

A regular meeting of the Board of Education of the Sackets Harbor Central School District was held at the Sackets Harbor Central School in the Village of Sackets Harbor, New York, in said School District on April 17, 2012, at 5:30 o'clock p.m., Eastern Daylight Saving Time.

The meeting was called to order by Board President Gregg A. Townsend, and upon roll being called, the following were:

PRESENT: Dale Phillips, Angela Green, Christine Allen, Stephen Swain,
Gregg Townsend

ABSENT:

The following resolution was offered by Dale Phillips, who moved its adoption, seconded by Christine Allen, to wit:

RESOLUTION DATED APRIL 17, 2012.

REFUNDING BOND RESOLUTION OF THE SACKETS HARBOR CENTRAL SCHOOL DISTRICT, JEFFERSON COUNTY, NEW YORK, ADOPTED APRIL 17, 2012, AUTHORIZING THE REFUNDING OF ALL OR A PORTION OF CERTAIN OUTSTANDING REFUNDED SERIAL BONDS OF SAID DISTRICT, STATING THE PLAN OF REFUNDING, APPROPRIATING AN AMOUNT NOT TO EXCEED \$2,700,000 THEREFOR, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$2,700,000 REFUNDING SERIAL BONDS OF THE DISTRICT DIRECTLY OR IN COLLABORATION WITH THE DORMITORY AUTHORITY, TO FINANCE THE SAID APPROPRIATION, AND MAKING CERTAIN OTHER DETERMINATIONS RELATIVE THERETO.

RECITALS

WHEREAS, the Sackets Harbor Central School District Jefferson County, New York (the "District"), heretofore issued \$6,607,000 School District (Refunding) Bonds, 2002, dated as of July 11, 2002, seven of which are redeemable prior to maturity (the "Outstanding 2002 Refunded Bonds"), which bonds mature on each June 1 in the principal amounts indicated below and bear interest payable on December 1 and June 1 in each year as follows:

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
06/1/13	306,000	5.750%
06/1/14	323,000	5.750%
06/1/15	342,000	5.750%
06/1/16	362,000	5.750%
06/1/17	382,000	5.750%
06/1/18	404,000	5.375%
06/1/19	426,000	5.375%

WHEREAS, in order to benefit from lower interest rates now prevailing in the municipal bond market, and after consultation with the District's financial advisor, Fiscal Advisors & Marketing, Inc. (the "Financial Advisor"), the Superintendent of Schools has determined that it is in the interest of the District to issue refunding serial bonds (the "2012 Refunding Bonds" as hereinafter defined) to pay all or part of the unmatured and unpaid principal of and interest on the Outstanding 2002 Refunded Bonds, as authorized pursuant to Section 90.10 of the Local Finance Law; and

WHEREAS, on March 20, 2012, the Board of Education adopted a resolution pursuant to Education Law §3602(6)(g) to announce its intention to receive proposals for the refunding of all or a portion of the Outstanding Bonds, including a refunding financial plan; and

WHEREAS, the Financial Advisor, the District's Business Officer and the Superintendent of Schools have evaluated the proposal of RBC Capital Markets, dated December 7, 2011, and have developed a refunding financial plan; and

WHEREAS, in order to effectuate said refunding financial plan, it is necessary to adopt this refunding bond resolution;

NOW, THEREFORE, the Board of Education (the "Board") of the Sackets Harbor Central School District, Jefferson County, New York (the "District"), hereby resolves (by the favorable vote of two-thirds of all the members of the Board), as follows:

Section 1. In this resolution, the following definitions apply, unless a different meaning clearly appears from the context:

- (a) The phrase "Bond To Be Refunded" or "Bonds To Be Refunded" means all or a portion of the Outstanding 2002 Refunded Bonds, as shall be determined in accordance with Section 7 hereof.
- (b) The term "Escrow Contract" means the contract to be entered into by and between the District and the Escrow Holder pursuant to Section 9 hereof.
- (c) The term "Escrow Holder" means the bank or trust company designated as such pursuant to Section 9 hereof.
- (d) "Redemption Date" means October 1, 2012 for the Outstanding 2002 Refunded Bonds.
- (e) The term "Refunding Bond" or "Refunding Bonds" means all or a portion of the \$2,700,000 Refunding Serial Bonds, 2012 of the District authorized pursuant to Section 2 hereof.
- (f) The phrase "Refunding Bond Amount Limitation" means an amount of Refunding Bonds which does not exceed the principal amount of Bonds To Be Refunded plus the aggregate amount of unmatured interest payable on such Bonds To Be Refunded, plus costs and expenses incidental to the issuance of the Refunding Bonds, including, but not limited to, the development of the refunding financial plan, and of executing and performing

the terms and conditions of the Escrow Contract and all fees and charges of the Escrow Holder as referred to in Section 11 hereof.

Section 2. The Board hereby authorizes the refunding of the Bonds To Be Refunded, and appropriates an amount not to exceed \$2,700,000 therefore to accomplish such refunding. The plan of financing for said appropriation includes the issuance of not to exceed \$2,700,000 Refunding Bonds and the levy and collection of a tax upon all the taxable real property within the District to pay the principal of and interest on said Refunding Bonds as the same shall become due and payable. The Board hereby authorizes Serial Bonds of the District in the maximum principal amount of \$2,700,000 to be issued pursuant to the provisions of the Local Finance Law. The proposed financial plan for the refunding in the form attached hereto as Exhibit A (the "Refunding Financial Plan"), prepared for the District by RBC Capital Markets., is hereby accepted and approved. In the event that some revision of the Refunding Financial Plan becomes appropriate, the powers and duties of the Board relative to determining revisions to such Plan, are hereby delegated to the President of the Board, the Chief Fiscal Officer. The Refunding Financial Plan includes the deposit of proceeds of said Refunding Bonds with an Escrow Holder pursuant to an Escrow Contract as authorized in Section 11 hereof, the payment of certain costs incurred by the District in connection with said refunding from such proceeds, and the investment of a portion of such proceeds by the Escrow Holder in certain obligations, the principal of and interest thereon, together with the balance of such proceeds to be held uninvested, shall be sufficient to pay the principal of and interest on the Bonds To Be Refunded becoming due and payable on and prior to the Redemption Date. The President of the Board may designate either the Dormitory Authority of the State of New York or Roosevelt & Cross, Incorporated, New York, New York, or some other qualified underwriter as underwriter for the issue.

Section 3. Notwithstanding the provisions of Section 2 of this resolution, there is the possibility that the interests of the District will best be served by the issuance of the District's Refunding Bonds in collaboration with the Dormitory Authority of the State of New York (the "Dormitory Authority"), a public benefit corporation established pursuant to Title 4 of Article 8 of the Public Authorities Law, and the President of the Board, the chief fiscal officer, is hereby authorized to determine whether the District's Refunding Bonds be issued directly by the District or in collaboration with the Dormitory Authority.

Section 4. The Bonds To Be Refunded are all or a portion of the unmatured outstanding balance of bonds issued pursuant to bond resolutions duly adopted by the Board prior to the issuance of said bonds. In accordance with the Refunding Financial Plan, the Refunding Bonds authorized in the aggregate principal amount of not to exceed \$2,700,000 shall mature in amounts and at dates to be determined. The President of the Board, the chief fiscal officer of the District, is hereby authorized to approve all details of the refunding financial plan not contained herein.

Section 5. The issuance of the Refunding Bonds will not exceed the Bond Amount Limitation. The Refunding Bonds shall mature not later than the maximum period of probable usefulness (PPU) as permitted by law at the time of issuance of the Bonds To Be Refunded, for the object or purpose financed with the proceeds thereof. The average weighted remaining PPU as permitted by law at the time of issuance of the 2002 Refunded Bonds was twenty-six (26) years from the date of issuance of the 2002 Refunded Bonds or from the date of the first bond anticipation note issued in anticipation thereof. The weighted average remaining PPU of the objects or purposes financed with each series of the 2012 Refunding Bonds is fifteen and 78/100 (15.78) years, as measured from October 1, 2012, pursuant to Local Finance Law §11.00(a)(97).

Section 6. The Refunding Bonds may be sold at public or private sale, and the President of the Board is hereby authorized to execute a purchase contract on behalf of the District for the sale of said Refunding Bonds, provided that the terms and conditions of a private sale shall be approved by the State Comptroller, and provided further that the President of the Board shall have filed with the Board a certificate approved by the State Comptroller pursuant to Section 90.10(g) of the Local Finance Law prior to the issuance of the Refunding Bonds. In connection with any such sale, the District authorizes the preparation of an Official Statement and approves its use in connection with such sale and, further, consents to the distribution of a Preliminary Official Statement prior to the date said Official Statement is executed and available for distribution. The President of the Board and his designees are hereby further authorized and directed to take any and all actions necessary to accomplish said refunding, and the President of the Board is hereby authorized to execute any contracts and agreements for the purchase of and payment for services rendered or to be rendered the District in connection with said refunding including the preparation of the Refunding Financial Plan referred to in Section 2 hereof.

Section 7. Notwithstanding the provisions of Section 6 of this resolution, in the event the President of the Board, the chief fiscal officer, exercises his discretion, pursuant to Section 3 hereof, to arrange for the issuance of the District's Refunding Bonds in collaboration with the Dormitory Authority, in such event the said President and his designees are hereby authorized and directed to take such steps as may be required to facilitate such transaction in timely fashion.

Section 8. Each of the Refunding Bonds authorized by this resolution shall contain the recital of validity prescribed by Section 52.00 of the Local Finance Law. Said Refunding Bonds shall be general obligations of the District, payable as to both principal and interest by a general tax upon all

the taxable real property within the District without limitation as to rate or amount. The faith and credit of the District are hereby irrevocably pledged to the punctual payment of the principal of and interest on said Refunding Bonds, and provision shall be made annually in the budget of the District for the amortization and redemption of the Refunding Bonds to mature in such year and the payment of interest to be due and payable in such year.

Section 9. Subject to the provisions of this resolution and of the Local Finance Law, and pursuant to the provisions of Section 21.00 of the Local Finance Law with respect to the issuance of bonds having substantially level or declining annual debt service, and Sections 50.00, 56.00 to 60.00, 90.00,90.10 and 168.00 of the Local Finance Law, the powers and duties of the Board relative to determining the amount of Bonds To Be Refunded, prescribing the terms, form and contents as to the sale and issuance of the Refunding Bonds, and executing any arbitrage certification relative thereto, as well as executing any agreements for credit enhancements and executing the Escrow Contract described in Section 11 and the Official Statement referred to in Section 6, are hereby delegated to the President of the Board. The Refunding Bonds shall be executed in the name of the District by the manual signature of the President of the Board, and the District Treasurer or such other officer of the District as shall be designated by the President of the Board, and, shall have the corporate seal of the District impressed or imprinted thereon, which corporate seal may be attested by the manual signature of the District Clerk.

Section 10. The validity of the Refunding Bonds authorized by this resolution may be contested only if:

- (a) such obligations are authorized for an object or purpose for which the District is not authorized to expend money, or
- (b) the provisions of law which should be complied with at the date of the publication of such resolution, or a summary thereof, are not substantially

complied with, and an action, suit or proceeding contesting such validity is commenced within twenty days after the date of such publication, or

- (c) such obligations are authorized in violation of the provisions of the Constitution.

Section 11. Prior to the issuance of the Refunding Bonds, the District shall contract with a bank or trust company located and authorized to do business in this state, for the purpose of having such bank or trust company act as the Escrow Holder of the proceeds, if required by law, inclusive of any premium from the sale of the Refunding Bonds, together with all income derived from the investment of such proceeds. Such Escrow Contract shall contain such terms and conditions as shall be necessary in order to accomplish the Refunding Financial Plan, including provisions authorizing the Escrow Holder, without further authorization or direction from the District, except as otherwise provided therein, to (a) make all required payments of principal and interest to the appropriate paying agent with respect to the Bonds To Be Refunded, (b) pay costs and expenses incidental to the issuance of the Refunding Bonds, including the development of the Refunding Financial Plan, and of executing and performing the terms and conditions of the Escrow Contract and all of its fees and charges as the Escrow Holder, and (c) invest the monies held by it consistent with the provisions of the Refunding Financial Plan. The Escrow Contract shall be irrevocable and shall constitute a covenant with the holders of the Refunding Bonds.

Section 12. Immediately upon receipt, the District shall place the proceeds from the sale of the Refunding Bonds, inclusive of any premium, in escrow with the Escrow Holder in accordance with the Escrow Contract. All moneys held by the Escrow Holder shall be invested only in direct obligations of the United States of America or in obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which obligations shall mature or be

subject to redemption at the option of the holder thereof not later than the respective dates when such moneys will be required to make payments in accordance with the Refunding Financial Plan. Any such moneys remaining in the custody of the Escrow Holder after the full execution of the provisions of the Escrow Contract shall be returned to the District and shall be applied by the District only to the payment of the principal of or interest on the Refunding Bonds then outstanding.

Section 13. That portion of such proceeds from the sale of the Refunding Bonds, together with interest earned thereon, which shall be required for the payment of the principal of and interest on the Bonds To Be Refunded in accordance with the refunding financial plan, shall be irrevocably committed and pledged to such purpose, and the holders of the Bonds To Be Refunded shall have a lien upon such moneys and the investments thereof held by the Escrow Holder. All interest earned from the investment of such moneys not required for such payments on the Bonds To Be Refunded shall be irrevocably committed and pledged to the payment of the principal of and interest on the Refunding Bonds, or such portion thereof as shall be required by the Refunding Financial Plan, and the holders of such Refunding Bonds shall have a lien upon such moneys held by the Escrow Holder. The pledges and liens provided for herein shall become valid and binding upon the issuance of the Refunding Bonds and the moneys and investments held by the Escrow Holder shall immediately be subject thereto without any further act. Such pledges and liens shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the District irrespective of whether such parties have notice thereof. Neither this resolution, the Escrow Contract, nor any other instrument relating to such pledges and liens, need be filed or recorded.

Section 14. This bond resolution shall take effect immediately. The District Clerk is hereby authorized and directed to publish the foregoing resolution, in summary, together with a Notice

attached in substantially the form prescribed by Section 81.00 of the Local Finance Law in The Watertown Daily Times, a newspaper, having a general circulation in the District and hereby designated the official newspaper of said District for such publication.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call, which resulted as follows:

Christine Allen	Voting	<u>Yes</u>
Angela Green	Voting	<u>Yes</u>
Dale Phillips	Voting	<u>Yes</u>
Stephen Swain	Voting	<u>Yes</u>
Gregg A. Townsend	Voting	<u>Yes</u>

The resolution was thereupon declared duly adopted.

CERTIFICATION

STATE OF NEW YORK)
) ss.:
COUNTY OF JEFFERSON)

I, Sheri Rose, School District Clerk of the Sackets Harbor Central School District, Jefferson County, New York, DO HEREBY CERTIFY:

That I have compared the foregoing resolution of the Board of Education of the Sackets Harbor Central School District, adopted the 17th day of April, 2012, with the original thereof on file in my office, and the same is a true and correct copy of said original and of the whole of said original so far as the same relates to the subject matters therein referred to, and that all members of the Board of Education of said School District had due notice of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Sackets Harbor Central School District this 17th day of April 2012.



Sheri Rose
School District Clerk

(SEAL)