Sinking Fund within one year; provided that no such deposit shall be made in an amount that would result in a violation of the limitations of Section 3.4 hereof.

(f) Tax Reporting. The Trustee will supply all necessary tax reporting to the holders of the Certificates and to the Internal Revenue Service in accordance with applicable regulations.

Section 3.19. Evidence of Signatures of Certificate Owners and Ownership of Certificates. Any request, direction, consent, revocation of consent, or other instruments in writing required or permitted by this Trust Agreement to be signed or executed by Certificate Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Certificate Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the holding and ownership of Certificates shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

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

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

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

Section 3.20. Securities Depository for Certificates. For purposes of this section the following terms shall have the following meanings:

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

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

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

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

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

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

paragraph (D) hereof. DTC may determine to discontinue providing its services with respect to the Certificates at any time by giving notice to the District and the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event the Certificates will be transferable in accordance with paragraph (D) hereof.

- (C) A Representation Letter, executed by an appropriate officer of the District, is on file with DTC. The Representation Letter sets forth certain matters with respect to, among other things, notices, consents and approvals by registered owners of the Certificates and Beneficial Owners and payments on the Certificates. The Trustee shall have the same rights with respect to its actions thereunder as it has with respect to its actions under the Trust Agreement.
- (D) In the event that any transfer or exchange of Certificates is permitted under paragraph (A) or (B) hereof, such transfer or exchange shall be accomplished upon receipt by the Trustee of the Certificates to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of the Trust Agreement. In the event Certificates in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Certificates, or another securities depository as owner of all the Certificates, the provisions of the Trust Agreement shall also apply to all matters relating thereto, including, without limitation, the printing of such Certificates in the form of bond certificates and the method of payment of principal of and interest on such Certificates in the form of bond certificates.

Section 3.21. Selection of Certificates for Redemption. The Certificates shall be called for redemption in such order as the District shall determine and within a maturity by lot as selected by the Registrar, in accordance with Sections 3.5, 3.6 and 3.7. If less than all Certificates maturing on the same dates are to be redeemed, the Certificates shall be selected by lot in such manner as the Trustee shall determine; provided, however, that the portion of any Certificate to be redeemed shall be in the principal amount of \$5,000 or any multiple thereof, and that in selecting portions of Certificates for redemption, the Trustee shall treat each such Certificate as representing that number of Certificates which is obtained by dividing the principal amount of such Certificate by \$5,000.

Section 3.22. Notice of Redemption. When redemption is authorized or required pursuant to the provisions hereof, the Trustee shall give to the Certificate Owners notice at the expense of the District of the redemption of the Certificates. Such notice shall specify: (a) the Certificates to be redeemed, (b) the date of redemption, and (c) the place or places where the redemption will be made. Such notice shall further state that on the specified date of redemption there shall become due and payable upon each Certificate to be redeemed, the principal thereof and premium, if any, together with interest accrued to said date of redemption, and that from and after such date of redemption interest thereon shall cease to accrue and be payable. Notice of such redemption shall be given not less than thirty (30) days prior to the redemption date by mailing a copy of the redemption notice by first class, postage prepaid, to the Original Purchaser and to the Owners whose Certificates are to be redeemed; provided that notice shall be given to any securities depository in accordance with its operational arrangements. Failure to mail such

notice or any defect therein shall not affect the validity of the proceedings for the redemption of any Certificates not affected by such failure or defect.

Section 3.23. Effect of Redemption. Notice having been given as aforesaid, and the moneys for the redemption, including premium, if any and interest to the applicable date of redemption, having been set aside in the Redemption Account, the Certificates to be redeemed shall become due and payable on said date of redemption, and, upon presentation and surrender thereof at the office or offices specified in said notice, said Certificates shall be paid at the unpaid principal amount thereof, plus any premium due, plus any unpaid and accrued interest to said date of redemption. If, on said date of redemption, moneys for the redemption of all the Certificates to be redeemed, together with interest to said date of redemption, shall be held by the Trustee so as to be available therefor on such date of redemption, and, if notice of redemption thereof shall have been given as aforesaid, then, from and after said date of redemption, interest on the Certificates to be redeemed shall cease to accrue and become payable. If said moneys shall not be available on said date of redemption, such Certificates shall continue to bear interest until paid at the same rates as they would have borne had they not been notified for redemption. All moneys held by or on behalf of the Trustee for the redemption of particular Certificates shall be held in trust for the account of the Owners of the Certificates so to be redeemed for a period ending fifty-nine months from the date of redemption. All such moneys held by the Trustee at the end of such period, including interest or other investment income thereon, shall be paid to the District, and thereafter the Trustee shall have no responsibility for the redemption of Certificates presented for redemption after such date.

Section 3.24. Additional Certificates.

(a) Additional Certificates may be issued under and be equally and ratably secured by this Trust Agreement on a parity with the Certificates and any other Additional Certificates Outstanding, at any time and from time to time, provided that the principal amount of such Additional Certificates shall not exceed that for which the repayment thereof can be borne by the maximum levy amounts contained in Minnesota Statutes, Section 126C.40, upon compliance with the provisions of this Section, for any of the following purposes:

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

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

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

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

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

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

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

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

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

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

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

(5) An opinion of counsel nationally recognized in the area of municipal finance to the effect that the issuance of such Additional Certificates will not result in amounts representing interest payable with respect to any Certificates then Outstanding (including such Additional Certificates) becoming includable in gross income for federal income tax purposes

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

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

(g) Except as provided in this Section, no obligations payable from the Rental Payments shall be issued.

ARTICLE IV

ESTABLISHMENT AND ADMINISTRATION OF FUNDS AND ACCOUNTS

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

Section 4.2. Establishment and Application of Acquisition Account.

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

(b) Except as provided in subsection (c) all moneys deposited in or transferred to the Acquisition Account pursuant to Sections 4.1 and 4.5 shall be disbursed only for the payment of Acquisition Costs upon written direction of the District in the form of the Draw Request Certificate attached hereto as Exhibit C. For purposes of complying with the requirements of this Section, the Trustee may conclusively rely and shall be protected in acting or refraining from acting upon the Draw Request Certificate of the District, which may be submitted by facsimile or email. The Trustee shall not be bound to make an investigation into the facts or matters stated in any Draw Request Certificate of the District. The Trustee shall not be responsible for determining whether the funds on hand in the Acquisition Account are sufficient to complete or acquire the Project. The Trustee shall not be responsible to collect lien waivers.

(c) Following payment of all Acquisition Costs, the District shall provide the Trustee with written evidence of such completion and acquisition and the Acquisition Account shall be closed and any remaining balance transferred to the Rental Payment Account.

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

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

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

(c) Amounts received from the District as the principal component of the Rental Payments under the Lease shall be placed in the Sinking Fund within the Rental Payment Account and shall be applied only to payment of the principal component of the Certificates due at maturity or upon redemption.

(d) The Trustee shall transfer to the Redemption Account from the Rental Payment Account, all moneys on hand or received in the Rental Payment Account which are to be used for the redemption of Certificates in accordance with Sections 3.5, 3.6 and 3.7.

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

Section 4.4. Establishment and Application of Redemption Account.

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

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

(c) Notwithstanding any other provision of this Trust Agreement, except as provided in subsection (d), all moneys on hand in the Redemption Account which will not be used for the redemption of the Certificates within 30 days after the date of its deposit or transfer to said Account, shall be invested at a yield not exceeding the yield

on the Certificates, each computed in accordance with the United States Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, unless the District obtains and delivers to the Trustee an opinion of an attorney or firm of attorneys nationally recognized as bond counsel stating that the investment of such moneys may be made without restriction as to yield or may be made subject to another yield limitation, in which event the moneys in said Redemption Account may be invested in accordance with such opinion. Investment of moneys subject to the yield restrictions herein provided may be made by the purchase of SLGS maturing on or immediately preceding the date of redemption of the Certificates to be redeemed.

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

Section 4.5. Deposit and Investment of Moneys in Funds.

(a) All moneys held by the Trustee in the Trust Fund shall be deposited or invested in Permitted Investments, pursuant to written instructions of an Authorized Officer of the District. In the absence of written direction delivered to the Trustee from the District, the Trustee shall invest any funds in Permitted Investments as defined in Section 1.01. Any Permitted Investments may be purchased from or sold to the Trustee or any of its affiliates.

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

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

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

District under the Lease shall be reduced by an amount equal to the amount of said deposit or transfer.

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

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

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

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

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

ARTICLE V

SINKING FUND DEPOSITS

Section 5.1. Sinking Fund Deposits. The District shall, on each Rental Payment Date pay as part of the Rental Payment, an amount equal to the principal component of the Rental Payments set forth below for deposit in the Sinking Fund established by the Trustee within the Debt Service Account for the accumulation of funds necessary to pay the principal component of the Certificates at maturity.

Rental Payment Dates	Sinking Fund Payments	Cumulative Sinking Fund Payments
July 20, 2011	\$633,937.29	\$ 633,937.29
January 20, 2012	633,937.29	
July 20, 2012	633,937.29	
January 20, 2013	633,937.29	
July 20, 2013	633,937.29	
January 20, 2014	633,937.29	
July 20, 2014	633,937.29	
January 20, 2015	633,937.29	
July 20, 2015	633,937.29	
January 20, 2016	633,937.29	
July 20, 2016	633,937.29	
January 20, 2017	633,937.29	
July 20, 2017	633,937.29	
January 20, 2018	633,937.29	
July 20, 2018	633,937.29	
January 20, 2019	633,937.29	
July 20, 2019	633,937.29	
January 20, 2020	633,937.29	
July 20, 2020	633,937.29	
January 20, 2021	633,937.29	
July 20, 2021	633,937.29	
January 20, 2022	633,937.29	
July 20, 2022	633,937.29	
January 20, 2023	633,937.29	
July 20, 2023	633,937.29	
January 20, 2024	633,937.29	
July 20, 2024	633,937.29	
January 20, 2025	633,937.29	
July 20, 2025	633,937.29	
January 20, 2026	633,937.29	
July 20, 2026	633,937.29	
January 20, 2027	633,937.29	
July 20, 2027	633,937.29	
January 20, 2028	633,937.29	

July 20, 2028 633,937.29
January 20, 2029

Section 5.2. Investments. Subject to the provisions of any law then in effect to the contrary and the limitations set forth in Section 5.3 and the provisions of Section 5.4, the Trustee shall invest all amounts and securities deposited into and held by the Sinking Fund as directed in writing by the District, provided that such investments must be Permitted Investments and must satisfy the fair market value rules of the Code and Treasury Regulations, as amended, including, without limitation, Section 1.148-5 of the Treasury Regulations. All Qualified Investments shall mature or be redeemable at the option of the holder thereof on or before February , 2029.

Section 5.3. Limitations Arising from Section 54A(d)(4)(C) of the Code. The parties understand and agree that the Sinking Fund is established as a fund in compliance with Section 54A(d)(4)(C) of the Code and as such (i) the Sinking Fund must be funded at a rate not more rapid than equal annual installments; (ii) the Sinking Fund must be funded in a manner reasonably expected to result in an amount not greater than an amount necessary to repay the Certificates; and (iii) the yield of the Sinking Fund must be not greater than the Discount Rate.

Accordingly:

(a) The District shall ensure that the Sinking Fund is funded at a rate not more rapidly than equal annual installments.

(b) The District shall monitor amounts in and available to the Sinking Fund and amounts to be deposited semiannually into the Sinking Fund by the District so that it is funded by the District in a manner that results in an amount on deposit in the Sinking Fund necessary to equal the semiannual principal component of the Certificates on each February 1 and August 1, commencing in 2011 and concluding in 2029, and necessary to repay in full the Certificates on February 1, 2029. The Trustee will furnish the District with monthly cash transaction statements that include the detail for all investment transactions made by the Trustee for all current and future accounts.

(c) The Trustee will notify the District and bond counsel if (i) the investment agreement is terminated or amended, or (ii) the balance in the Sinking Fund on any date will exceed the permitted balance for that date shown on the Sinking Fund Deposits schedule. The yield on the Sinking Fund shall not exceed the Discount Rate.

Section 5.4. Subsequent Directions. The District may during the term of the Sinking Fund direct the Trustee to invest amounts in or available to the Sinking Fund in investments other than those described above in Section 4.5, and the Trustee agrees to do so, but only so long as before proceeding with such investments, (i) a written opinion of Bond Counsel is delivered to the District, and the Trustee providing that (a) such investments are permitted to be made by a Minnesota school district in the Sinking Fund under the applicable laws of the State of Minnesota, and (b) such investments and the manner of making, soliciting, or obtaining them are permitted under the Code, including Sections 54A and 148 of the Code, and applicable Treasury Regulations; and (ii) such other investments cause the principal maturities of the Certificates to

be paid timely and mature or are redeemable at the option of the holder of such investments on or before the maturity date of the Certificates and do not cause the yield of the Sinking Fund to exceed the Discount Rate.

Section 5.5. Notice. In the event the requirements of Section 4.5 above are threatened not to be or are not satisfied, the District shall notify Bond Counsel of potential or actual noncompliance with the requirements of Section 4.5 above as soon as practicable and await instructions.

ARTICLE VI

COVENANTS; DEFAULT AND LIMITATION OF LIABILITY

Section 6.1. District to Perform Agreement. The District covenants and agrees with the Owners of the Certificates, to perform all obligations and duties imposed on it under the Lease and the Ground Lease.

Section 6.2. Trustee to Perform Agreement. The Trustee covenants and agrees with the Owners of the Certificates, to perform all obligations and duties imposed on it under the Lease and the Ground Lease.

Section 6.3. Notice of Non-Payment. In the event of delinquency in the payment of Rental Payments due by the District pursuant to the Lease, the Trustee shall, after five (5) business days following the date upon which such delinquent Rental Payments were due, immediately give written notice of the delinquency and the amount thereof to the District and the Original Purchaser.

Section 6.4. Notice of Event of Default. In the event the District is in default under the terms of the Lease, the Trustee shall give, within ten (10) business days of an Authorized Officer learning of such occurrence of default, written notice of such default to the Owners of the Certificates by mail at their addresses as they appear on the Register. Such notice shall specify that the District is in default of the Lease, together with a brief description of such default; provided, however, that failure to give such notice shall not affect any rights of the Owners of the Certificates. Notwithstanding the foregoing, except in the case of default with respect to the payment of one or more Rental Payments, the Trustee shall be protected in withholding such notice if and so long as the board of directors or trustees, the executive committee, or a trust committee of directors or trustees of the Trustee in good faith determine that the withholding of such notice is in the interests of the Owners of Certificates.

Section 6.5. Action on Default, Nonappropriation or Termination.

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

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

Certificates then Outstanding, the Trustee or the Owners of not less than a majority in aggregate principal amount of Certificates at the time Outstanding shall be entitled, upon notice in writing to the District and the Original Purchaser to take whatever action at law or in equity may appear necessary or desirable to protect and enforce any of the rights vested in the Trustee or the Owners of Certificates by this Trust Agreement or by the Certificates, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Trust Agreement or in aid of the exercise of any power granted in this Trust Agreement or for the enforcement of any other legal or equitable right vested in the Trustee by this Trust Agreement or by law.

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

Section 6.6. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Trust Agreement or under the Lease to the Trustee, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it, it shall not be necessary to give any notice other than such notice as may be required in this Article V or by law.

Section 6.7. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Trust Agreement should be breached by a party and thereafter waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 6.8. Application of Moneys Upon Default or Nonappropriation. If at any time after an event of default or termination of the Lease pursuant to Section 4.6 thereof has occurred the moneys in the Rental Payment Accounts shall not be sufficient to pay the Rental Payments as the same become due and payable, such moneys together with any moneys available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for herein or otherwise, shall be applied by the Trustee as follows:

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

Second: To the payment to the persons entitled thereto of all interest components of Rental Payments with respect to Certificates as they become due, in the order of the maturity of such Certificates and, if the amount available shall not be sufficient to pay in full any particular interest component of a Rental Payment when due, then to the payment ratably, according to the

amounts due on such interest component, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Certificates;

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

Fourth: To the District.

Section 6.9. Collection of Rental Payments. Upon written request and authorization by the Owners of a majority in aggregate principal amount of the Certificates then Outstanding and unpaid, and upon being satisfactorily indemnified by such Owners against any expense and liability with respect thereto, the Trustee shall take any and all appropriate action to collect any Rental Payment not paid when due.

Section 6.10. Action by Owners. In the event the Trustee fails to take any action to eliminate or cure an event of default under the terms of this Trust Agreement, the Lease or the Ground Lease, the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding may institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any right under this Trust Agreement, the Lease or the Ground Lease, but only if the Trustee shall have been given written notice of such default (unless such default shall consist of a failure to pay a Rental Payment when due) and the continuance thereof and if such percentage of Certificate Owners have first made written request of the Trustee to institute such action or proceedings in its own name as Trustee hereunder and shall have afforded the Trustee 60 days either to proceed to exercise the powers granted therein or granted under law or to institute such action, suit or proceeding in its name and only if, the Trustee shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

Section 6.11. No Obligation by the District to Owners. Except for the payment of Rental Payments when due in accordance with the Lease and the performance of the other covenants and agreements of the District contained in the Lease, the Ground Lease and in this Trust Agreement, the District shall have no obligation or liability to the Owners of the Certificates with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Rental Payments to the Owners by the Trustee.

Section 6.12. No Obligation with Respect to Performance by Trustee. Neither the District nor the Trustee shall have any obligation or liability to any of the other parties or to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

Section 6.13. No Liability to Owners for Payment. Except as provided in this Trust Agreement, the Trustee shall not have any obligation or liability to the Owners of the Certificates with respect to the payment of the Rental Payments by the District when due, or with respect to the performance by the Trustee or the District of any other covenant made by it in the Lease or the Ground Lease.

Section 6.14. No Responsibility for Sufficiency. The Trustee shall not be responsible for the sufficiency of the Lease or the Ground Lease or of the assignment made to it of rights to receive moneys pursuant to the Lease, or the value of or title to its interest in the Land and Facilities. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it under the terms of and in accordance with this Trust Agreement, except where such loss arises out of the Trustee's wrongful or negligent act or failure to act.

Section 6.15. Indemnification to Trustee. The District shall and hereby agrees to indemnify and hold harmless the Trustee, without any payment being made by the Trustee, from and against all claims, losses, liability and damages, including legal fees and expenses, arising out of (i) any breach or default on the part of the District in the performance of any of its obligations under this Trust Agreement, the Lease, or the Ground Lease, (ii) any tortious act or failure to act of the District or of any officer, servant or employee of the District with respect to the Land and Facilities, or (iii) the authorization of payment of the Acquisition Costs by the District. Indemnification for any tort mentioned in this Section shall be limited to the extent and in the amounts provided for by Minnesota law.

ARTICLE VII

THE TRUSTEE

Section 7.1. Employment of Trustee. In consideration of the recitals hereinabove set forth and for other valuable consideration, the Trustee and the District hereby agree to employ the Trustee to receive, hold, invest and disburse the moneys to be paid to it pursuant to the Lease for credit to the various accounts in the Trust Fund established by this Trust Agreement; to prepare, execute, deliver and deal with the Certificates; and to apply and disburse the Rental Payments received from the District to the Owners of Certificates; and to perform certain other functions; all as herein provided and subject to the terms and conditions of this Trust Agreement.

Section 7.2. Acceptance of Employment. In consideration of the compensation herein provided for, the Trustee accepts the employment above referred to subject to the terms and conditions of this Trust Agreement.

Section 7.3. Trustee; Duties, Removal and Resignation. By executing and delivering this Trust Agreement, the Trustee accepts the duties and obligations of the Trustee provided in this Trust Agreement, but only upon the terms and conditions set forth in this Trust Agreement. The Trustee and the District may by written agreement between themselves, or the holders of a majority in aggregate principal amount of all Certificates Outstanding may by written request, remove the Trustee initially a party to this Trust Agreement and any successor thereto, and may appoint a successor Trustee, but any such successor shall be a trust company or bank having trust powers and having a reported capital and surplus not less than \$25,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms. The Trustee and any successor trustee may at any time resign from the trusts hereby created by giving thirty (30) days written notice to the District and by first class mail to each Certificate Owner as shown on the Bond Register, and such resignation shall take effect upon the appointment of a successor trustee by the Owners or by the District. Such notice to the District may be served personally or sent by registered or certified mail. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within sixty (60) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 7.4. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to the District, and signed by the Owners of a majority in aggregate principal amount of then Outstanding Certificates.

The Trustee may be removed at any time by an instrument in writing delivered to the Trustee and signed by the District, which instrument shall take effect 60 days after the date of delivery to the Trustee unless disapproved in writing prior to that date by a majority in aggregate principal amount of then Outstanding Certificates. The District shall give mailed notice of removal of the Trustee to the Owners of all then Outstanding Certificates within 10 days after the date of delivery of the instrument of removal to the Trustee.

Section 7.5. Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Owners of a majority in aggregate principal amount of the then Outstanding Certificates, by an instrument or concurrent instrument in writing signed by such Owners, or by their attorney-in-fact, duly authorized. Nevertheless, in case of such vacancy the District by resolution of its governing body may appoint a temporary trustee to fill such vacancy until a successor trustee shall be appointed by the Owners in the manner above provided; and any such temporary trustee so appointed by the District shall immediately and without further act be superseded by the Trustee so appointed by such Owners. Every such Trustee appointed pursuant to the provisions of this Section 6.5 shall be a trust company or bank having trust powers and having a reported capital and surplus not less than \$25,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

Section 7.6. Compensation of the Trustee. The District shall from time to time pay to the Trustee reasonable compensation for the acceptance, administration and performance of the trust created hereby, and shall reimburse the Trustee for all its advances and expenditures made in accordance with the provisions of this Trust Agreement (including the reasonable expenses and disbursements of its counsel), from the date of execution of this Trust Agreement through the date of redemption or maturity of all the Certificates.

Section 7.7. Protection to the Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any written resolution, notice, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or provided pursuant to any of the provisions of this Trust Agreement, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to recognize any person as an Owner of any Certificate or to take any action at his request unless such Certificate shall be deposited with the Trustee or satisfactory evidence of the ownership of such Certificate shall be furnished to the Trustee. The Trustee may consult with Independent Counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith. Whenever in the administration of its duties under this Trust Agreement, the Trustee shall deem it necessary to or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by the certificate of an Authorized Officer of the District and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions of this Trust Agreement upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable. The Trustee may buy, sell, own, hold and deal in any of the Certificates issued pursuant to this Trust Agreement, and may join in any action which any Owner may be entitled to take with like effect as if the Trustee were not a party to this Trust Agreement. The Trustee, either as principal or agent, may also engage in or be interested in any other unrelated financial or other transaction

with the District or the Trustee, and may act as depository, trustee, or agent for any committee or body of Owners of Certificates or other obligations of the District as freely as if it were not Trustee hereunder. The Trustee shall not be required to risk or expend its own funds hereunder and shall not be answerable for the exercise of any discretion or power under this Trust Agreement or for anything whatever in connection with the funds and accounts established hereunder, except only for its own bad faith, misconduct or negligence.

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

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

ARTICLE VIII

AMENDMENT; DEFEASANCE; ADMINISTRATIVE PROVISIONS

Section 8.1. Amendment. This Trust Agreement, the Lease and the Ground Lease may be amended in writing by agreement among all of the parties hereto or thereto, but, except as provided in Section 7.2 hereof no such amendment shall become effective without the prior written consent of two-thirds in aggregate principal amount of the Certificates then Outstanding; provided that no such amendment shall impair the right of any Owner to receive the Owner's proportionate share of any Rental Payment in accordance with the Owner's Certificate.

Section 8.2. Amendment to Trust Agreement or Lease Not Requiring Consent of Certificate Owners. The District and the Trustee may, without the consent of or notice to any of the Owners of the Certificates, enter into one or more amendments to the Trust Agreement or the Lease or the Ground Lease for one or more of the following purposes:

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

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

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

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

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

Section 8.3. Defeasance. If and when the Certificates delivered pursuant hereto shall become due and payable in accordance with their terms, or shall become subject to redemption and have been called or redemption, and the whole amount of the principal and interest due and payable upon all of the Certificates shall be paid, or provision shall have been made for the payment of the same, by the deposit of cash or the types of securities listed in the definition of Permitted Investments or investments of the type described in Section 4.4, subsection (c), in an amount sufficient (together with interest earnings thereon) to provide for payment of said principal and interest to the maturity or earliest optional redemption date of the Certificates, and all administrative expenses shall have been paid or provided for, then and in that case, the right, title and interest of the District and the Trustee under this Trust Agreement shall thereupon cease,

terminate and become void, and the Trustee shall assign and transfer to or upon the order of the District all property, money, investments and rights in the Land and Facilities (in excess of the amounts required for the foregoing) then held by the Trustee (including the Lease and all payments thereunder and all balances in any fund or account created under this Trust Agreement) and shall execute such documents as may be reasonably required by the District in this regard. All investments made pursuant to this Section shall be made in a manner which will comply with the covenant made by the District in Section 4.5.

Section 8.4. Trustee to Keep Records. The Trustee shall keep a copy of this Trust Agreement and books and records of all moneys received and disbursed under this Trust Agreement, which shall be available for inspection by the District, the Trustee and any Owner at any time during regular business hours.

Section 8.5. Notices. All written notices to be given under this Trust Agreement shall be given by mail to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other parties in writing from time to time:

If to the District: Intermediate District No. 287
1820 North Xenium Lane
Plymouth, Minnesota 55441
Attention: Director of Finance

If to the Original Purchaser: BMO Capital Markets GKST, Inc.
115 S. LaSalle Street, 36th Floor
Chicago, Illinois 60603
Attention: _____

If to the Trustee: U.S. Bank National Association
60 Livingston Avenue
St. Paul, Minnesota 55107
Attention: Corporate Trust Services

Section 8.6. Minnesota Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State of Minnesota.

Section 8.7. Severability. Any provision of this Trust Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Trust Agreement.

Section 8.8. Binding on Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

Section 8.9. Headings. Headings preceding the text of the several Articles and Sections hereof, and the table of contents, are solely for convenience of reference and shall not constitute a part of this Trust Agreement or affect its meaning, construction or effect.

Section 8.10. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[Signatures continue on the following page.]

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

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Its Vice President

[Signatures continued on the following page.]

[Counterpart signature page to the Trust Agreement.]

INTERMEDIATE DISTRICT NO. 287,
PLYMOUTH, MINNESOTA

By _____
Its Chairperson

By _____
Its Clerk

EXHIBIT A

Land

EXHIBIT B

(Form of Certificate of Participation)

TAXABLE CERTIFICATE OF PARTICIPATION, SERIES 2010E (QUALIFIED SCHOOL
CONSTRUCTION BONDS – DIRECT PAY)

In a Lease Purchase Agreement

between

U.S. Bank National Association

and

Intermediate District No. 287, Plymouth, Minnesota

INTERMEDIATE DISTRICT NO. 287, PLYMOUTH, MINNESOTA
HAS DESIGNATED THIS CERTIFICATE AS A QUALIFIED
SCHOOL CONSTRUCTION BOND WITHIN THE MEANING OF
SECTION 54F OF THE INTERNAL REVENUE CODE OF 1986, AS
AMENDED

R-1				\$29,790,000
	Interest Rate	Maturity Date	Date of Original Issue	CUSIP
	%	February 1, 2029	November 18, 2010	

REGISTERED OWNER:

PRINCIPAL SUM: THOUSAND DOLLARS

This is to certify that the registered owner named above of this Certificate of Participation (the "Certificate") is the owner of the proportionate interest hereinafter stated in that certain Lease Purchase Agreement, dated as of November 18, 2010 (the "Lease"), by and between U.S. Bank National Association, as trustee (the "Trustee"), having a principal office at which it conducts corporate business in St. Paul, Minnesota, and Intermediate District No. 287, Plymouth, Minnesota (the "District").

The registered owner of this Certificate is entitled to receive, subject to the terms of the Trust Agreement described below, on the maturity date specified above (the "Maturity Date"), without the option of redemption and prepayment prior to maturity except extraordinary optional redemption, as described below, the principal sum specified above, representing a portion of the Rental Payment designated as principal coming due on or before the Maturity Date, and to receive the registered owner's proportionate share of Rental Payments designated as interest coming due on or before the first day of February and the first day of August of each year commencing August 1, 2011, and continuing to and including the Maturity Date or the date of redemption, whichever is earlier. Said proportionate share of the Rental Payments designated as interest is the result of the multiplication of the aforesaid portion of the Rental Payment designated as principal coming due on the Rental Payment date, as defined in the Lease, immediately preceding the Maturity Date by the interest rate specified above per annum.

Amounts representing interest payable with respect to this Certificate on any Rental Payment date are payable by check or draft drawn on the Trustee and mailed to the person in whose name this Certificate is registered at the close of business on the 15th day (whether or not a business day) of the calendar month preceding such Rental Payment date.

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

The Certificates are payable from the Rental Payments (as defined in the Lease) and the moneys held in the funds and accounts established pursuant to the Trust Agreement, dated as of November 18, 2010 (the Trust Agreement), by the Trustee and joined in by the District, subject to the provisions of the Trust Agreement permitting the application thereof for or to the purposes and on the terms and conditions set forth in the Trust Agreement. The obligations of the District under the Lease, including the obligation to make Rental Payments, is subject to termination by the District at the end of any fiscal year, if the governing body of the District fails, for any reason, to appropriate sufficient funds to continue the Lease for the subsequent fiscal year.

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

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

This Certificate has been executed by the Trustee pursuant to the terms of the Trust Agreement. Copies of the Trust Agreement are on file at the office of the District and at the principal office of the Trustee, and reference to the Trust Agreement and any and all amendments thereto is made for a description of the pledges and covenants of the District securing the Certificates, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the Certificates with respect thereto and the other terms and conditions upon which the Certificates are delivered thereunder, including, without limitation, rights and remedies accruing pursuant to the Ground Lease and Easement Agreement dated as of November 18, 2010, by and between the District and the Trustee. To the extent and in the manner permitted by the terms of the Trust Agreement, certain provisions of the Trust Agreement may be amended by the parties thereto without consent of the owners of the

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

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

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

The Certificates are not subject to optional or mandatory sinking fund redemption prior to maturity, except as set forth below.

The Certificates shall be subject to extraordinary mandatory redemption, in whole or in part, on November 18, 2013, or, in the event of an extension negotiated with the Internal Revenue Service, on any date between November 19, 2013 and November 18, 2015, in authorized denominations, at a redemption price equal to the principal amount of the Certificates called for redemption, in an amount equal to unexpended proceeds of the sale of the Certificates held by the District, but only to the extent that the District fails to expend all of the proceeds of the Certificates and investment earnings thereon within three years of the issuance thereof and no extension for the period for expenditure has been granted by the Internal Revenue Service.

The Certificates are subject to redemption prior to their stated maturity dates at the option of the District, in whole or in part upon the occurrence of an Extraordinary Event (defined below), at a redemption price equal to 100% of the principal amount of such Certificates to be redeemed; plus accrued interest on such Certificates to be redeemed to the redemption date. The term "Extraordinary Event" means a determination by the District that a material adverse change has occurred to Sections 54A, 54F, 54AA or 6431 of the Code or the publication of any procedures, rules or guidance by the Internal Revenue Service or the Treasury Department with respect to such Sections or any other determination by the Internal Revenue Service or the Treasury Department, which determination is not the result of any act or omission by the District or the County, that there has been a failure to satisfy the requirements of the District to qualify to receive the Federal Payments, pursuant to which such the Federal Payments are reduced, deferred or eliminated.

The Certificates are subject to extraordinary optional redemption and prepayment, in whole but not in part, at the option of the District on any date upon the conditions and terms set

forth in Section 6.5 of the Lease if there occurs an event of damage, destruction or condemnation relating to the Premises and the District determines that rebuilding, restoration and replacement of the Premises to an acceptable condition would not be economically feasible.

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

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

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Representative

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

TEN COM — as tenants in common

UTMA _____ as Custodian for _____
(Cust) (Minor)

under Uniform Transfers to Minors Act _____

TEN ENT — as tenants by the entireties

(State)

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

Additional abbreviations may also be used.

ASSIGNMENT

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

Dated: _____

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

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

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE:

EXHIBIT C

DRAW REQUEST CERTIFICATE

Draw Request # _____

**REQUEST FOR PAYMENT AND
CERTIFICATION AS TO COSTS**

The undersigned, on behalf of Intermediate School District No. 287, Plymouth, Minnesota (the "School District") hereby requests pursuant to the Trust Agreement, dated as of November 18, 2010 (the "Trust Agreement") between the School District and U.S. Bank National Association, as trustee (the "Trustee") relating to the Taxable Certificates of Participation, Series 2010E (Qualified School Construction Bonds – Direct Pay) of the School District (the "Certificates"), payment of a portion of the Acquisition Costs. Capitalized terms used herein, unless otherwise defined, shall have the meanings given such terms in the Trust Agreement.

The total amount to be disbursed for this Draw is \$_____.

In connection with this Draw, the undersigned hereby represents, warrants and stipulates on behalf of the School District as follows:

- (a) each obligation listed in the attached list of expenses has been properly incurred, is a proper charge against the Acquisition Account held by the Trustee in connection with the Certificates, and has not been the basis of any previous disbursement;
- (b) there is no outstanding indebtedness known by the undersigned, after inquiry, for labor, wages, materials or supplies, which, if unpaid, might become the basis of a vendor's lien or a mechanic's, materialman's, statutory or other similar lien upon the Project or any part thereof, other than indebtedness then certified for payment or diligently being contested in good faith by the School District;
- (c) all sums previously requisitioned have been applied to the payment of Acquisition Costs heretofore incurred;
- (d) payment and performance bonds provided in connection with the Project are in full force and effect as of the date of this requisition; and

(e) no license or permit necessary for the construction of the Project shall have been revoked or the issuance thereof subjected to challenge before any court or other governmental authority having or asserting jurisdiction thereover.

The following documents are attached hereto:

(1) in connection with a draw for costs covered under the construction contract for the Project, the application for payment, prepared by the construction manager and approved by the project architect; and

(2) a copy of each invoice to be paid, or if the draw request is to reimburse the School District for costs previously incurred by the School District, in anticipation of the issuance of the Certificates, a list of such costs.

INTERMEDIATE DISTRICT NO. 287,
PLYMOUTH, MINNESOTA

By: _____

LIST OF PAYEES

Draw #: _____

Date: _____

Name

Address

Amount

TOTAL \$_____

LEASE PURCHASE AGREEMENT

between

**U.S. BANK NATIONAL ASSOCIATION, as Trustee
As Lessor**

and

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

Dated as of the 18th day of November, 2010

Relating to

TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2010E

This instrument drafted by:

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

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS AND EXHIBITS	2
Section 1.1. Definitions	2
Section 1.2. Exhibits	3
ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES	5
Section 2.1. Representations, Covenants and Warranties of the District	5
Section 2.2. Representations, Covenants and Warranties of the Lessor	6
ARTICLE III LEASE OF FACILITIES	7
Section 3.1. Lease and Sale of Facilities	7
Section 3.2. Possession and Enjoyment	7
Section 3.3. Trustee Access to Facilities	7
Section 3.4. Compliance with Trust Agreement	7
ARTICLE IV TERM OF LEASE TRANSFER OR SURRENDER OF FACILITIES	8
Section 4.1. Lease Term	8
Section 4.2. Termination of Lease Term	8
Section 4.3. Trustee’s Interest in the Facilities	8
Section 4.4. Surrender of Facilities	8
Section 4.5. Termination by the District	8
Section 4.6. Effect of Termination	9
ARTICLE V RENTAL PAYMENTS	10
Section 5.1. Rental Payments	10
Section 5.2. Current Expense	10
Section 5.3. Interest and Principal Components	10
Section 5.4. Rental Payments to be Unconditional	10
ARTICLE VI DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS	12
Section 6.1. Damage, Destruction and Condemnation	12
Section 6.2. Insufficiency of Net Proceeds	12
Section 6.3. Cooperation of Trustee	12
Section 6.4. Condemnation of Other Property Owned by the District	12
Section 6.5. Prepayment	12
ARTICLE VII INSURANCE AND INDEMNIFICATION	14
Section 7.1. Liability Insurance	14
Section 7.2. Property Insurance	14
Section 7.3. Worker’s Compensation Insurance	14
Section 7.4. Requirements For All Insurance	14
Section 7.5. District Negligence	15

ARTICLE VIII GENERAL MATTERS	16
Section 8.1. Use; Permits	16
Section 8.2. Maintenance and Modification of Facilities by the District	16
Section 8.3. Taxes, Other Governmental Charges and Utility Charges; Compliance with Governmental Requirements.....	16
Section 8.4. Easements	17
Section 8.5. Covenants Regarding Hazardous Material	17
ARTICLE IX TITLE.....	19
Section 9.1. Title	19
Section 9.2. Liens.....	19
Section 9.3. Installation of Personal Property	19
ARTICLE X WARRANTIES.....	20
Section 10.1. Maintenance of Facilities.....	20
Section 10.2. Contractor’s Warranties	20
Section 10.3. Patent Infringement.....	20
Section 10.4. Disclaimer of Warranties	20
ARTICLE XI OPTIONAL TO PREPAY; DISCHARGE	21
Section 11.1. Option to Prepay in Whole or in Part.....	21
Section 11.2. Exercise of Prepayment Option.....	21
Section 11.3. Discharge of District’s Obligation	21
Section 11.4. Prerequisite: No Default	21
ARTICLE XII ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING	22
Section 12.1. Assignment by the Lessor.....	22
Section 12.2. Assignment and Subleasing by the District	22
Section 12.3. Restriction on Mortgage or Sale of Facilities by the District	22
ARTICLE XIII EVENTS OF DEFAULT AND REMEDIES	23
Section 13.1. Events of Default Defined	23
Section 13.2. Remedies on Default	24
Section 13.3. Return of Facilities.....	25
Section 13.4. No Remedy Exclusive.....	25
ARTICLE XIV ADMINISTRATIVE PROVISIONS	26
Section 14.1. Notices	26
Section 14.2. Recording.....	26
Section 14.3. Financial Information.....	26
Section 14.4. Binding Effect	26
Section 14.5. Severability	26
Section 14.6. Amendments, Changes and Modifications	26
Section 14.7. Captions	26
Section 14.8. Further Assurances and Corrective Instruments	27
Section 14.9. Execution in Counterparts	27
Section 14.10. Applicable Law	27

LEASE PURCHASE AGREEMENT

THIS **LEASE-PURCHASE AGREEMENT** dated as of the 18th day of November, 2010 (the Lease), by and between **U.S. BANK NATIONAL ASSOCIATION**, as trustee, a banking association duly organized and existing under the laws of the United States as lessor (Lessor or Trustee), and **INTERMEDIATE DISTRICT NO. 287, PLYMOUTH, MINNESOTA**, a political subdivision of the State of Minnesota as lessee (Lessee or District);

W I T N E S S E T H:

WHEREAS, the District is authorized by Minnesota Statutes, Sections 123B.51, 126C.40, and 136D.24 to acquire real and personal property by entering into lease-purchase agreements; and

WHEREAS, Lessor and Lessee will enter into this Lease, whereby Lessee will finance the construction of the North Education Center school facility to provide teaching/learning, support and office spaces for the delivery of special education and area learning programs to be located at 5530 Zealand Avenue North, in New Hope, Minnesota) (the Facilities) located upon the land described on Exhibit A hereto (the Land); and

WHEREAS, the District has designated this Lease and the Certificates hereinafter defined as “Qualified School Construction Bonds” for purposes of Section 54F of the Internal Revenue Code of 1986, as amended (the “Code”), and has made an irrevocable election to have the provisions of Section 6431(f) of the Code apply to this Lease and the Certificates hereinafter defined;

NOW THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. For the purposes of this Lease and Exhibits attached hereto, the terms defined in the Trust Agreement and capitalized herein shall have the meaning ascribed to them in the Trust Agreement, unless the context requires some other meaning. In addition, the terms defined in this Section shall, for all purposes of this Lease and Exhibits attached hereto, have the meanings herein specified.

Certificates: The \$29,790,000 Taxable Certificates of Participation, Series 2010E (Qualified School Construction Bonds – Direct Pay), issued pursuant to the Trust Agreement.

Code: The Internal Revenue Code of 1986, as amended.

Closing Date: The date upon which the Certificates are delivered to the Original Purchaser (as defined in the Trust Agreement) against payment therefore.

Facilities: The North Education Center to be constructed and located at 5530 Zealand Avenue North, in New Hope, Minnesota.

Federal Payment: Any and all amounts received from the United States Department of the Treasury as federal credit payments under Section 6431 of the Code with respect to the Certificates.

Fiscal Year: The twelve month fiscal period of the District which commences on July 1 every year and ends on the following June 30.

Ground Lease: The Ground Lease and Easement Agreement dated as of the date hereof by and between Lessee, as lessor, and Lessor, as lessee, relating to the Land.

Independent Counsel: An attorney duly admitted to the practice of law before the highest court of the State who is not a full-time employee of the Lessor or the District.

Interest: The portion of any Rental Payment designated as and comprising interest as shown in the attached Exhibit B.

Land: The real property described in Exhibit A hereto.

Net Proceeds: Any insurance proceeds or condemnation award, paid with respect to the Land and Facilities, remaining after payment therefrom of all expenses incurred in the collection thereof.

Non-appropriation: The failure of the School Board of the District to appropriate money for any Fiscal Year of the District sufficient for the continued performance of this Lease by the District, as evidenced by the passage of a resolution specifically prohibiting the District from performing its obligations under this Lease, and from using any moneys

to pay the Rental Payments due under this Lease for a designated Fiscal Year and all subsequent Fiscal Years.

Permitted Encumbrances: As of any particular time: (i) liens for taxes and assessments not then delinquent, or which the District may, pursuant to provisions of Section 8.3 hereof, permit to remain unpaid, (ii) this Lease and the Ground Lease and amendments hereto, (iii) any mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right not filed or perfected in the manner prescribed by law, other than any lien arising through a Contractor or which the District may, pursuant to Article VIII hereof, permit to remain unpaid, and (iv) the encumbrances set forth on Exhibit A hereto.

Principal: The portion of any Rental Payment designated as principal in the attached Exhibit B.

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

Rental Payment Account: means the Rental Payment Account within the Trust Fund established pursuant to Article IV of the Trust Agreement.

Rental Payment Date: The date upon which any Rental Payment is due and payable as provided in Exhibit B.

Sinking Fund: the sinking fund established within the Rental Payment Account pursuant to Section[s] ____ and ____ of the Trust Agreement.

State: The State of Minnesota.

State and Federal Law or Laws: The Constitution and any law of the State and any rule or regulation of any agency or political subdivision of the State; and any law of the United States, and any rule or regulation of any federal agency.

Term of this Lease or Lease Term: The period during which this Lease is in effect as specified in Section 4.1.

Trustee: U.S. Bank National Association, in St. Paul, Minnesota, acting pursuant to the Trust Agreement.

Trust Agreement: The Trust Agreement, of even date herewith, by the Trustee, and joined in by the District and any amendment thereof or supplement thereto.

Trust Fund: The Trust Fund so designated which is established by the Trustee under Section 4.1 of the Trust Agreement.

Section 1.2. Exhibits. The following Exhibits are attached to and by reference made a part of this Lease:

Exhibit A: A legal description of the Land, a description of the Facilities being leased by the District pursuant to this Lease and a listing of the Permitted Encumbrances.

Exhibit B: Schedule indicating the date and amount of each Rental Payment coming due during the Lease Term.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of the District. The District represents, covenants and warrants as follows:

(a) The District is a duly formed and validly existing political subdivision of the State, governed by the Constitution and laws of the State.

(b) The District is authorized under the Constitution and laws of the State to enter into this Lease, the Trust Agreement, the Ground Lease and the transactions contemplated thereby, and to perform all of its obligations thereunder.

(c) The officers of the District executing this Lease, the Ground Lease and the Trust Agreement have been duly authorized to execute and deliver such documents under the terms and provisions of a resolution of the District's governing body, or by other appropriate official action.

(d) In authorizing and executing this Lease, the District has complied with the requirements of the Review and Comment Statement, dated September 23, 2010, received by the District from the Commissioner of the Department of Education of the State of Minnesota, all public bidding and other State and Federal Laws applicable to this Lease and the acquisition of the Facilities by the District.

(e) The District will not pledge, mortgage or assign this Lease, or its duties and obligations hereunder to any other person, firm or corporation except as provided under the terms of this Lease.

(f) The District will use the Facilities during the Lease Term to carry out the governmental or proprietary purposes of the District.

(g) Subject to the provisions of Section 4.5 hereof, the officers of the District responsible for budget preparation will include in the annual budget request, for each Fiscal Year during the Term of this Lease, commencing with the Fiscal Year ending on June 30, 2012, moneys sufficient to pay and for the purpose of paying all Rental Payments and other obligations of the District under this Lease, and will take all actions within their power to seek to have that portion of the budget approved. The District has moneys available and sufficient to pay all obligations under this Lease in the current Fiscal Year. This Lease does not constitute a general obligation of the District, and the full faith and credit and taxing powers of the District are not pledged for the payment of the Rental Payments or other amounts coming due, or other actions required to be performed, hereunder.

(h) The governing body is not obligated to appropriate or otherwise provide moneys for the payment of the Rental Payments or any other amounts coming due hereunder in any future Fiscal Year; and in the event of Non-Appropriation by the governing body, the District shall not be liable for general, special, incidental,

consequential or other damages resulting therefrom, except as provided in Section 4.6 hereof.

(i) The District presently intends to continue this Lease for its entire stated Term and to pay all Rental Payments specified in Exhibit B. The District reasonably believes that moneys in an amount sufficient to make all such Rental Payments can and will lawfully be appropriated or budgeted and made available for this purpose.

(j) The District will file with the Internal Revenue Service the information reporting statement required by Sections 149(e) and 54A(d)(3) of the Code, and Treasury Regulations promulgated thereunder (the Regulations).

(k) The District covenants that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the Lease and the Certificates to lose their status as Qualified School Construction Bonds under the Code and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the Lease and the Certificates will not lose their status as Qualified School Construction Bonds under the Code and the Regulations.

Section 2.2. Representations, Covenants and Warranties of the Lessor. The Lessor represents, covenants and warrants as follows:

(a) The Lessor is a banking association duly organized, existing and in good standing under and by virtue of the laws of the United States; has power to enter into this Lease and the Trust Agreement; is possessed of full power to own and hold real and personal property, and to lease the same; and has duly authorized the execution and delivery of this Lease and the Trust Agreement.

(b) Neither the execution and delivery of this Lease and the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions thereof, nor the consummation of the transactions contemplated thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Lessor is now a party or by which the Lessor is bound, constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Lessor, or upon the Land and Facilities except Permitted Encumbrances.

ARTICLE III

LEASE OF FACILITIES

Section 3.1. Lease and Sale of Facilities. The Trustee hereby leases the Facilities to the District, and the District hereby leases the Facilities from the Trustee, upon the terms and conditions set forth in this Lease. The Facilities are leased in their present condition without representation or warranty of any kind by the Trustee, and subject to the rights of parties in possession, to the existing state of title, to all applicable legal requirements now or hereafter in effect, and to Permitted Encumbrances. The District has examined the Facilities and has found all of the same to be satisfactory for the purposes of this Lease.

Section 3.2. Possession and Enjoyment. The Trustee hereby covenants to provide the District during the Term of this Lease with quiet use and enjoyment of the Facilities, and the District shall during such Term peaceably and quietly have and hold and enjoy the Facilities, without suit, trouble or hindrance from the Trustee, except as expressly set forth in this Lease. The Trustee will, at the request of the District and at the District's cost, join in any legal action in which the District asserts its right to such possession and enjoyment to the extent the Trustee may lawfully do so.

Section 3.3. Trustee Access to Facilities. The Trustee shall have the right at all reasonable times to examine and inspect the Facilities, and shall have such rights of access to the Facilities as may be reasonably necessary to cause the proper maintenance thereof in the event of failure by the District to perform its obligations hereunder.

Section 3.4. Compliance with Trust Agreement. During the Term of this Lease, the District agrees to perform all obligations imposed upon it by the Trust Agreement.

ARTICLE IV

TERM OF LEASE TRANSFER OR SURRENDER OF FACILITIES

Section 4.1. Lease Term. This Lease shall be in effect for a Term commencing upon the execution hereof and ending as provided in Section 4.2.

Section 4.2. Termination of Lease Term. The Term of this Lease will terminate upon the occurrence of the first of the following events:

- (a) termination by the District pursuant to Section 4.5 hereof;
- (b) the payment by the District of its obligation to pay the Rental Payments required to be paid by it hereunder;
- (c) a default by the District and the Trustee's election to terminate this Lease pursuant to Article XIII; or
- (d) the prepayment by the District of all Rental Payments required to be paid by it hereunder pursuant hereto.

Section 4.3. Trustee's Interest in the Facilities. Upon payment of all Rental Payments due hereunder, or prepayment pursuant hereto, full and unencumbered legal title to the Facilities shall pass to the District, and the Trustee shall have no further interest therein. In such event the Trustee and its officers shall take all actions necessary to authorize, execute and deliver to the District such documents as the District shall reasonably require to evidence the transfer of legal title to the Facilities to the District.

Section 4.4. Surrender of Facilities. Upon termination of the Term of this Lease pursuant to Section 4.2, clauses (a) or (c), or upon exercise by the Trustee of its right to take possession of the Facilities under Section 13.2, the District shall surrender the Facilities to the Trustee in the condition in which they were originally received from the Trustee, except as repaired, rebuilt, restored, altered or added to as permitted or required hereby, ordinary wear and tear excepted.

Section 4.5. Termination by the District. The District shall have the right to terminate this Lease, in whole but not in part, at the end of any Fiscal Year of the District, in the manner and subject to the terms specified in this Section and Section 4.6, if the governing body does not appropriate or budget moneys sufficient to pay the Rental Payments coming due in the next Fiscal Year, as determined by the District's budget for the Fiscal Year in question. The District may effect such termination by giving the Trustee a written notice of termination, as evidenced by a resolution of the governing body specifically determining not to provide moneys to pay Rental Payments for the succeeding Fiscal Year and all future Fiscal Years, and stating the governing body's determination to terminate this Lease, and by paying to the Trustee any Rental Payments which are due and have not been paid at or before the end of its then current Fiscal Year. In the event of termination of this Lease as provided in this Section, the District shall surrender possession of the Facilities to the Trustee in accordance with Section 4.4 and convey to

the Trustee or release its interest in the Facilities under this Lease within ten (10) days after the expiration of the then-current term of this Lease.

Section 4.6. Effect of Termination. Upon termination of this Lease as provided in Section 4.5, the District shall not be responsible for the payment of any additional Rental Payments coming due with respect to succeeding Fiscal Years, but if the District has not delivered possession of the Facilities to the Trustee in accordance with Section 4.4 and conveyed to the Trustee or released its interest in the Facilities granted under this Lease within ten (10) days after the termination date, the termination shall nevertheless be effective, but the District shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments thereafter coming due which are attributable to the number of days during which the District fails to take such actions and for any other loss suffered by the Trustee as a result of the District's failure to take such actions as required.

ARTICLE V

RENTAL PAYMENTS

Section 5.1. Rental Payments. The District agrees to pay Rental Payments during the Term of this Lease, in the amounts and on the dates specified in Exhibit B. All Rental Payments shall be paid to the Lessor at its offices at the address specified in Section 14.1 of this Lease, or to such other person or entity to which the Lessor has assigned such Rental Payments as specified in Article XII, at such place as such assignee may from time to time designate by written notice to the District. The District shall pay the Rental Payments exclusively from moneys legally available therefor, in lawful money of the United States of America, to the Lessor or, in the event of assignment of the right to receive Rental Payments by the Lessor, to its assignee.

Section 5.2. Current Expense. The obligations of the District under this Lease, including its obligation to pay the Rental Payments, in any Fiscal Year for which this Lease is in effect, shall constitute a current expense of the District for such Fiscal Year and shall not constitute an indebtedness of the District within the meaning of the Constitution and laws of the State. Nothing herein shall constitute a pledge by the District of any taxes or other moneys, other than moneys lawfully appropriated from time to time by or for the benefit of the District in the annual budget of the School Board and the proceeds or Net Proceeds of the Facilities, to the payment of any Rental Payment or other amount coming due hereunder.

Section 5.3. Interest and Principal Components.

(a) A portion of each Rental Payment is paid as and represents the payment of Interest. Exhibit B sets forth the Interest component of each Rental Payment, which will be paid out to the owners of the Certificates on the next succeeding Certificate Payment Date. The District shall be allowed a credit against the Interest component of each Rental Payment in the amount of the Federal Payment anticipated to be received by the Trustee on or before the succeeding Certificate Payment Date. In the event that the Federal Payment is not received as anticipated, or is received in a reduced amount, the Trustee will immediately notify the District of the deficiency, and the District will deposit with the Trustee an amount equal to the deficiency on or before the Business Day immediately preceding the Certificate Payment Date.

(b) A portion of each Rental Payment is paid as and represents the payment of Principal. Exhibit B sets forth the Principal component of each Rental Payment, which will be deposited in the Sinking Fund. The Principal component of each Rental Payment, commencing with the Rental Payment due on July 20, 2012, is subject to reduction based on the amount of investment earnings in the Sinking Fund. The Trustee will advise the District of the actual amount of the Principal component to be paid on each Rental Payment Date.

Section 5.4. Rental Payments to be Unconditional. Except as provided in Sections 4.5 and 5.3, the obligation of the District to make Rental Payments or any other payments required hereunder shall be absolute and unconditional in all events. Notwithstanding any dispute

between the District and the Lessor or any other person, the District shall make all Rental Payments and other payments required hereunder when due and shall not withhold any Rental Payment or other payment pending final resolution of such dispute nor shall the District assert any right of set-off or counterclaim against its obligation to make such Rental Payments or other payments required under this Lease. The District's obligation to make Rental Payments or other payments during the Lease Term shall not be abated through accident or unforeseen circumstances (including, without limitation, the occurrence of any environmental liability). However, nothing herein shall be construed to release the Lessor from the performance of its obligations hereunder; and if the Lessor should fail to perform any such obligation, the District may institute such legal action against the Lessor as the District may deem necessary to compel the performance of such obligation or to recover damages therefor.

ARTICLE VI

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 6.1. Damage, Destruction and Condemnation. If the Facilities or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty or title to or the temporary use of the Facilities or any part thereof, or the interest of the District or the Trustee in the Facilities or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the District shall have the rights with respect to the Net Proceeds of any insurance or condemnation award specified in this Section. All Net Proceeds shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Facilities by the District and this Lease shall continue in effect, or if the District elects not to repair or rebuild, all Net Proceeds shall be applied to prepay Rental Payments in accordance with Section 6.5; in either event all Net Proceeds not needed for such purposes shall belong to the District.

Section 6.2. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Facilities, the District shall either: (a) complete the work and pay any cost in excess of the amount of the Net Proceeds, and the District agrees that if by reason of any such insufficiency of the Net Proceeds, the District shall make any payments pursuant to the provisions of this Section 6.2, the District shall not be entitled to any reimbursement therefor from the Trustee nor shall the District be entitled to any diminution of the Rental Payments due with respect to the Facilities; or (b) prepay the Rental Payments, in which event the Net Proceeds shall be used for this purpose in accordance with Section 6.5.

Section 6.3. Cooperation of Trustee. The Trustee shall cooperate fully with the District at the expense of the District in filing any proof of loss with respect to any insurance policy covering the casualties described in Section 6.1 hereof and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Facilities or any part thereof and will, to the extent it may lawfully do so, permit the District to litigate in any proceeding resulting therefrom in the name of and on behalf of the Trustee. In no event will the Trustee voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim or any prospective or pending condemnation proceeding with respect to the Facilities or any part thereof without the written consent of the District.

Section 6.4. Condemnation of Other Property Owned by the District. The District shall be entitled to the Net Proceeds of any condemnation award or portion thereof made for destruction of, damage to or taking of its property not included in the Facilities.

Section 6.5. Prepayment. In the event of destruction of the Facilities or taking thereof by eminent domain as described in Section 6.1, the District may prepay its obligations with this Lease by paying to the Trustee an amount equal to all Rental Payments and other amounts then due and owing and unpaid under this Lease, the principal portion of all Rental Payments thereafter coming due as set forth on Exhibit B, and any unpaid interest accrued to the date of

payment or redemption of the Certificates pursuant to Section 3.7 of the Trust Agreement. Upon such payment the provisions of Section 4.3 shall apply.

ARTICLE VII

INSURANCE AND INDEMNIFICATION

Section 7.1. Liability Insurance. Unless self-insurance is provided by the District, as evidenced by a written certificate satisfactory to the Lessor specifying the terms and amounts thereof and subject further to the annual verification of the adequacy of the amount of such self-insurance by an independent actuary, upon receipt of possession of the Facilities, the District shall take such measures as may be necessary to insure that any liability for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the condition or the operation of the Facilities or any part thereof, is covered by a blanket or other general liability insurance policy maintained by the District. The Net Proceeds of all such insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which any Net Proceeds may be paid.

Section 7.2. Property Insurance. The District shall have and assume the risk of loss with respect to the Facilities. Unless self-insurance is provided by the District, as evidenced by a written certificate satisfactory to the Lessor specifying the terms and amounts thereof and subject further to the annual verification of the adequacy of the amount of such self-insurance by an independent actuary, the District shall procure and maintain continuously in effect during the Term of this Lease, all-risk insurance, subject only to the standard exclusions contained in the policy, in such amount as will be at least sufficient so that a claim may be made for the full replacement cost of any part of the Facilities damaged or destroyed. Such insurance may be provided by a rider to an existing policy or under a separate policy. Such insurance may be written with customary deductible amounts and need not cover land and building foundations. The Net Proceeds of insurance required by this Section shall be applied to the prompt repair, restoration or replacement of the Facilities, or to the prepayment of Rental Payments as provided in Section 6.5. Any Net Proceeds not needed for those purposes shall be paid to the District.

Section 7.3. Worker's Compensation Insurance. If required by State law, and unless self-insurance is provided by the District, as evidenced by a written certificate satisfactory to the Lessor specifying the terms and amounts thereof and subject further to the annual verification of the adequacy of the amount of such self-insurance by an independent actuary, the District shall carry worker's compensation insurance covering all employees on, in, near or about the Facilities, and upon request, shall furnish to the Lessor Certificates evidencing such coverage throughout the Term of this Lease.

Section 7.4. Requirements For All Insurance. All insurance policies (or riders) required by this Article shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State; and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least ten (10) days before the cancellation or revision becomes effective. All insurance policies or riders required by Sections 7.1 and 7.2 shall name the District and the Lessor as insured parties, and any insurance policy or rider required by Section 7.3 shall name the District as insured party. The District shall provide the Lessor annually, on or about July 1, a certificate of Authorized Officer of the District stating that the District is in compliance with Sections 7.1 through 7.4 of this Lease.

Section 7.5. District Negligence. As between the Trustee and the District, the District assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Facilities and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of the District, the Trustee or of third parties, and whether such property damage be to the District or the Trustee's property or the property of others, which is proximately caused by the negligent conduct of the District, its officers, employees, agents and lessees, or arising out of the operation, maintenance or use of the Facilities by the District, its officers, employees, agents and lessees. The District hereby assumes responsibility for and agrees to indemnify, defend and hold harmless the Trustee, its directors, officers, employees and agents, and any assignee of the Trustee, without payment being made by the Trustee, from and against all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorney's fees) of whatsoever kind and nature, imposed on, incurred by or asserted against the Trustee or its directors, officers, employees, agents or assignees that in any way relate to or arise out of a claim, suit or proceeding based in whole or in part on the foregoing, to the maximum extent permitted by law.

ARTICLE VIII

GENERAL MATTERS

Section 8.1. Use; Permits. The District shall exercise due care in the use, operation and maintenance of the Facilities, and shall not use, operate or maintain the Facilities improperly, carelessly, in violation of any State and Federal Law or for a purpose or in a manner contrary to that contemplated by this Lease. The District shall obtain all permits and licenses necessary for the installation, operation, possession and use of the Facilities. The District shall comply with all State and Federal Laws applicable to the installation, use, possession and operation of the Facilities, and if compliance with any such State and Federal Law requires changes or additions to be made to the Facilities, such changes or addition shall be made by the District at its expense.

Section 8.2. Maintenance and Modification of Facilities by the District. During the Term of this Lease the District shall, at its own expense, maintain, preserve and keep the Facilities in good repair, working order and condition, and shall from time to time make all repairs, replacements and improvements necessary to keep the Facilities in such condition. The Trustee shall have no responsibility for any of these repairs, replacements or improvements. In addition, the District shall, at its own expense, have the right to remodel the Facilities or to make additions, modifications and improvements thereto. All such additions, modifications and improvements shall thereafter comprise part of the Facilities and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage the Facilities; and the Facilities, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value not less than the value of the Facilities immediately prior to the making of such additions, modifications and improvements. Any property for which a substitution or replacement is made pursuant to this Section may be disposed of by the District in such manner and on such terms as are determined by the District. The District will not permit any mechanic's or other lien to be established or remain against the Facilities for labor or materials furnished in connection with any improvements made by the District pursuant to this Section; provided that if any such lien is established and the District shall first notify the Trustee of the District's intention to do so, the District may in good faith contest any lien filed or established against the Facilities, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Trustee shall notify the District that, in the opinion of counsel, by non-payment of any such item the interest of the Trustee in the Facilities will be materially endangered or the Facilities or any part thereof will be subject to loss or forfeiture, in which event the District shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide the Trustee with full security against any such loss or forfeiture, in form satisfactory to the Trustee. The Trustee will cooperate fully with the District in any such contest, upon the request and at the expense of the District.

Section 8.3. Taxes, Other Governmental Charges and Utility Charges; Compliance with Governmental Requirements. Except as expressly limited by this Section, the District shall pay all taxes and other charges of any kind which are at any time lawfully assessed or levied against or with respect to the Facilities, the Rental Payments or any part thereof, or which become due during the Term of this Lease, whether assessed against the District or the Lessor.

The District shall also pay when due all gas, water, steam, electricity, heat, power, telephone, and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facilities, and all special assessments and charges lawfully made by any governmental body for public improvements that may be secured by alien on the Facilities; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District shall be obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due. The District shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate, or other similar tax payable by the Lessor, its successors or assigns, unless such tax is made in lieu of or as a substitute for any tax, assessment or charge which is the obligation of the District under this Section.

The District may, at its own expense and in its own name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments, utility or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Lessor shall notify the District that, in the opinion of Independent Counsel, by nonpayment of any such items the interest of the Lessor in the Facilities will be materially endangered or the Facilities or any part thereof will be subject to loss or forfeiture, in which event the District shall promptly pay such taxes, assessments, utility or other charges or provide the Lessor with full security against any loss which may result from nonpayment, in form satisfactory to the Lessor.

The District, at its expense, will comply with all applicable laws to the extent any failure to comply would have a material adverse effect on the Facilities or the Lessor's rights hereunder, or would result in the levying of any criminal or civil penalties on either party, whether or not such compliance shall require changes in the Facilities or property owned by the District or interfere with the use and enjoyment of the Facilities or any, part thereof. The District will take such actions, at the District's cost and expense, to enable the District to obtain all permits and similar authorizations needed for the use of the Facilities.

Section 8.4. Easements. The Trustee will from time to time, at the request of the District and at the District's cost and expense, cooperate and join with the District: (a) in granting easements and other rights in the nature of easements, releasing existing easements or other rights in nature of easements which are for the benefit of the Facilities and (b) in executing and delivering to any person any instrument appropriate (i) to confirm or to the effect that such grant, release or execution is not detrimental to the proper conduct of the operations of the District on or in the Facilities, (ii) to show the consideration, if any, being paid for such grant, release or amendment, (iii) to show that such grant, release, dedication, transfer, petition or amendment does not materially impair the use of the Facilities or reduce their value, or (iv) to confirm that the District will remain obligated hereunder to the same extent as if such grant, release, or amendment had not been made, and the District will perform all obligations of the Trustee under such instrument. The consideration, if any, received for such grant, release, or amendment shall be paid to the Trustee and applied against the next succeeding Rental Payment.

Section 8.5. Covenants Regarding Hazardous Material. The District shall comply with all regulations concerning the environment, health and safety relating to the generation, use,

handling, production, disposal, discharge and storage of Hazardous Materials, as defined herein, in, on, under, or about the Facilities. The District shall promptly take any and all necessary action in response to the presence, storage, use, disposal, transportation or discharge of any Hazardous Materials in, on, under or about the Facilities by the District or persons acting on behalf of or at the direction of the District as all applicable laws, rules, regulations, or ordinances may require. The District agrees promptly to:

(a) Transmit to the Trustee copies of any governmental citations, orders or notices received with respect to Hazardous Materials which may result in a penalty, liability or cost greater than \$1,000.

(b) Observe and comply with any and all laws, ordinances, rules, regulations, licensing requirements or conditions relating to the use, maintenance or disposal of Hazardous Materials and all orders or directives from any official, court or governmental agency of competent jurisdiction relating to the use or maintenance or requiring the removal, treatment, containment or other disposal of such Hazardous Material.

(c) Pay or otherwise dispose of any lien, charge or imposition relating thereto which, if paid, would constitute a lien upon the Facilities.

(d) Indemnify and hold harmless the Trustee from any and all liabilities and obligations relating to or arising from the presence, at any time, of Hazardous Materials in, on, under or about the Facilities to the maximum extent permitted by law. The Trustee shall not be liable for any payment whatsoever with regards to section 8.5 (a)-(c).

As used herein, the term Hazardous Material shall mean: (i) oil, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other substances, materials or pollutants which (1) pose a hazard to the Facilities, to adjacent premises or to persons on or about the Facilities or adjacent premises, (2) substances which cause the Facilities to be in violation of any local, state or federal law, rule, regulation or ordinance, or (3) substances which are defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" or words of similar import under any applicable local, state or federal law or under the regulations, policy guidelines or other publications adopted or promulgated pursuant thereto, including, but not limited to: (A) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.; (B) the Hazardous Materials Transportation Act, as amended, 49 U.S.C. § 1601, et seq.; (C) the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, et seq.; (D) the Clean Air Act, 42 U.S.C. § 7412; (E) the Toxic Substance Control Act, 15 U.S.C. § 2601 et seq.; (F) The Clean Water Act, 33 U.S.C. § 1317 and 1321(b)(2)A and (G) rules, regulations, ordinances and other publications adopted or promulgated pursuant to the aforesaid laws; (ii) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, and (iii) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or may or could pose a hazard to the health and safety or property interests of the District or its employees, the occupants of the Facilities or the owners and/or occupants of property adjacent to or surrounding the Facilities.

ARTICLE IX

TITLE

Section 9.1. Title. During the Term of this Lease, legal title to the Facilities and any and all repairs, replacements, substitutions and modifications thereto shall be in the Lessor, subject to the District's interests under this Lease. Upon the payment by the District of all Rental Payments as indicated in Exhibit B, or prepayment by the District thereof pursuant hereto, full and unencumbered legal title to the Facilities shall pass to the District, and the Lessor shall have no further interest therein.

Section 9.2. Liens. During the Term of this Lease, the District shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Facilities, other than the respective rights of the Lessor and the District as herein provided and Permitted Encumbrances. Except as expressly provided in Section 8.3 and this Article, the District shall promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The District shall reimburse the Lessor for any expense incurred by the Lessor in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 9.3. Installation of Personal Property. The District may, at any time and from time to time, in its sole discretion and at its own expense, install items of personal property in or upon the Facilities, which items shall be identified by tags or other symbols affixed thereto as property of the District. All such items so identified shall remain the sole property of the District, in which the Lessor shall have no interest, and may be modified or removed by the District at any time provided that the District shall repair and restore any and all damage to the Facilities resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent the District from purchasing items to be installed pursuant to this Section under a conditional sale or lease with option to purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Facilities.

ARTICLE X

WARRANTIES

Section 10.1. Maintenance of Facilities. The District will, at its expense, keep the Facilities in reasonable order and condition in light of the use to which the Facilities will be put and will repair, restore and rebuild all building enclosures and other structures and improvements located therein to the extent provided for under this Lease. The Lessor has no obligation to make or pay for any repairs, replacements, restorations, improvements, alterations, or additions whatsoever on or to the Facilities. The Lessor shall have no obligation to test, inspect, service or maintain the Facilities under any circumstances, but such actions shall be the obligation of the District.

Section 10.2. Contractor's Warranties. The Lessor hereby assigns to the District for and during the Term of this Lease, all of its interest in all contractor's warranties and guarantees, express or implied, issued on or applicable to the Facilities or any portion thereof, and the Lessor hereby authorizes the District to obtain the customary services furnished in connection with such warranties and guarantees at the District's expense.

Section 10.3. Patent Infringement. The Lessor hereby assigns to the District for and during the Term of this Lease all of its interest in patent indemnity protection provided by any Contractor with respect to the Facilities. Such assignment of patent indemnity protection by the Lessor to the District shall constitute the entire liability of the Lessor for any patent infringement by Facilities furnished pursuant to this Lease.

Section 10.4. Disclaimer of Warranties. THE FACILITIES ARE DELIVERED AS IS, AND LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT OF THE FACILITIES, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE FACILITIES.

ARTICLE XI

OPTIONAL TO PREPAY; DISCHARGE

Section 11.1. Option to Prepay in Whole or in Part. The District shall have the option or may be required to prepay the unpaid Rental Payments, in whole or in part, but only in the manner provided in Exhibit B.

Section 11.2. Exercise of Prepayment Option. The District shall give notice to the Trustee of its intention to exercise its prepayment option not less than 45 days in advance of the date of exercise, and shall pay to the Trustee on the date of exercise an amount equal to the amount of Principal to be prepaid, plus accrued interest to the prepayment date, as shown in Exhibit B, less any Net Proceeds to be applied to the amount to be so paid in accordance with Section 6.2.

Section 11.3. Discharge of District's Obligation. The District may at any time discharge its obligation to pay the Rental Payments due under this Lease by depositing irrevocably in escrow with a bank or trust company, cash or securities of the type permitted for defeasance of the Certificates under Article VII of the Trust Agreement interest payable at such times and at such rates and maturing or redeemable at the option of the holder on such dates as shall be required to provide moneys sufficient to pay or prepay all unpaid Rental Payments on the dates when they are due or subject to prepayment as provided in Section 11.1 (the "Prepayment Price"), as determined by the District, together with computations and an opinion letter of a certified public accounting firm or a financial consulting firm recognized by the rating agencies as adequate for the purpose showing and attesting to the sufficiency of such moneys and securities for this purpose and an opinion letter of Independent Counsel stating that the deposit of such cash or securities will not cause the Lease or the Certificates to become "arbitrage bonds" under Section 148(a) of the Code. The requirements for defeasance set forth in Article VII of the Trust Agreement shall also apply to any defeasance hereunder.

Section 11.4. Prerequisite: No Default. The District may exercise the rights specified in this Article only if it is not in default under this Lease.

ARTICLE XII

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 12.1. Assignment by the Lessor. The Lessor shall not assign its obligations under this Lease, and no purported assignment thereof shall be effective. All of the Lessor's rights, title and/or interest in and to this Lease, the Ground Lease, the Rental Payments and other amounts due hereunder and the Facilities may be assigned and reassigned in whole or in part to one or more successor Trustees as described in Section 6.5 of the Trust Agreement. The District shall pay all Rental Payments due hereunder to or at the direction of the Lessor or the assignee named in the most recent assignment or notice of assignment filed with the District. During the Lease Term the District shall keep a complete and accurate record of all such assignments. The District hereby consents to assignment of the Lease and Ground Lease to the Trustee for the purposes as set forth in the Trust Agreement. The District hereby consents to the issuance of the Certificates by the Trustee pursuant to the Trust Agreement.

Section 12.2. Assignment and Subleasing by the District. Neither this Lease nor the District's interest in the Facilities may be assigned or subleased by the District without the written consent of the Lessor.

Section 12.3. Restriction on Mortgage or Sale of Facilities by the District. Except as described below, the District will not mortgage, sell, assign, transfer or convey the Facilities or any portion thereof during the Term of this Lease without the written consent of the Lessor.

ARTICLE XIII

EVENTS OF DEFAULT AND REMEDIES

Section 13.1. Events of Default Defined. The following shall be “events of default” under this Lease and the terms “events of default” and “default” shall mean, whenever they are used in this Lease, any one or more of the following events:

(i) Failure by the District to pay any Rental Payment or other payment required to be paid under this Lease at the time specified herein and the continuation of said failure for a period of three (3) days after telephonic, telegraphic or other electronic notice given by the Lessor that the payment referred to in such notice has not been received, such telephonic, telegraphic or other electronic notice to be subsequently confirmed in writing, or after written notice.

(ii) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (i) of this Section, for a period of forty-five (45) days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Lessor, unless the Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected.

(iii) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of the District to carry on its governmental or proprietary function or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Statute, as amended, or under any similar acts which may hereafter be enacted.

The provisions of this Section 13.1 and Section 13.2 are subject to the following limitation: if by reason of *force majeure* the District is unable in whole or in part to carry out its obligations under this Lease, *other than its obligation to pay Rental Payments with respect thereto which shall be paid when due notwithstanding the provisions of this paragraph*, the District shall not be deemed in default during the continuance of such inability. The term “*force majeure*” as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the State or their respective departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or

any other cause or event not reasonably within the control of the District and not resulting from its negligence. The District agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the District from carrying out its obligations under this Lease; provided that the settlement of strikes, lockouts and other labor disturbances shall be entirely within the discretion of the District and the District shall not be required to make settlement of strikes, lockouts and other labor disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the District unfavorable to the District.

Section 13.2. Remedies on Default. Whenever any event of default referred to in Section 13.1 hereof shall have happened and be continuing with respect to the Facilities, the Lessor shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

(i) The Lessor, with or without terminating this Lease, may declare all Rental Payments due or to become due during the Fiscal Year in effect when the default occurs to be immediately due and payable by the District, whereupon such Rental Payments shall be immediately due and payable.

(ii) The Lessor, with or without terminating this Lease, may enforce the Ground Lease and repossess the Facilities by giving the District written notice to surrender the Facilities to the Lessor for the remaining term of the Ground Lease, whereupon the District shall do so in the manner provided in Section 13.3. If the Facilities or any portion of it has been destroyed or damaged beyond repair, the District shall pay the principal amount of all unpaid Rental Payments as set forth in Exhibit B (less credit for Net Proceeds), to the Lessor. Notwithstanding the fact that the Lessor has taken possession of the Facilities, the District shall continue be responsible for the Rental Payments due during the Fiscal Year then in effect. If this Lease has not been terminated, the Lessor shall return the Facilities to the District at the District's expense when the event of default is cured or as required by the Ground Lease.

(iii) If the Lessor terminates this Lease and takes possession of the Facilities, the Lessor shall thereafter use its best efforts to sell or lease its interest under the Ground Lease and in the Facilities or any portion thereof in a commercially reasonable manner in accordance with applicable State laws. The Lessor shall apply the proceeds of such sale or lease to pay the following items in the following order: (a) all costs incurred in securing possession of the Facilities; (b) all expenses incurred in completing the sale including attorney's fees; (c) the principal portion of all unpaid Rental Payments as shown on Exhibit B; and (d) the balance of any Rental Payments owed by the District during the Fiscal Year then in effect. Any sale proceeds remaining after the requirements of Clauses (a), (b), (c) and (d) have been met may be retained by Lessee.

(iv) If the proceeds of sale or lease of the District's interest in the Facilities are not sufficient to pay the balance of any Rental Payments owed by the District during the Fiscal Year then in effect, the Lessor may take any other

remedy available at law or in equity to require the District to perform any of its obligations hereunder.

Section 13.3. Return of Facilities. Upon the expiration or termination of this Lease prior to the payment of all Rental Payments in accordance with Exhibit B, the District shall return the Facilities to the Lessor in the condition, repair, appearance and working order required in Section 8.2. If the District refuses to surrender the Facilities in the manner designated, the Lessor may repossess the Facilities and charge to the District the costs of such repossession or pursue any remedy described in Section 13.2.

Section 13.4. No Remedy Exclusive. No remedy conferred upon or reserved to the Lessor by this Article is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient by the Lessor or its assignee.

ARTICLE XIV

ADMINISTRATIVE PROVISIONS

Section 14.1. Notices. All notices, Certificates, legal opinions or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail in registered form with postage fully prepaid to the addresses specified below; provided that the Lessor and the District, by notice given hereunder, may designate different addresses to which subsequent notices, Certificates, legal opinions or other communications will be sent.

If to the District:	Intermediate District No. 287 1820 North Xenium Lane Plymouth, Minnesota 55441 Attention: Director of Finance
If to the Original Purchaser:	BMO Capital Markets GKST, Inc. 115 S. LaSalle Street, 36 th Floor Chicago, Illinois 60603 Attention: _____
If to the Trustee:	U.S. Bank National Association 60 Livingston Avenue St. Paul, Minnesota 55107 Attention: Corporate Trust Services

Section 14.2. Recording. This Lease shall be recorded by the District.

Section 14.3. Financial Information. During the Term of this Lease, the District annually will provide the Lessor with current financial statements, budgets, proof of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of the District to continue this Lease as may be requested by the Lessor or its assignee.

Section 14.4. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Lessor and the District and their respective successors and assigns.

Section 14.5. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 14.6. Amendments, Changes and Modifications. This Lease may be amended or any of its terms modified only by written document duly authorized, executed and delivered by the Lessor and the District.

Section 14.7. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision, Article, Section or Clause of this Lease.

Section 14.8. Further Assurances and Corrective Instruments. The Lessor and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Facilities hereby leased or intended so to be, or for otherwise carrying out the expressed intention of this Lease.

Section 14.9. Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14.10. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.

[Signatures continue on the following page.]

[Counterpart signature page to the Lease Purchase Agreement.]

INTERMEDIATE DISTRICT NO. 287,
PLYMOUTH, MINNESOTA, Lessee

By _____
Its Chairperson

By _____
Its Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

On this ____ day of _____, 20__, before me, a Notary Public in and for said County, personally appeared _____ and _____, respectively the Chairperson and Clerk, of Intermediate District No. 287, Plymouth, Minnesota, known to me to be the persons whose names are subscribed to within the Lease Purchase Agreement, and acknowledged to me that they executed the same.

Notary Public

My Commission Expires:

(SEAL)

EXHIBIT A

Land

EXHIBIT B

RENTAL PAYMENTS

SCHEDULE OF RENTAL PAYMENTS

<u>Rental Payment Date</u>	<u>Rental Payment</u>	<u>Principal</u>	<u>Interest</u>
July 20, 2011	\$	-	
January 20, 2012			
July 20, 2012		-	
January 20, 2013			
July 20, 2013		-	
January 20, 2014			
July 20, 2014		-	
January 20, 2015			
July 20, 2015		-	
January 20, 2016			
July 20, 2016		-	
January 20, 2017			
July 20, 2017		-	
January 20, 2018			
July 20, 2018		-	
January 20, 2019			
July 20, 2019		-	
January 20, 2020			
July 20, 2020		-	
January 20, 2021			
July 20, 2021		-	
January 20, 2022			
July 20, 2022			
January 20, 2023			
July 20, 2024			
January 20, 2025			
July 20, 2025			
January 20, 2026			
July 20, 2026			
January 20, 2027			
July 20, 2027			
January 20, 2028			
July 20, 2028			
January 20, 2029			

Prepayment Provisions:

No Optional or Mandatory Sinking Fund Redemption. The Principal portion of the Rental Payments shall not be subject to optional or mandatory sinking fund redemption .

Extraordinary Mandatory Redemption. The Principal portion of the Rental Payments shall be subject to extraordinary mandatory redemption, in whole or in part, on November 18, 2013, or, in the event of an extension negotiated with the Internal Revenue Service, on any date between November 19, 2013 and November 18, 2015, in authorized denominations, without redemption premium, in an amount equal to unexpended proceeds of the lease and the Certificates held by the Trustee, but only to the extent that the District fails to expend all of the proceeds of the Lease and the Certificates and investment earnings thereon within three years of the issuance thereof and no extension for the period for expenditure has been granted by the Internal Revenue Service.

Extraordinary Optional Redemption of Certificates. The Principal portion of the Rental Payments shall be subject to redemption at the option of the District, in whole or in part upon the occurrence of an Extraordinary Event (as defined in the Trust Agreement), without redemption premium.

GROUND LEASE AND EASEMENT AGREEMENT

between

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

and

**U.S. BANK NATIONAL ASSOCIATION
As Lessee**

Dated as of the 18th day of November, 2010

Relating to

TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2010E

This instrument drafted by:

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

TABLE OF CONTENTS

	Page
SECTION I. PREMISES; RENT; SALE.....	1
Section 1.1. Premises	1
Section 1.2. Rent	1
Section 1.3. Sale	1
SECTION II. EASEMENTS.....	1
Section 2.1. Grant of Easements	1
Section 2.2. Rights of Lessor.....	2
SECTION III. MAINTENANCE OF LAND.....	2
SECTION IV. COMPLIANCE WITH GOVERNMENTAL REQUIREMENTS	2
SECTION V. INDEMNIFICATION.....	3
SECTION VI. IMPOSITIONS	3
Section 6.1. Payment of Land Impositions	3
Section 6.2. Payment of Facilities Impositions	3
SECTION VII. TERM OF GROUND LEASE; TERMINATION OF EASEMENTS	3
SECTION VIII. PERFORMANCE OF OBLIGATIONS	3
SECTION IX. CONFLICTS WITH LEASE PROVISIONS	3
SECTION X. NOTICES, ETC.....	3
SECTION XI. NO MERGER OF TITLE.....	4
SECTION XII. AMENDMENT, MODIFICATION, TERMINATION, ACCEPTANCE OF SURRENDER, ETC.	4
SECTION XIII. ENVIRONMENTAL MATTERS.....	4
SECTION XIV. MISCELLANEOUS.....	4
Section 14.1. Recording.....	4
Section 14.2. Governing Law	5
Section 14.3. Severability	5
Section 14.4. Successors	5
Section 14.5. Further Assurances	5
Section 14.6. Entire and Complete Agreement	5
Section 14.7. Counterparts.....	5

GROUND LEASE AND EASEMENT AGREEMENT

THIS GROUND LEASE AND EASEMENT AGREEMENT, dated as of the 18th day of November, 2010, between **INTERMEDIATE DISTRICT NO. 287, PLYMOUTH, MINNESOTA**, a political subdivision of the State of Minnesota (the Lessor), and **U.S. BANK NATIONAL ASSOCIATION**, in St. Paul, Minnesota, a banking association duly organized and existing under the laws of the United States (the Lessee).

W I T N E S S E T H:

WHEREAS, the Lessor owns the land which is legally described in Exhibit A (the Land) and

WHEREAS, Lessor and Lessee will enter into a Lease-Purchase Agreement dated as of the date hereof (the Lease), whereby Lessor will finance the construction of the North Education Center school facility to provide teaching/learning, support and office spaces for the delivery of special education and area learning programs to be located at 5530 Zealand Avenue North, in New Hope, Minnesota (the Facilities);

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

SECTION I. PREMISES; RENT; SALE

Section 1.1. Premises. The Lessor does hereby demise and lease to the Lessee, and the Lessee does hereby hire and take from the Lessor, all of its interest in and to those certain tracts or parcels of land more particularly described on Exhibit A attached hereto (the Land) and made a part hereof, together with all rights, privileges, easements and appurtenances belonging or in any way appertaining thereto.

Section 1.2. Rent. The Lessee shall pay to the Lessor, total rent in the amount of \$10.00, the receipt and sufficiency thereof hereby being acknowledged.

Section 1.3. Sale. If the Lessor determines that it does not need certain portions of the Land, the Lessor may sell such excess Land at fair market value, the proceeds of such excess Land sale to be deposited with the Lessee and used to defease the Certificates to their maturity date.

SECTION II. EASEMENTS

Section 2.1. Grant of Easements. The Lessor hereby conveys and grants to the Lessee, and the Lessee hereby accepts, the following perpetual easements and rights which shall burden the Land and run with the Land and shall be appurtenant to the Facilities for which they provide benefit.

(a) A non-exclusive easement to use and occupy those portions of the Land on, over or under which the improvements, equipment and other tangible property comprising the Facilities is located from time to time.

(b) A non-exclusive vehicular and pedestrian easement over and across the Land for access to the Facilities by vehicles and pedestrians from public streets, and for parking.

(c) A non-exclusive easement over and across the Land (including, without limitation, rights to improve, expand and otherwise build upon these areas) required for the construction, installation, placement, repair, maintenance, use, operation, modification, replacement, or renewal of utility lines, electricity transmission lines, water intake or discharge lines, and sewer lines.

(d) A non-exclusive easement over and across the Land (including, without limitation, rights and easements of ingress and egress) for the construction, installation, placement, repair, maintenance, use, operation, modification or replacement of the Facilities, including, without limitation, the construction, installation, placement, repair, maintenance, use, operation, modification, replacement or removal of such other pipes, pipelines, transmission and conduit devices, electric power, telephone, telegraph and cable lines, water and sewer lines and similar facilities on the Land and such roads, ditches, drainage and settling areas and any comparable property as are necessary or desirable for the acquisition, construction, design, installation, placement, maintenance, operation, use, repair, modification or replacement of the Facilities.

Section 2.2. Rights of Lessor. The easements and rights conveyed and granted hereby are subject to the right of the Lessor to place and locate on the Land any and all equipment and additional improvements, if any.

SECTION III. MAINTENANCE OF LAND

The Lessor will, at its expense, keep the Land in reasonable order and condition in light of the use to which the Facilities will be put and, until the easements granted and conveyed hereby are terminated pursuant to Section VII hereof, will repair, restore and rebuild all building enclosures and other structures and improvements located therein to the extent provided for under the Lease. The Lessee has no obligation to make or pay for any repairs, replacements, restorations, improvements, alterations, or additions whatsoever on or to the Land.

SECTION IV. COMPLIANCE WITH GOVERNMENTAL REQUIREMENTS

The Lessor, at its expense, will comply with all applicable laws to the extent any failure to comply would have a material adverse effect on the Land or the Lessee's rights hereunder, or would result in the levying of any criminal or civil penalties on either party, whether or not such compliance shall require changes in the Facilities or property owned by the Lessor or interfere with the use and enjoyment of the Land or any, part thereof. The Lessor will take such actions, at the Lessor's cost and expense, to enable the Lessor to obtain all permits and similar authorizations needed for the use of the Land.

SECTION V. INDEMNIFICATION

The Lessor will indemnify and hold the Lessee harmless from any claim, liability, cost or expense incurred by reason of any injury to persons or property arising out of any activity on the Land or out of the condition of its real estate, improvements or easement areas or the failure of the Lessor to put or keep it in reasonable order or condition, and from and against all costs, expenses and liabilities, including reasonable attorney's fees, incurred in connection with any such claim or action or proceeding brought thereon. Nothing in this Section shall make Lessor responsible for loss or damage caused by fault or negligence of Lessee, its agents or employees.

SECTION VI. IMPOSITIONS

Section 6.1. Payment of Land Impositions. The Lessor shall pay or cause to be paid, before any fine, penalty, interest or cost which may be a lien upon the Land shall accrue all taxes, assessments and all other public charges of any nature whatsoever levied against the Land and any adjacent properties which are part of the tax parcel or parcels which include the Land.

Section 6.2. Payment of Facilities Impositions. The Lessor shall pay or cause to be paid, before any fine, penalty, interest or cost which may be alien upon the Facilities shall accrue, all taxes, assessments and all other public charges of any nature whatsoever levied against the Facilities.

SECTION VII. TERM OF GROUND LEASE; TERMINATION OF EASEMENTS

The term of this Ground Lease and the easements conveyed and granted hereby shall terminate when the term of the Lease expires as provided in Section 4.2(b) or (d) of the Lease. In the event of a termination of the Lease as provided in Section 4.2(a) or (c) therein, the easements conveyed and granted hereby shall terminate on February 1, 2032.

SECTION VIII. PERFORMANCE OF OBLIGATIONS

If any party (the Defaulting Party) fails to perform any obligation hereunder, the other party (the Non-defaulting Party) may give written notice to the Defaulting Party specifying the nature of the failure to perform, and, if such failure is not cured within thirty (30) days after the giving of such notice, the Non-defaulting Party may perform the obligation. The Defaulting Party agrees to reimburse the Non-defaulting Party on demand for all costs and expenses incurred in performing such obligation, together with interest thereon until paid at the rate of 8.00% per annum or the maximum rate permitted by law, whichever is less.

SECTION IX. CONFLICTS WITH LEASE PROVISIONS

In the event of any conflict between the provisions of this Ground Lease and Easement Agreement and the Lease, the Lease will govern.

SECTION X. NOTICES, ETC.

Except as otherwise provided in this Ground Lease and Easement Agreement, all notices, requests, demands and other communications under this Ground Lease and Easement Agreement shall be in writing, shall be effective upon receipt thereof and shall be delivered by hand, or mailed by first class mail, postage prepaid to the addresses specified below; provided that the

Lessor and the Lessee, by notice given hereunder, may designate different addresses to which subsequent notices, Certificates, legal opinions or other communications will be sent.

If to the Lessor:

Intermediate District No. 287
1820 North Xenium Lane
Plymouth, Minnesota 55441
Attention: Director of Finance

If to the Lessee:

U.S. Bank National Association
60 Livingston Avenue
St. Paul, Minnesota 55107
Attention: Corporate Trust Services

SECTION XI. NO MERGER OF TITLE

There shall be no merger of this Ground Lease and Easement Agreement or the easement created by this Ground Lease and Easement Agreement with any other estate in the Land or any part thereof by reason of the fact that the same entity may, acquire or own or hold, directly or indirectly, (a) the Land or any part thereof or any interest therein and (b) the Facilities or any part thereof or any interest therein, and no such merger shall occur unless and until all persons having any interest in the Facilities or any part thereof, shall join in a written instrument effecting such merger and shall duly record the same.

SECTION XII. AMENDMENT, MODIFICATION, TERMINATION, ACCEPTANCE OF SURRENDER, ETC.

No amendment, modification, termination or surrender of this Ground Lease and Easement Agreement or the easements conveyed and granted hereby shall be valid or effective unless it is in writing and signed by both parties hereto.

SECTION XIII. ENVIRONMENTAL MATTERS

The Lessor represents and warrants that it has no knowledge of the presence of hazardous or toxic waste, materials or substances (Hazardous Materials) within the meaning of any federal, state or local law or regulation relating to environmental matters, on or about the Land. The Lessor further agrees that it will indemnify, defend and hold harmless the Lessee, its directors, officers, employees and agents, and any assignee of the Lessee, without payment being made by the Lessee, from and against any and all claims, demands, suits, liabilities and costs (including without limitation, attorneys' fees, and costs and expenses of investigation and proof) arising out of any violation or asserted violation of any environmental law or regulation or out of the presence on the Land of any Hazardous Materials.

SECTION XIV. MISCELLANEOUS

Section 14.1. Recording. This Ground Lease and Easement Agreement shall be recorded by the Lessee.

Section 14.2. Governing Law. This Ground Lease and Easement Agreement shall be construed and applied in accordance with the laws of the State of Minnesota.

Section 14.3. Severability. If any provision of this Ground Lease and Easement Agreement shall for any reason be determined to be invalid, illegal or unenforceable in any respect, the remainder of this Ground Lease and Easement Agreement and any other application of such term shall not be affected thereby, and the parties hereto shall negotiate in good faith and agree as to such replacement or such other appropriate actions as shall, to the maximum extent practicable in light of such determination, implement and give effect to the intentions of the parties as reflected herein.

Section 14.4. Successors. This Ground Lease and Easement Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and, to the extent provided herein, assigns, and the right, title and interests granted and conveyed hereby shall run with the Land described and are intended and shall be for the use, benefit and enjoyment of the owner of the Facilities and its successor and assigns for the purposes and uses set forth herein.

Section 14.5. Further Assurances. Each party shall execute, acknowledge and deliver such documents and other instruments and perform such acts as may be reasonably required by the other party in order to give full effect to this Ground Lease and Easement Agreement or to facilitate the recording of this Ground Lease and Easement Agreement.

Section 14.6. Entire and Complete Agreement. This Ground Lease and Easement Agreement constitutes the entire and complete agreement of the parties with respect to the easements conveyed and granted hereby and supersedes all prior or contemporaneous undertakings, arrangements, commitments and representations with respect to such easements, all of which, whether oral or written, are merged herein.

Section 14.7. Counterparts. This Ground Lease and Easement Agreement may, be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same instrument.

[Signatures continue on the following page.]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the day and year first above written.

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

By: _____
Its: Chairperson

By: _____
Its: Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

On this _____ day of _____, 2010, before me, a Notary Public in and for said County, personally appeared _____ and _____, respectively the Chairperson and Clerk, of Intermediate District No. 287, Plymouth, Minnesota, known to me to be the persons whose names are subscribed to within the foregoing instrument, and acknowledged to me that they executed the same.

Notary Public

My Commission Expires:

(SEAL)

[Signatures continued on the following page.]

EXHIBIT A

to GROUND LEASE AND EASEMENT AGREEMENT

From: [Janet A. Johnson](#)
To: [Benita A Oliver](#)
Subject: FW: Plymouth Intermediate School District 287, MN
Date: Thursday, October 28, 2010 1:30:54 PM

This is the Moody's rating. It can be last.

-----Original Message-----

From: MOODY'S EPI [<mailto:epi@moodys.com>]
Sent: Wednesday, October 27, 2010 5:00 PM
To: Janet A. Johnson
Subject: Plymouth Intermediate School District 287, MN

MOODY'S ASSIGNS Aa2 RATING TO PLYMOUTH INTERMEDIATE SCHOOL DISTRICT NO. 287 (MN) \$29.8 MILLION TAXABLE COPS, SERIES 2010E (QSCBS - DIRECT PAY)

Aa2 RATING APPLIES TO \$50.5 MILLION OF OUTSTANDING COPS, INCLUDING CURRENT OFFERING

Plymouth Intermediate School District 287, MN
Primary & Secondary Education
Minnesota

Moody's Rating

Issue	Rating
Taxable Certificates of Participation, Series 2010E (Qualified School Construction Bonds - Direct Pay)	Aa2
Sale Amount	\$29,790,000
Expected Sale Date	10/28/10
Rating Description	Certificates of Participation

NEW YORK, October 27, 2010 -- Moody's Investors Service has assigned a Aa2 rating to the Plymouth Intermediate School District No. 287 (MN) \$29.8 million Taxable Certificates of Participation, Series 2010E. Concurrently, Moody's has affirmed the Aa2 rating on the district's outstanding certificates of participation. Plymouth ISD 287 has \$50.5 million of outstanding certificates of participation, including the current issue.

RATINGS RATIONALE

Proceeds of the Series 2010E certificates will finance the construction of a new school building for special education and will replace an existing facility currently leased by the district. Debt service on the Series 2010E certificates is secured by a pledge of lease payments to be received by the trustee (US Bank, NA, senior unsecured rated Aa1/on review for possible downgrade) from ISD 287, subject to annual appropriation by ISD 287. The primary source of the lease payments will be capital levy revenues from the member school districts of ISD 287, as well as tuition payments from non-member school districts that use ISD 287 facilities and services. Assignment and affirmation of the Aa2 rating reflects the essentiality of the project to be funded with certificate proceeds; the annual risk of non-appropriation by ISD 287; the availability of a dedicated, though limited, capital levy for member school districts to use for lease payments; the limited revenue raising ability and narrow cash levels of the obligor; the

district's role as a provider of special education and other essential services for independent school districts; and the general obligation credit characteristics of the member districts and several non-member districts.

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

Established in 1967, ISD 287 provides vocational, technical, and special education programs to students from numerous Minnesota school districts, primarily those located in Hennepin County (general obligation rated Aaa/stable outlook). ISD 287 membership currently consists of 13 districts: Hopkins Independent School District No. 270 (Aa3); Bloomington Independent School District No. 271 (Aa1); Eden Prairie Independent School District No. 272 (Aa1); Edina Independent School District No. 273 (Aaa); Minnetonka Independent School District No. 276 (Aaa); Westonka Independent School District No. 277 (not rated); Orono Independent School District No. 278 (Aa2); Osseo Independent School District No. 279 (Aa1); Richfield Independent School District No. 280 (not rated); Robbinsdale Independent School District No. 281 (Aa2); St. Louis Park Independent School District No. 283 (Aa3/negative outlook); Wayzata Independent School District No. 284 (Aaa); and Brooklyn Center Independent School District No. 286 (A2). Bloomington ISD 271 will discontinue membership effective June 30, 2011. A representative from each of the member districts serves on the board of ISD 287. In addition, students from non-member districts attend ISD 287, with Minneapolis Special School District No. 1 (Aa2/stable outlook) and Anoka-Hennepin Independent School District No. 11 (Aa2) representing the largest share of students from non-member districts. We consider the programs and services provided by ISD 287 to be of an essential nature for districts that may lack the resources to provide special education and other educational programs.

CAPITAL LEVIES OF MEMBER DISTRICTS ARE PRIMARY SOURCE OF LEASE PAYMENTS

Proceeds of the Series 2010E certificates will finance the construction of a new school building for special education and other services to students. As required by state law, ISD 287 received approval for this project and its financing from the State of Minnesota (general obligation rated Aa1/stable outlook) Department of Education. The primary revenue source for lease payments on the current issue are semi-annual payments to ISD 287 from member districts. Payments are based on enrollment. Each September, ISD 287 notifies the State Department of Education of the lease payment amounts due in the upcoming fiscal year, as well as each district's enrollment in ISD 287 programs. The state certifies levies for each member district in an amount sufficient to cover each district's proportional share of ISD 287 lease payments. Following state certification of the levies, each member district receives semi-annual payments (typically in June and November) of the levy dollars from the county in which it is located. Each district then remits its share of lease payments to ISD 287.

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

revenues under these two capital levies. Should a district's capital levies not generate sufficient revenues in the future, the district can use its operating revenues for lease payments. Non-member districts do not have the \$43 levy authority, nor can they use the \$150 levy for ISD 287 lease payment purposes, but they can use operating revenues to fund their portions of the lease payments.

Moody's has reviewed the ground lease agreement between ISD 287 (the lessor) and US Bank, NA (the lessee); the lease purchase agreement between US Bank, NA (the lessor) and ISD 287 (the lessee); and the trust agreement between US Bank, NA (the trustee) and ISD 287. ISD 287 must remit lease payments to the trustee on January 20 for certificate payments due each February 1, and on July 20 for certificate payments due each August 1. In the event of non-appropriation by ISD 287, the refunding lease purchase agreement will be terminated at the end of the current fiscal year, and the district will surrender the land to the trustee. The ground lease agreement expires on February 1, 2032, which is three years past the final lease payment for the current certificates.

LEASE PAYMENTS SUBJECT TO ANNUAL APPROPRIATION; LIMITED REVENUE RAISING ABILITY AND NARROW CASH LEVELS OF OBLIGOR

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

A second risk to investors is that any or all of the member districts may terminate membership in ISD 287, which could potentially impact revenues available for debt service. However, should a member district withdraw, a notification period of 17 months is required, which we believe provides sufficient time for ISD 287 to adjust the proportionate shares of lease payments of the remaining member and non-member districts. In February 2010, Bloomington ISD 271 announced that it will discontinue membership in ISD 287 effective June 30, 2011. Bloomington is the first district to withdraw its membership since ISD 287 was established in 1967. ISD 287 officials do not expect this change to reduce the revenues available for lease payments, as adjustments in the remaining districts' lease payments will offset those previously made by Bloomington. We believe that there is minimal risk that any of the remaining districts would be unable to absorb the increased payments to ISD 287. We note that the member districts' capital levies are based on enrollment and are limited by amount, and due largely to state funding delays, many Minnesota school districts' operating budgets are already pressured and therefore may have difficulty accommodating increased payments to ISD 287. However, we believe these risks are unlikely to impact revenues available for lease payments because all member districts currently have capacity under their lease levies and/or in their operating budgets to absorb increased costs.

A third risk to investors is the limited revenue raising ability and narrow cash levels of the obligor. ISD 287 officials have expressed to Moody's their intention to make lease payments from any available revenue source should payments from other member and non-member districts be insufficient for any other reason. If necessary, ISD 287 can, without limitation, increase tuition and administrative fees on member and non-member districts. However, unlike

independent and special school districts in Minnesota, ISD 287 has no taxing authority, which significantly limits its revenue raising flexibility. Furthermore, as with most Minnesota school districts, the financial operations of ISD 287 have been impacted by state funding delays. Special education tuition represents roughly half of ISD 287 General Fund revenues. Prior to fiscal 2009, ISD 287 received special education tuition payments directly from independent school districts. Beginning in fiscal 2009, the state pays ISD 287 directly for special education tuition on behalf of the independent districts. Program revenues for non-special education services provided by ISD 287 continue to be paid directly from the independent districts. Because an increased percentage of ISD 287 operating revenues are now paid by the state, the district is now more directly impacted by the state's recent shift in payments to school districts. Although ISD 287 General Fund balance levels have increased in recent years, the cash position declined significantly in fiscal 2009 due to a delay in revenue disbursements from the State of Minnesota. Prior to fiscal 2010, Minnesota school districts received 90% of annual state aid in the current fiscal year, with the remaining 10% received in the subsequent fiscal year. In response to state funding pressures, the state increased this shift to 73% and 27% in fiscal 2010 and then to 70% and 30% in fiscal 2011. Many Minnesota school districts, including ISD 287, have issued short term notes for cash flow purposes. Although ISD 287 officials are hopeful that additional short term borrowing will not be needed in fiscal 2012, we believe that the district's narrow liquidity and dependency on state revenues may necessitate that the district continue to borrow for ongoing operations and/or repayment of cash flow notes. The levy for the current certificates (which will be issued as Qualified School Construction Bonds) is sized net of the federal subsidy. We believe that the district's narrow cash levels provide limited protection against the possibility of any delay in the receipt of the full federal subsidy.

A fourth risk to investors is the possibility of significant declines in ISD 287 enrollment. As revenues from tuition and capital levies are based on enrollment, potential declines in ISD 287 student enrollment would reduce the revenues available for lease payments. During the past five years, ISD 287 enrollment levels have fluctuated somewhat, increasing by 6.5% in fiscal 2008, then decreasing by 5.4% in fiscal 2009, and then increasing by 0.8% in fiscal 2010. However, Moody's believes that enrollment levels are unlikely to drop significantly, given the essential nature of the programs provided by ISD 287, as well as the overall enrollment trends of the Hennepin County school districts that use ISD 287 programs. ISD 287 officials report that Bloomington ISD 287 may continue to enroll students in ISD 287 as a non-member district. The demand for ISD 287 programs from other districts is strong; in fact, management reports that there is a wait list for enrollment.

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

The Aa2 rating on the current certificates incorporates the general obligation credit characteristics of the 13 member school districts. The majority of the member school districts have strong general obligation ratings and sound credit fundamentals. While these districts are not legally responsible for lease payments, a representative from each district is a member of the ISD 287 board, and the majority of ISD 287 revenues are derived from tuition payments for students from the member districts. Many of the districts served by ISD 287 are located in the relatively affluent communities in the western portion of the Twin Cities Metropolitan Area. Moody's believes that despite recent valuation declines and unemployment trends that have reflected the broader recession, the region's economy will remain relatively healthy in the long run due to the presence of significant government, health care, educational, and corporate components that provide a measure of insulation from severe economic

downturn. Minnesota school districts are highly dependent on the state for operating revenues, and fiscal shortfalls at the state level are expected to continue to impact the timing and amounts of payments to school districts in upcoming fiscal years. Despite state revenue pressures, Moody's believes that the overall credit quality of the member districts will remain sound in the near term.

What could change the rating - UP

- A continuation of structurally balanced operations that leads to sustained General Fund balance growth
- Decreased reliance on short term borrowing and improved liquidity

What could change the rating - DOWN

- Weakening of tax base valuation and/or socio-economic indices
- General Fund operating deficits and fund balance declines
- Further state aid pressures that lead to increased reliance on short term borrowing and further narrowing of liquidity

KEY STATISTICS

ISD 287 district estimated population: 731,617

ISD 287 fiscal 2010 enrollment: 9,765

ISD 287 2009 full value: \$99.4 billion

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

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

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

ISD 287 fiscal 2009 General Fund balance: \$5.5 million (11% of General Fund revenues)

ISD 287 direct debt as % of full value: 0.09%

ISD 287 overall debt as % of full value: 2.36%

Principal amortization (10 years) of COPs: 53%

Maximum annual principal and interest payment (gross of federal subsidy) on all outstanding COPs, including current issue: \$3.6 million (5% of fiscal 2009 General Fund revenues)

Post sale COPs outstanding: \$50.5 million

The principal methodology used in rating Plymouth Intermediate School District 287 (MN) was The Fundamentals of Credit Analysis for Lease-Backed Municipal Obligations rating methodology published in October 2004. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found on Moody's website.

REGULATORY DISCLOSURES

Information sources used to prepare the credit rating are the following: parties involved in the ratings, parties not involved in the ratings, public information, confidential and proprietary Moody's Investors Service's information and confidential and proprietary Moody's Analytics' information.

Moody's Investors Service considers the quality of information available on the credit satisfactory for the purposes of assigning a credit rating.

MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process.

Please see ratings tab on the issuer/entity page on Moodys.com for the last rating action and the rating history.

The date on which some Credit Ratings were first released goes back to a time before Moody's Investors Service's Credit Ratings were fully digitized and accurate data may not be available. Consequently, Moody's Investors Service provides a date that it believes is the most reliable and accurate based on the information that is available to it. Please see the ratings disclosure page on our website www.moodys.com for further information.

Please see the Credit Policy page on Moodys.com for the methodologies used in determining ratings, further information on the meaning of each rating category and the definition of default and recovery.

ANALYSTS:

Rachel Cortez, Analyst, Public Finance Group, Moody's Investors Service
Soo Yun Chun, Backup Analyst, Public Finance Group, Moody's Investors Service
Henrietta Chang, Senior Credit Officer, Public Finance Group, Moody's Investors Service

CONTACTS:

Journalists: (212) 553-0376
Research Clients: (212) 553-1653

Moody's Investors Service
250 Greenwich Street
New York, NY 10007
USA

Copyright 2010 Moody's Investors Service, Inc. and/or its licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ARE MOODY'S INVESTORS SERVICE, INC.'S ("MIS") CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MIS DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER

RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS DO NOT CONSTITUTE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS ARE NOT RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. CREDIT RATINGS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MIS ISSUES ITS CREDIT RATINGS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources Moody's considers to be reliable, including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The ratings, financial reporting analysis, projections, and other observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. Each user of the information contained herein must make its own study and evaluation of each security it may consider purchasing, holding or selling. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

MIS, a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody's.com under the heading "Shareholder Relations - Corporate Governance - Director and Shareholder Affiliation Policy."

Any publication into Australia of this document is by MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657, which holds Australian Financial Services License no. 336969. This document is intended to be provided

only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001.

Notwithstanding the foregoing, credit ratings assigned on and after October 1, 2010 by Moody's Japan K.K. ("MJKK") are MJKK's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities. In such a case, "MIS" in the foregoing statements shall be deemed to be replaced with "MJKK".

MJKK is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO.

This credit rating is an opinion as to the creditworthiness or a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be dangerous for retail investors to make any investment decision based on this credit rating. If in doubt you should contact your financial or other professional adviser.

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

Regular Meeting – October 28, 2010

AGENDA SECTION: ADMINISTRATIVE SERVICES

ITEM: Designation of Financial Institution

PRESENTED BY: Janet A. Johnson, Director of Finance

1. Background Information

At the January 14, 2010 organizational meeting the Board designated a group of financial institutions for the District to work with for depository and investment purposes.

We would like to add Springsted Investment Advisors to that list. We are working with Springsted Investment Advisors to place the sinking fund investments related to the Certificate of Participation Sale awarded tonight as well as the reinvestment of the Construction Project fund.

2. Fiscal Impact/Funding Source:

Interest earnings will be generated to offset borrowing and construction costs.

3. RECOMMENDED ACTION:

The Board will authorize the use of Springsted Investment Advisors for investment purposes.

Motion by: _____ Yes ____ Passed ____

Second by: _____ Yes ____ Failed ____

Abstentions: _____

Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

DISTRICT POLICY

POLICY SERIES: Board Officers & Operations

SUBJECT: Policymaking Process

BOARD APPROVED: January 2007

REVISION DATE:

BOO200 Policy Development, Adoption, Implementation and Review

I. PURPOSE

The purpose of this policy is to establish guidelines for Board policymaking.

II. GENERAL STATEMENT OF POLICY

The Board believes that the creation of policies is the Board's most important function. Through the development and adoption of written policies, the Board exercises its leadership in the District. Board policies shall be clear, concise, accessible, and follow a consistent format. Policy implementation is delegated to the Superintendent.

Policies will be reviewed on an ongoing basis to ensure their compliance with new laws, Board priorities, District needs and circumstances. When possible, policy review will be staggered throughout the year.

III. POLICY ADOPTION PROCESS

All Board policies shall comply with applicable state and federal laws, rules and regulations.

Development

In developing and revising policies, the Board will seek the advice and assistance of staff, organizations, and other relevant parties through the Superintendent.

~~Role of Board Committees and Members~~

~~Proposed policies and revisions to existing policies shall be assigned to a Board committee for consideration.~~

~~The Board committee shall notify all Board members of its scheduled meetings to discuss policies. Any Board member is welcome to attend these meetings and/or provide comments on any Board policy at any stage in the committee's deliberations.~~

~~Policy proposals approved by a Board committee may be placed on the full Board's consent agenda.~~

Notice

The Board shall give notice of proposed policy changes or adoption of new policies by placing the item on the agenda of two Board meetings, except as provided in Parts IV and V.

Adoption

Policies and policy revisions introduced at a Board meeting shall not be adopted until a subsequent meeting of the Board. At the first meeting the policy proposal shall be presented for a first reading and discussion, and at the second meeting, the proposal shall be presented for a second reading, discussion, and vote. Board members may propose amendments to policy proposals at either of the two readings.

Effective Date

A policy is effective upon adoption by a majority of the Board present at a regular meeting, unless another effective date is specified.

IV. SUSPENSION OF POLICIES

Any section or sections of Board policies not required by law or contract may be temporarily suspended by a majority vote of a quorum of the Board at a regular or special meeting. The suspended sections may be reinstated by the same process.

V. EMERGENCY ADOPTION OF POLICIES

Emergency Conditions

Under unusual and rare circumstances, the Board may temporarily approve a policy to meet emergency conditions. A majority vote of a quorum of the Board is required to adopt an emergency policy. A statement regarding the emergency and the need for immediate adoption of the policy shall be included in the minutes.

Expiration of Emergency Policies

The emergency policy shall expire within one year following the emergency action or when there has been Board action to adopt, revise or repeal the emergency policy under the regular policy adoption process, whichever occurs first.

VI. IMPEMENTATION OF BOARD POLICY

Superintendent Role

The Superintendent is responsible for the administration of the District under applicable laws and Board policies. Board policies shall be the basis for the Superintendent's formulation of procedures.

Development of Administrative Procedures

It is the Superintendent's responsibility to develop administrative procedures to provide greater specificity and consistency in the process of policy implementation. The Board reserves the right to review all administrative procedures however it will revise them only when, in the Board's judgment, they are inconsistent with policies adopted or guidelines set by the Board.

Administrative Action in Absence of Policy

In the event that a situation demanding a decision is not covered by an existing policy or administrative procedure, the Superintendent or his or her designee is empowered to act as needed and report such action or decision to the Board.

VII. POLICY REVIEW

Superintendent Role

The Superintendent, on a continuing basis, shall bring to the Board's attention all policies that are out-of-date or otherwise in need of revision.

Board Member Role

Any Board member may request that a policy be reviewed at any time, for any reason. The Board shall decide, by a majority vote of the Board present at a regular meeting, whether to initiate the requested review.

Review Schedule

The review process shall be structured so that each policy is reviewed annually for compliance with current law, and for suitability and effectiveness at least once every four years.

Consent Agenda

Board policies scheduled for routine review that are not in need of any substantive change shall be placed on the Board's consent agenda.

*Director of Human Resources
Intermediate District 287
October 22, 2010*

Health and Medical Policy Series

The following are current 287 Board policies that contain some aspect of the Board's vision for health and medical issues affecting District employees and students:

- HM 180** **Wellness**
- 4115.6** **HTVL Type III Aids**
- 4115.8** **Smoking/ Tobacco Use**

In preparation for creating the draft policies, I reviewed the following sources for information and requirements regarding health and medical issues: Minnesota Statutes, Intermediate District 287 policies and procedures, and the policies of 287's member districts. I also reviewed the MSBA's model policies.

The District has a relatively recent policy on Wellness. I reviewed it and found it to be in compliance with what the MSBA and member districts currently have regarding wellness. Thus, I did not edit it.

The District currently has a policy regarding employees with HTLV Type III (AIDS). It is problematic that this policy identifies only one communicable disease, when other diseases may be just as, if not more, prevalent in the school community. One option would be to implement a new policy incorporating students and employees with communicable diseases and infectious conditions, as the MSBA and many member districts have done. This would require consideration of a much broader policy than the Board has approved in the past. Moreover, creating procedures, not policies, to address specific communicable and infectious diseases would likely be much more useful.

I believe that the best option is to eliminate the existing policy, create general health and medical policy goals that include a statement about balancing the goal of inclusion of students and employees with communicable diseases with the safety of the other members of the school community, and adopt additional procedures regarding the safeguards the District will take with regard to students and employees who pose a risk to public health.

I have drafted a health and medical goals policy to convey the Board's intended objectives in summary form. In addition to a reference to communicable diseases, the general health and medical policy goals also foreshadow procedures regarding DNR/DNI orders, mandated maltreatment reporting, and the administration of student medication. I include these procedures because they seem to be within the health and medical "plan" of the District.

The District currently does not have a policy on Chemical Use or Abuse. The District has administrative procedures on Chemical Use that address use among employees, not students. I think a broader policy including students would be a good policy to adopt in light of the need for compliance with the Drug-Free Workplace and Drug-Free Schools Acts. A majority of our member districts have adopted either a Chemical-Free or Alcohol/Drug-Free policy. I have drafted a policy consistent with District 287's member districts, based on the MSBA model policy.

The District currently has a policy on Smoking/Tobacco Use. The current policy is generally consistent with what the District's member districts have, except it only addresses use among employees, not students. I would recommend adding a prohibition on student use as well as possession of tobacco products. I have drafted a policy to include this language.

DRAFT POLICY/ SECOND READ

POLICY SERIES: Health and Medical

SUBJECT: Health and Medical Goals

BOARD APPROVED:

REVISION DATE:

HEALTH AND MEDICAL GOALS

I. PURPOSE

The purpose of this policy is to articulate the Board's commitment to support and maintain a healthy environment for students and staff.

II. GENERAL STATEMENT OF POLICY

The Board recognizes the importance of promoting and fostering the maintenance of good health and healthy habits. It is committed to establishing a learning and working environment that promotes healthy lifestyles and minimizes public health risks.

III. HEALTH AND MEDICAL GOALS

The Board seeks to accomplish the following goals:

- A. Establish a learning and work environment that promotes student and staff health, well-being, and ability to learn;
- B. Maintain a learning and work environment that is free from illegal substance abuse and its influence;
- C. Maintain a learning and work environment that is free from tobacco and its use;
- D. Establish procedures to ensure the proper administration of medication to students;
- E. Increase familiarity with the requirements and proper procedures for the mandated reporting of alleged maltreatment of children and vulnerable adults; and
- F. Minimize any known public health risks to members of the school community while ensuring the appropriate inclusion of students and staff with communicable and/or infectious diseases.

NOTE: During the First Read discussion of this policy, two questions were raised: 1. What kind of information is referred to in section II.C.? and 2. What kind of “appropriate action,” referred to in section II.B., would the District take when the person in violation of the policy is not an employee? Please see the memo at 9.1.2.1 for answers to these questions and for an explanation of the changes highlighted below.

DRAFT POLICY/ SECOND READ

POLICY SERIES: Health and Medical
SUBJECT: Drug-Free Workplace/Drug-Free Schools
BOARD APPROVED:
REVISION DATE:

DRUG-FREE WORKPLACE/ DRUG-FREE SCHOOLS POLICY

I. PURPOSE

The Board recognizes that the illegal use and abuse of drugs can be very harmful to the physical and mental well-being of students and employees. The Board believes that the District can play an important role in educating students about the dangers of chemical use and abuse, and training staff in the best practices for intervention and prevention of such use.

II. GENERAL STATEMENT OF POLICY

- A. The use, possession, sale, manufacture, and/or distribution of controlled substances, toxic substances, and alcohol on District property are strictly prohibited except as otherwise provided in this policy. District property includes any building or vehicle owned, rented, or leased by the District. This prohibition extends to all off-campus events sponsored by the District.
- B. The District will discipline or take other appropriate action against any person who is found to have violated this policy.
- C. The District **may** also provide information to students and families about community resources for chemical health information and services.

III. DEFINITIONS

- A. “Chemical use” means the use of any psychoactive or mood-altering chemical substances, without compelling medical reason, in a manner that induces mental, emotional or physical impairment and causes socially dysfunctional or socially disordering behavior, to the extent that the person’s normal functioning in academic, school, work, or other activities is chronically impaired.

- B. “Controlled substances” includes narcotic drugs, hallucinogenic drugs, amphetamines, barbiturates, marijuana, anabolic steroids, or any other controlled substance as defined in Schedules I through V of the Controlled Substances Act, 21 U.S.C. § 812, including analogues and look-alike drugs.
- C. “Alcohol” includes any alcoholic beverage, malt beverage, fortified wine, or other intoxicating liquor.
- D. “Toxic substances” includes glue, cement, aerosol paint, or other substances used or possessed with the intent of inducing intoxication or excitement of the central nervous system.
- E. “Use” includes selling, buying, manufacturing, distributing, dispensing, possessing, using or being under the influence of alcohol and/or controlled or toxic substances, whether or not for the purpose of receiving remuneration or consideration.
- F. “Possess” means to have on one’s person, among one’s personal effects, or in an area subject to one’s control.

IV. EXCEPTIONS

- A. It shall not be a violation of this policy for a person to bring onto a school location, for such person’s own use, a controlled substance which has a currently accepted medical use in treatment in the United States if the person has a physician prescription for the substance. The person shall comply with the relevant policy and procedures.
- B. District staff or administrators who are in possession of controlled or toxic substances or alcohol as a result of having confiscated those items in the course of their duties as educational professionals and supervisors are not in violation of this policy.

DRAFT POLICY/ FIRST READ

POLICY SERIES: Health and Medical

SUBJECT: Tobacco-Free Schools

BOARD APPROVED:

REVISION DATE:

TOBACCO-FREE SCHOOLS

I. PURPOSE

The purpose of this policy is to maintain a learning and working environment that is tobacco-free.

II. GENERAL STATEMENT OF POLICY

- A. No person may smoke or use tobacco or tobacco-related devices in a public school, including any building or vehicle owned, rented, or leased by the District. This prohibition includes all District property and all off-campus events sponsored by the District.
- B. No student may possess any type of tobacco or tobacco-related device on District property, including any facilities or vehicles owned, rented, leased, contracted for, or controlled by the District. This prohibition includes all District property and all off-campus events sponsored by the District.
- C. The District will discipline or take other appropriate action against any person who is found to have violated this policy.

III. DEFINITIONS

- A. "Tobacco" means cigarettes; cigars; cheroots; stogies; perique; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff; snuff flour; Cavendish; plug and twist tobacco; fine cut and other chewing tobacco; shorts; refuse scraps; clippings, cuttings and sweepings of tobacco; and all other kinds and forms of tobacco prepared in such a manner as to be suitable for chewing or smoking in a pipe or other tobacco-related device.
- B. "Tobacco-related device" means cigarette papers or pipes for smoking.
- C. "Smoking" includes carrying a lighted cigar, cigarette, pipe, or any other lit tobacco or tobacco-related device.

NOTE: During the First Read discussion of this policy, two questions were raised: 1. What kind of information is referred to in section II.C.? and 2. What kind of “appropriate action,” referred to in section II.B., would the District take when the person in violation of the policy is not an employee? Please see the memo at 9.1.2.2.1. for answers to these questions and for an explanation of the changes highlighted below.

DRAFT POLICY/ SECOND READ

POLICY SERIES: Health and Medical

SUBJECT: Drug-Free Workplace/Drug-Free Schools

BOARD APPROVED:

REVISION DATE:

DRUG-FREE WORKPLACE/ DRUG-FREE SCHOOLS POLICY

I. PURPOSE

The Board recognizes that the illegal use and abuse of drugs can be very harmful to the physical and mental well-being of students and employees. The Board believes that the District can play an important role in educating students about the dangers of chemical use and abuse, and training staff in the best practices for intervention and prevention of such use.

II. GENERAL STATEMENT OF POLICY

- A. The use, possession, sale, manufacture, and/or distribution of controlled substances, toxic substances, and alcohol on District property are strictly prohibited except as otherwise provided in this policy. District property includes any building or vehicle owned, rented, or leased by the District. This prohibition extends to all off-campus events sponsored by the District.
- B. The District will discipline or take other appropriate action against any person who is found to have violated this policy.
- C. The District **may** also provide information to students and families about community resources for chemical health information and services.

III. DEFINITIONS

- A. “Chemical use” means the use of any psychoactive or mood-altering chemical substances, without compelling medical reason, in a manner that induces mental, emotional or physical impairment and causes socially dysfunctional or socially disordering behavior, to the extent that the person’s normal functioning in academic, school, work, or other activities is chronically impaired.

- B. “Controlled substances” includes narcotic drugs, hallucinogenic drugs, amphetamines, barbiturates, marijuana, anabolic steroids, or any other controlled substance as defined in Schedules I through V of the Controlled Substances Act, 21 U.S.C. § 812, including analogues and look-alike drugs.
- C. “Alcohol” includes any alcoholic beverage, malt beverage, fortified wine, or other intoxicating liquor.
- D. “Toxic substances” includes glue, cement, aerosol paint, or other substances used or possessed with the intent of inducing intoxication or excitement of the central nervous system.
- E. “Use” includes selling, buying, manufacturing, distributing, dispensing, possessing, using or being under the influence of alcohol and/or controlled or toxic substances, whether or not for the purpose of receiving remuneration or consideration.
- F. “Possess” means to have on one’s person, among one’s personal effects, or in an area subject to one’s control.

IV. EXCEPTIONS

- A. It shall not be a violation of this policy for a person to bring onto a school location, for such person’s own use, a controlled substance which has a currently accepted medical use in treatment in the United States if the person has a physician prescription for the substance. The person shall comply with the relevant policy and procedures.
- B. District staff or administrators who are in possession of controlled or toxic substances or alcohol as a result of having confiscated those items in the course of their duties as educational professionals and supervisors are not in violation of this policy.

DRAFT POLICY/ FIRST READ

POLICY SERIES: Health and Medical

SUBJECT: Tobacco-Free Schools

BOARD APPROVED:

REVISION DATE:

TOBACCO-FREE SCHOOLS

I. PURPOSE

The purpose of this policy is to maintain a learning and working environment that is tobacco-free.

II. GENERAL STATEMENT OF POLICY

- A. No person may smoke or use tobacco or tobacco-related devices in a public school, including any building or vehicle owned, rented, or leased by the District. This prohibition includes all District property and all off-campus events sponsored by the District.
- B. No student may possess any type of tobacco or tobacco-related device on District property, including any facilities or vehicles owned, rented, leased, contracted for, or controlled by the District. This prohibition includes all District property and all off-campus events sponsored by the District.
- C. The District will discipline or take other appropriate action against any person who is found to have violated this policy.

III. DEFINITIONS

- A. "Tobacco" means cigarettes; cigars; cheroots; stogies; perique; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff; snuff flour; Cavendish; plug and twist tobacco; fine cut and other chewing tobacco; shorts; refuse scraps; clippings, cuttings and sweepings of tobacco; and all other kinds and forms of tobacco prepared in such a manner as to be suitable for chewing or smoking in a pipe or other tobacco-related device.
- B. "Tobacco-related device" means cigarette papers or pipes for smoking.
- C. "Smoking" includes carrying a lighted cigar, cigarette, pipe, or any other lit tobacco or tobacco-related device.

Intermediate District 287

Responsive. Innovative. Solutions

INTER-OFFICE MEMORANDUM

DATE: October 22, 2010

TO: Sandra Lewandowski, Superintendent

FROM: Anne C. Becker, Attorney at Law

RE: Information for Second Read of Drug-Free Workplace/Drug-Free Schools Policy

During the First Read discussion of this policy, two questions were raised: 1. What kind of information is referred to in section II.C.? and 2. What kind of “appropriate action,” referred to in section II.B., might the District take when the person in violation of the policy is not an employee? The purpose of this memo is to provide answers to those questions and to explain the changes that have been made to the draft policy since the First Read.

Section II. of the draft policy reads as follows:

II. GENERAL STATEMENT OF POLICY

- A. The use, possession, sale, manufacture, and/or distribution of controlled substances, toxic substances, and alcohol on District property are strictly prohibited except as otherwise provided in this policy. District property includes any building or vehicle owned, rented, or leased by the District. This prohibition extends to all off-campus events sponsored by the District.
- B. The District will discipline or take other appropriate action against any person who is found to have violated this policy.
- C. The District **may** also provide information to students and families about community resources for chemical health information and services.

Section II.C. was included in the draft policy in recognition of the stated purposes of the federal law which is one of the legal references for this policy: 20 U.S.C. §§ 7101-7144 (Safe and Drug-Free Schools and Communities Act), and current District practice. The federal law stresses education about illegal drug use, drug abuse prevention and early intervention. The District provides a number of supports to students facing chemical health issues, including education and information about community counseling, treatment, rehabilitation and/or assistance programs available to people struggling with these issues. District social workers, program facilitators, and co-located mental health providers all have information about community providers of chemical health services. This information may be provided to parents verbally or in writing.

I have revised Section II.C. to read that the District “may” provide this information, rather than “will” provide it, in response to one Board member’s concern that the information may not be provided in all cases and, under the previous version of the policy, failure to provide the information could be a violation.

The second question was about the “appropriate action” the District might take if a member of the public (including a volunteer) violated the policy. Following the Board meeting at which this question was raised, Nancy Rowley provided a copy of the Richfield Public Schools Drug-Free Workplace/Drug-Free School Policy. That policy states in relevant part: “The school district will act to enforce this policy and to discipline or take appropriate action against any student, teacher, administrator, school personnel, or member of the public who violates this policy.” (Section II.C.) Section VI. Enforcement states “[a] member of the public who violates this policy shall be informed of the policy and asked to leave. If necessary, law enforcement officials will be notified and asked to provide an escort.”

This is one example of the action that the District could take if a member of the public violates this policy. The procedures accompanying this policy will provide other examples of appropriate action, such as informing law enforcement if the alleged violation of the policy could also be a violation of state or federal law. If the person violating the policy were a volunteer, the appropriate action could include barring the person from future volunteer activities.

The Richfield Schools policy provides exceptions to the general statement of policy that describes actions that would otherwise be in violation of the policy. I have added one of those exceptions to the District’s draft policy for the Board’s consideration; this addition is highlighted below. The second exception listed in B. below is not an addition to the draft policy. It was previously located under Section II., General Statement of Policy.

IV. EXCEPTIONS

- A. It shall not be a violation of this policy for a person to bring onto a school location, for such person’s own use, a controlled substance which has a currently accepted medical use in treatment in the United States if the person has a physician prescription for the substance. The person shall comply with the relevant policy and procedures.

- B. District staff or administrators who are in possession of controlled or toxic substances or alcohol as a result of having confiscated those items in the course of their duties as educational professionals and supervisors are not in violation of this policy.

DRAFT POLICY/ FIRST READ

POLICY SERIES: Health and Medical

SUBJECT: Tobacco-Free Schools

BOARD APPROVED:

REVISION DATE:

TOBACCO-FREE SCHOOLS

I. PURPOSE

The purpose of this policy is to maintain a learning and working environment that is tobacco-free.

II. GENERAL STATEMENT OF POLICY

- A. No person may smoke or use tobacco or tobacco-related devices in a public school, including any building or vehicle owned, rented, or leased by the District. This prohibition includes all District property and all off-campus events sponsored by the District.
- B. No student may possess any type of tobacco or tobacco-related device on District property, including any facilities or vehicles owned, rented, leased, contracted for, or controlled by the District. This prohibition includes all District property and all off-campus events sponsored by the District.
- C. The District will discipline or take other appropriate action against any person who is found to have violated this policy.

III. DEFINITIONS

- A. "Tobacco" means cigarettes; cigars; cheroots; stogies; perique; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff; snuff flour; Cavendish; plug and twist tobacco; fine cut and other chewing tobacco; shorts; refuse scraps; clippings, cuttings and sweepings of tobacco; and all other kinds and forms of tobacco prepared in such a manner as to be suitable for chewing or smoking in a pipe or other tobacco-related device.
- B. "Tobacco-related device" means cigarette papers or pipes for smoking.
- C. "Smoking" includes carrying a lighted cigar, cigarette, pipe, or any other lit tobacco or tobacco-related device.

October 2010
vol 8 • no 1

AMSD Calendar

October 29, 2010
Executive/Legislative Committee Meeting
7:30 AM—9:00 AM
TIES Building, St. Paul
4th Floor Boardroom

November 5, 2010
Board of Directors
7:00 AM—9:00 AM
TIES Building, St. Paul
3rd Floor Cafeteria

November 19, 2010
Executive/Legislative Committee Meeting
7:30 AM—9:00 AM
TIES Building, St. Paul
4th Floor Boardroom

December 3, 2010
Board of Directors
7:00 AM—9:00 AM
TIES Building, St. Paul
3rd Floor Cafeteria

AMSD's Mission

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



Association of
Metropolitan School Districts

AMSD Hosts Gubernatorial Forum

AMSD was pleased to have the three major party gubernatorial candidates participate in a forum at its September board of directors meeting. Senator Mark Dayton, Tom Horner, and Representative Tom Emmer all shared their views and vision for education in Minnesota. The forum was attended by over 150 education leaders from throughout the metropolitan area. An overview of the forum can be found on page 5 of this edition of Connections.



From the Chair:

There is now less than a month to go before what is arguably one of the most important elections in recent state history. It is absolutely critical that AMSD board members and citizens concerned about the future of public education get actively engaged in this election and find out where candidates stand on important education issues.

AMSD has taken several steps to help concerned citizens get actively involved in the electoral process. As highlighted in this newsletter, AMSD sponsored a gubernatorial candidate forum last month. You can view the entire forum by going to the AMSD website: www.amsd.org. Also available on the web site is a comprehensive voter's guide that includes sample candidate questions and information about education funding trends and important policy issues. Finally, you can access a list of many of the legislative candidate forums being sponsored by local legislative action groups at www.amsd.org/events.

I urge you to make your voice heard!

Patsy Green, school board member from Robbinsdale Area Schools, is chair of AMSD.

The West Metro Education Program (WMEP): Equity and Excellence

A little over three years ago, the Twin Cities experienced a major tragedy when the I-35 bridge over the Mississippi River collapsed, killing 13 people and injuring at least 130 others.

Engineering studies showed that the collapse was caused by structural problems, some of which had been identified previously and either ignored or ineptly “patched.”



A similar tragedy involving Minnesota’s education infrastructure is currently unfolding. Like our bridges, the education system is designed to pave the way for interpersonal and career success. But because of the racially predictable achievement gap, Minnesota’s students of color are not experiencing such success, and that has to change.

The West Metro Education Program (**WMEP, pronounced we mep**), first organized in the mid 1990’s, is one of three Joint Powers integration school districts in the metro area that strives to bring strong regional leadership and advocacy to equity and excellence in education. WMEP believes that doing so is the best way to close the racially predictable achievement gap to the benefit the entire community.

WMEP (www.wmep.k12.mn.us) operates on a \$10.5 million annual operating budget with approximately \$8 million derived from the students enrolled in its two magnet schools; approximately \$2 million in Integration Revenue that is derived from its member districts; and \$.5 million in grants and federal aids.

The district employs approximately 125 FTE employees with 120 of these staffing its magnet schools and 5 FTE serving as district office staff. Its 11 member school districts are: Brooklyn Center, Columbia Heights, Eden Prairie, Edina, Hopkins, Minneapolis, Richfield, Robbinsdale, St. Anthony/New Brighton, St. Louis Park, & Wayzata.

WMEP’s mission is to “build the collective capacity of its member districts to raise the achievement of all students, eliminate the racial achievement gap and prepare all learners to thrive in a diverse world through regional leadership, integrated learning opportunities, shared resources and mutual support.”

To accomplish that mission WMEP works with its 11 member school districts – and in tandem with organizations like the Minnesota Minority Education Partnership – to develop support for equity and excellence programs throughout the region. WMEP also provides *Adult Learning/Staff Development*, *Student Learning*, *The Choice Is Yours* and other programs that highlight equity and excellence.

WMEP Programs and Activities

Regional Equity & Excellence Advocacy & Leadership:

WMEP has participated in and/or led region meetings of school district equity coordinators in order to broaden the conversations needed to move the concept of Equity and Excellence in all schools in Minnesota to a priority level. WMEP leaders are often called upon to provide testimony at various equity, integration, or desegregation hearings for legislative committees of the Minnesota State Legislature in St. Paul.

WMEP convenes regional workshops for school board members, superintendents, and other senior level school district staff members. These workshops provide information, background, vocabulary, and concepts based on contemporary critical race theory, research and practice, and policy planning related to Equity and Excellence and the elimination of the predictable student achievement gap based on race.

WMEP operates on the belief that “None of us is as smart as all of us,” and that by leveraging the group’s collective human and financial capital, and by working together as a consortium of eleven public school districts, it can have far more positive impact on the community than could otherwise occur if each member district worked alone within its own “silo.”

As part of its work in Minneapolis and its western suburbs, WMEP provides support to its 11 member school districts in dealing with racial apathy, opposition, and denial within their communities, WMEP advocates on a state level for equity and excellence in all public schools in Minnesota.

Adult Learning/Staff Development:

Nothing is more fundamental to closing the achievement gap than helping teachers understand race and racism and how these issues often impact education. Over 1,800 educators from WMEP’s 11 member school districts participate annually in a series of programs known as the **Cultural Collaborative**.



Continued on page 3

WMEP offers wide variety of programs

Continued from page 2

Approximately 30 courses/classes are offered each year in which both local and national experts provide the training, most of which is related to Equity and the closing of the racially predictable achievement gap. For course listing and registration go to

<http://sites.google.com/a/wmep.k12.mn.us/wmep-k12-mn-us/staff-development>

The most popular of these programs is called “Beyond Diversity: A Strategy For Deinstitutionalizing Racism and Improving Student Achievement.” The two-day seminar examines the role of race in everyday life and asks participants to become more aware of various aspects of racism. Other courses, such as “Elder’s Wisdom, Children’s Song Teacher Institute For New Schools” – which helps teachers plan and implement a celebration of elders from various communities – dig deeper to expose the many resources available to counter negative racial images and build trust between all people.



Student Learning Programs:

WMEP conducts several student-learning programs for students who attend its member districts. Among the student learning programs are “The Underground Railroad” experience that simulates southern slaves frightening and sometime brutal experiences as they fled to the north and to freedom. Another of WMEP’s popular student learning programs is *Dare 2 Be Real*, which promotes, addresses and discusses racial equity and anti-racist leadership. Students undergo intensive training and structured discussions that are intended to prepare a new generation to tackle these difficult conversations in the midst of rapidly changing demographics.

In the *Dare 2 Be Real* program, students explore their own racial and cultural identity through their:

- Study of critical race theory, United States History, and the development of racial identity
- Attendance at Courage Retreats for Leadership Development
- Experience in the Underground Railroad Simulation (a 30-year-old program founded in Minnesota)
- Immersion in cultural experiences
- Development of school programs and events to engage their school communities in a larger conversation about equity and inclusion

Students in *Dare 2 Be Real* have made presentations at local and national educational conferences including the Summit for Courageous Conversations about Race in Baltimore, Maryland. These students have also led retreat experiences for elementary students to help them address issues involving racial conflict and bullying. WMEP currently has 5 active Dare to be Real groups and 4 in development. The individual Dare 2 Be Real groups have partnered together to form a larger regional discussion and to share best practices.



Magnet Schools:

WMEP operates 2 highly respected magnet schools – FAIR School Downtown and FAIR School Crystal – that directly serve over 1,100 students who reside in its member districts. FAIR School Downtown is a grades K-12 school that offers its students unique opportunities through special partnerships with organizations like Target Corporation, The Hennepin Theatre Trust, University of St. Thomas and Stages Theater, among others. FAIR School Crystal is a grades 4-8 school that has received national recognition for its innovative programs.

Both schools use the arts to inspire student self-expression and learning. The schools are well known for their dedication to creating systemic improvements that have narrowed the racially predictable achievement gap and they are focusing their efforts on becoming model or demonstration schools where there are no achievement disparities among students. In so doing, these schools will become even more valuable assets for WMEP’s member districts.

For information about WMEP’s magnet schools go to:

<https://sites.google.com/a/wmep.k12.mn.us/wmep-k12-mn-us-fair-c/> or
<https://sites.google.com/a/wmep.k12.mn.us/wmep-k12-mn-us-fair-dt/>

Continued on page 4

WMEP Addresses Achievement Gap

Continued from page 3

The Choice Is Yours Program (CIY):

WMEP also operates The Choice is Yours program that was founded in 2000 as part of a lawsuit settlement agreement between the Minneapolis Chapter of the NAACP and the Minnesota Department of Education. The program operated under court supervision for 2000-2004 but now is voluntary and it operates under the direction of the WMEP Joint Powers Board. Minneapolis families that qualify for the federal school lunch/breakfast program may choose this program to enroll in schools in one of WMEP suburban member districts. Transportation to and from the suburban schools is provided by the state of Minnesota.

Over 2000 families in Minneapolis currently enroll in this program, which helps to level the education playing field for students. Through The Choice is Yours program, families that enroll their students receive priority placement at the schools they choose, including magnet schools in the city as well as suburban schools. For details of CIY go to:

<http://sites.google.com/a/wmep.k12.mn.us/wmep-k12-mn-us/about-1>



Special Project: Emerging Leaders in Teaching and Education (Elite Academy)

In addition to the above activities directly related to WMEP's Mission, WMEP provided funding and leadership, along its member districts, its sister integration districts in the metro area, and with institutions of Higher Education, to create a new program called Emerging Leaders in Teaching and Education (**ELITE**) Academy. ELITE Academy is a week long, residential program for high school students of color with an interest in teacher education or students who have the potential to be future educators. This program was held June 21-25, 2010, on the campus of the University of Minnesota. The program provided participating students an opportunity to explore the teaching profession by working with current Minnesota educators, to make connections with other students with similar interest and an opportunity to experience life on a university campus. Minnesota is becoming diverse and teachers of color are needed to match the diversity. This program is designed to assist in meeting this ever-growing need.

For additional information, go to: <https://sites.google.com/a/wmep.k12.mn.us/wmep-k12-mn-us/elite-academy>

Working To Ensure A Civil Right:

As noted in a recent study of the racially predictable achievement gap, "...access to a high-quality education is a fundamental civil right." If some children do not receive such an education while others do – and those who are denied it are overwhelmingly students of color – then, the state's schools are complicit in violating a fundamental civil right.

Like the I-35 Bridge that collapsed, the racially predictable achievement gap is a known infrastructure problem that can be improved. WMEP's regional leadership in equity and excellence, and shared resources made available to other school districts, can help avert the loss of a civil right by students of color. In addition, with WMEP's leadership Minneapolis and its western suburbs can create schools in the region that are both equitable and excellent; schools where all students learn at high levels; and, that just might prevent a major education catastrophe that could be devastating for years to come.

This month's member spotlight was submitted by Dr. Daniel Jett, Superintendent, West Metro Education Program.

Daniel_jett@wmep.k12.mn.us

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

AMSD Gubernatorial Forum

On September 10th, AMSD sponsored a Gubernatorial Candidate Forum featuring the three major party candidates - Mark Dayton, Tom Emmer and Tom Horner. Over 150 education leaders attended the forum to learn more about the candidates' view on important educational issues. The entire forum can be viewed by going to the AMSD web site: <http://www.amsd.org/>. Below is a brief summary of some of the issues covered in the forum.

Question	Dayton	Emmer	Horner
Do you support granting levy authority to locally elected school boards?	No	No	No
Do you support allowing school boards to renew an existing operating referendum by a majority vote of the school board to help stabilize education funding?	Yes	No	Yes, with some limitations
Many Minnesotans are concerned that education policy has become overly partisan. One suggested solution is re-establishing a State Board of Education with the authority to appoint the Commissioner of Education and to oversee a State Educational Research Center which would provide nonpartisan, evidence based research to state policymakers. What is your view on this idea?	Does not support. Governor should appoint the Commissioner.	Does not support re-establishing State Board of Education.	No. We don't need another level of bureaucracy.
In recent years legislation has been proposed that would create a mandatory statewide health insurance pool for all school district employees. Do you support this proposed new mandate?	Should be Voluntary not Mandatory	No	No
Do you Support vouchers or expanded taxpayer subsidies for non-public schools?	No	"I strongly support giving parents choice."	No

AMSD has published a Voters Guide that highlights many of the issues of concern for metropolitan school districts. This can also be accessed on our website at: www.amsd.org.



School Board Planning Calendar 2010

1 st Meeting of the Month	2 nd Meeting of the Month
JULY 22, 2010 <i>(Only one Board meeting this month!)</i>	
C-Train Update Health and Medical Bucket NEC Facility Committee Report	Financial Report June Legislative Session Review & Implications for District Operations
AUGUST 26, 2010 <i>(Only one Board meeting this month!)</i>	
Administrative Services PLC Financial Report July Report on Crisis Planning (Michelle Axell – 10 minutes) Determine NEC Size & Cost Option	Approval of Cash Flow Borrowing Resolution NEC Facility Committee Report School Start Up Program Report “Top Things Board Members Should Know About Our 2010-2011 Start-Up” (Colleen, Laura, and Jane)
SEPTEMBER 9, 2010 Superintendent Goals Bloomington – Closed Session	SEPTEMBER 23, 2010 Financial Report August Resolution to Borrow PLC’s Results/Goals MDE Final Special Education Monitoring Report NEC Facility Committee Report Resolution to Authorize Financing for NEC Report on Crisis Planning
OCTOBER 14, 2010 Prior Year Agenda Review Restraints and Seclusion – Instructional Report Resolution for Sale of Bonds for NEC Cash Flow Borrowing	OCTOBER 28, 2010 Financial Report September Strategic Plan Update/Innovative Coach NEC Facility Committee Report
NOVEMBER 18, 2010 <i>(Only one Board meeting this month!)</i>	
Financial Report October OPEB Reporting & Funding C-Train Report (Written Report) Food Service Resolution	Prior Year Unaudited Fund Balance Report NEC Facility Committee Report Resolution for Settlement of Bonds for NEC Facilities Management Update
DECEMBER 9, 2010 <i>(Only one Board meeting this month!)</i>	
Financial Report November Facilities Management Update - Energy Audit Digital Copy Certificate (Written Report)	Prior Year Audit Review NEC Facility Committee Report Legislative Initiatives

INFORMATIONAL ITEMS TO REMEMBER:

** Pay Equity Report - (every three years - due in January 2012)
 Board TLC

Board role in setting/supporting goals
 Community use of Facilities Bucket

School Board Planning Calendar 2011

(TENTATIVE)

1 st Meeting of the Month		2 nd Meeting of the Month	
<p>JANUARY 13, 2011 Organizational Meeting</p> <ul style="list-style-type: none"> ○ Oath of Office ○ Election of Board Officers <p style="text-align: center;">Board meeting has been <u>CANCELED</u> due to MSBA Leadership Conference</p>		<p>JANUARY 27, 2011 <i>Organizational Meeting</i></p> <ul style="list-style-type: none"> ○ Oath of Office ○ Election of Board Officers <p>Strategic Plan Review & Measurement Report - Steve will be here. Financial Report December NEC Facility Committee Report</p>	
<p>FEBRUARY 10, 2011</p>		<p>FEBRUARY 24, 2011 Financial Report February Staff Reduction ULA Resolution Changes for following Yr FY11 Budget Revision & FY12 Budget Assumptions Program Withdrawal Report ALC Plus Update</p>	
<p>MARCH 10, 2011</p>		<p>MARCH 24, 2011 Financial Report February NEC Facility Committee Report Program Reduction Resolution Reduction ULA for tenured staff FY2012 Preliminary Budget Update</p>	
<p>APRIL 28, 2011 <i>(Only one Board meeting this month!)</i></p>			
<p>Spotlight DVD Presentation Financial Report March Superintendent & Board Evaluation Update</p>		<p>NEC Facility Committee Report Long Range Facilities Planning Presentation Proposed District 287 School Calendar 2011-2012</p>	
<p>MAY 12, 2010 PBIS Data Update</p>		<p>MAY 26, 2011 Financial Report April Audit Open Items & Requirements changes Staff Reduction ULA Resolution PLC Data Report Highlights Non- Tenured Non-Renewals & Probationary Non-Licensed Clerical Layoffs North Education Center (NEC) Facility Community Report</p>	
<p>JUNE 9, 2011 Superintendents Evaluation</p>	<p>Financial Report May PLC Data Report 2010-11 Budget NEC Facility Committee Report Attachment 10 Performance Criteria & Health & Safety</p>	<p>JUNE 23, 2011 Final ULA Resolution for Licensed Staff Board Evaluation Health & Safety Assessment 99 Report Superintendent & School Board Evaluation to plan for Board Retreat outcomes</p>	

INFORMATIONAL ITEMS TO REMEMBER:

** Pay Equity Report - (every three years - due in January 2012)
 Board TLC

Board role in setting/supporting goals
 Community use of Facilities Bucket

INTERMEDIATE DISTRICT 287
October 28, 2010
SCHOOL BOARD CALENDAR

28	Thursday	General Board Meeting	6:30PM	Board Rm

November 2010				
09	Tuesday	Board Facilities Committee Meeting	8:30AM	Board Rm
18 18	Thursday	General Board Meeting (DATE CHANGE – November 11, 2010 Veterans Day)	6:30PM	Board Rm

December 2010				
09	Thursday	General Board Meeting	6:30PM	Board Rm
21	Tuesday	Board Facilities Committee Meeting	8:30AM	Board Rm

PROPOSED DATES				
January 2011				
13	Thursday	General Board Meeting	6:30PM	Board Rm
Board meeting has been <u>CANCELED</u> due to MSBA Leadership Conference				
18	Tuesday	Board Facilities Committee Meeting	8:30AM	Board Rm
27	Thursday	General Board Meeting	6:30PM	Board Rm

February 2011				
10	Thursday	General Board Meeting	6:30PM	Board Rm
15	Tuesday	Board Facilities Committee Meeting	8:30AM	Board Rm
24	Thursday	General Board Meeting	6:30PM	Board Rm

March 2011				
10	Thursday	General Board Meeting	6:30PM	Board Rm
15	Tuesday	Board Facilities Committee Meeting	8:30AM	Board Rm
24	Thursday	General Board Meeting	6:30PM	Board Rm

April 2011				
19	Tuesday	Board Facilities Committee Meeting	8:30AM	Board Rm
28	Thursday	General Board Meeting	6:30PM	Board Rm

May 2011				
12	Thursday	General Board Meeting	6:30PM	Board Rm
17	Tuesday	Board Facilities Committee Meeting	8:30AM	Board Rm
26	Thursday	General Board Meeting	6:30PM	Board Rm

June 2011				
09	Thursday	General Board Meeting	6:30PM	Board Rm
14	Tuesday	Board Facilities Committee Meeting	8:30AM	Board Rm
23	Thursday	General Board Meeting	6:30PM	Board Rm

◆ Board Facilities Committee Meeting - Third Tuesday of the Month

◆ Board Facilities Committee Meeting - Second Tuesday of the Month