

Honorable Members of the Board of Education
Dayton City School District

ITEM XIV

I recommend approval of the Amended Note Resolution for Series A Bonds.

Rationale

Amending the note resolution adopted on April 15, 2008, as amended on January 6, 2009, February 12, 2009 and October 6, 2009, authorizing the issuance of not to exceed \$93,455,000 of notes in anticipation of the issuance of bonds for the purpose of refunding a portion of the school facilities construction and improvement bonds, series 2003-A (General Obligation – Unlimited Tax), dated June 17, 2003, issued for the purposes set forth in the authorizing resolution adopted on March 4, 2003; and authorizing a note placement agreement, a note registrar agreement and an interest rate hedge; and if in the best interest of the school district requesting the State Department of Education to approve an agreement, authorizing the execution of such agreement to provide for the contingent intercept of State Foundation Payments to enhance the security of the notes or the refunding bonds.

WHEREAS, this Board adopted a Note Resolution on April 15, 2008 (the "Original Resolution") authorizing the issuance of not to exceed \$93,455,000 of Notes to refund bonds issued in the original principal amount of \$99,500,000 dated June 17, 2003 (the "2003A Bonds"), with capitalized terms used herein as defined in the Original Resolution; and

WHEREAS, in view of currently prevailing low interest rates and the availability of one or more advantageous interest rate hedges the Board has determined that it remains advisable and in the best interest of the School District (i) to issue refunding bonds (the "Refunding Bonds") of the School District to refund a portion of the 2003A Bonds (the "Refunded Bonds"), (ii) to issue refunding bond anticipation notes (the "Notes") in anticipation of the Refunding Bonds, and (iii) to enter into one or more interest rate hedges; and

WHEREAS, the Treasurer of the Board (the "Treasurer") has certified to this board that the maximum maturity and principal amount of the securities herein authorized cannot exceed the respective maximum maturities of the Refunded Bonds and the principal amount of the bonds authorized by the voters on the Election Date;

WHEREAS, the Original Resolution was amended on January 6, 2009, February 12, 2009 and October 9, 2009 (together with the Original Resolution the "Amended Resolution") and this

Board desires to further amend the Amended Resolution with respect to (i) authorizing the execution and delivery of one or more Note Purchase Agreements to sell the Notes in a private sale to one or more financial institutions offering to purchase the Notes on terms deemed favorable to and recommended to the District by its Financial Advisor, Bradley Payne LLC (the "Financial Advisor") and its Swap Advisor, PRISM Municipal Advisors LLC (the "Swap Advisor"); (ii) authorizing the negotiation of an amendment to the interest rate hedge contract currently in place with respect to the Notes with the Bank of New York Mellon ("Current Swap Counterparty") on terms deemed more favorable to and recommended to the District by its Financial Advisor and Swap Advisor; and (iii) authorizing the negotiation of and execution and delivery of a new interest rate hedge contract with a different swap counterparty on terms deemed more favorable to and recommended to the District by its Financial Advisor and Swap Advisor.

WHEREAS, this Board hereby confirms that it is deemed necessary to issue and sell not to exceed \$93,455,000 of the Notes under the authority of the general laws of the State of Ohio, including Chapter 133, Ohio Revised Code, and in particular Section 133.22 and 133.34 thereof and Sections 9.98 through 9.983 Ohio Revised Code, for the purpose described in the title of this resolution;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Dayton City School District, Montgomery County, Ohio that:

Section 1. Section 14 of the Original Resolution is deleted and amended in its entirety to read as follows:

Section 14. The Notes may be sold in a private sale to one or more purchasers recommended by the Financial Advisor (the "Original Purchaser") at the purchase price set forth in the Certificate of Fiscal Officer, plus interest accrued to the date of delivery of the Notes to the Original Purchaser. The President and Treasurer, or either of them individually, are authorized and directed to execute on behalf of the board a Note Placement Agreement with the Original Purchaser, setting forth the conditions under which the Notes are to be sold and delivered, which agreement shall be in such form, not inconsistent with the terms of this resolution, as the Treasurer shall determine, including provisions for the payment of premium on any series of Notes at any time, or for the delivery of one or more series of Notes on or not more than 90 days prior to the first optional redemption date of any related series of Refunded Bonds. A form of Note Purchase Agreement constituting a Note Purchase Commitment Agreement may also be entered into with one or more financial institutions providing for a commitment and offer by such financial institutions (the "Committed Purchaser") to purchase the Notes upon their issuance and delivery by the District, and providing that the maturity and interest rate on the Notes shall be as described therein, with such commitment to purchase the Notes extending through a term of not less than five years from September 1, 2011; provided that the District shall not be required to sell the Notes to the Committed Purchaser if it is determined, based upon the advice of its Financial Advisor, to issue and sell its Notes or its Refunding Bonds to a different Original Purchaser upon different financial terms.

“Any upfront payment received from any counterparty to the interest rate hedge described in Section 16 hereof is hereby deemed premium and shall be deposited into the School District’s Permanent Improvement Fund. Unless otherwise provided in the Certificate of Fiscal Officer, proceeds received from the sale of the Notes shall be deposited to the Bond Retirement Fund to be applied to the payment of the principal of and interest on the Refunded Bonds, or other obligations of the School District, as permitted by law.”

Section 2. Section 16 of the Original Resolution is deleted and amended in its entirety to read as follows:

“Section 16. The Treasurer and President, or either of them individually, are each authorized to enter into and provide for an amendment to the existing interest rate hedge with the Bank of New York Mellon, or a new interest rate hedge with a counterparty selected by the Treasurer, providing for an interest rate payment to the counterparty not to exceed six-percent (6%) per annum on a notional amount not to exceed \$93,455,000; provided however, that any such amendment or new interest rate hedge must be reviewed and recommended to the Board by the Financial Advisor and the Swap Advisor.

The Board hereby appoints PRISM Municipal Advisors LLC as the initial Swap Advisor pursuant to an advisory agreement with the Board, to be entered into between the Swap Advisor and the Board and executed by the Treasurer on behalf of the Board. The Board hereby appoints Bradley Payne LLC as the Financial Advisor with respect to the Notes and the interest rate hedge transaction described herein, pursuant to an advisory agreement with the Board, to be entered into between the Financial Advisor and the Board and executed by the Treasurer on behalf of the Board. The Treasurer, if advisable, may appoint one or more Placement Agents with respect to the sale of the Notes. The Treasurer is authorized to pay the fees and expenses of the Financial Advisor, Swap Advisor, Frost Brown Todd LLC, as Bond Counsel, and other costs of issuance from available funds including the Bond Retirement Fund, and the Treasurer shall give notification to the Board.

Payments received from the counterparty to the interest rate hedge shall be deposited as follows: first, to the Bond Retirement Fund in an amount equal to debt service on the Notes for the period to which the counterparty’s payment corresponds, minus any sale premium on the Notes deposited therein, and second, unless otherwise provided in the Certificate of Fiscal Officer, to the General Fund.”

Section 3. It is hereby found and determined that all acts, conditions and things necessary to be done precedent to an in the issuing of the Notes in order to make them legal, valid and binding obligations of the Board have happened, been done and been performed in regular and due form as required by law; that the faith, credit and revenue of the board are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the Notes.

Section 4. It is hereby found and determined that all formal actions of the Board concerning and relating to the passage of this resolution were taken in an open meeting of the Board, and that all deliberations of the Board and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

Section 5. Except as amended herein, the Original Resolution is hereby ratified and confirmed, and remains in full force and effect.

Section 6. The Treasurer is hereby directed to forward a certified copy of this resolution to the County Auditor of Montgomery County, Ohio.

ITEM XV

I recommend approval of the Amended Note Resolution for Series D Bonds.

Rationale

Amending the note resolution adopted on April 15, 2008, as amended on January 6, 2009, February 12, 2009 and October 6, 2009, authorizing the issuance of not to exceed \$94,505,000 of notes in anticipation of the issuance of bonds for the purpose of refunding a portion of the school facilities construction and improvement bonds, Series 2003-D (General Obligation – Unlimited Tax), dated July 31, 2003, issued for the purposes set forth in the authorizing resolution adopted on March 4, 2003; and authorizing a note placement agreement, a note registrar agreement and an interest rate hedge; and if in the best interest of the school district requesting the State Department of Education to approve an agreement, authorizing the execution of such agreement to provide for the contingent intercept of State Foundation Payments to enhance the security of the notes or the refunding bonds.

WHEREAS, this Board adopted a Note Resolution on April 15, 2008 (the “Original Resolution”) authorizing the issuance of not to exceed \$94,505,000 of Notes to refund bonds issued in the original principal amount of \$151,555,000 dated July 31, 2003 (the “2003D Bonds”), with capitalized terms used herein as defined in the Original Resolution; and

WHEREAS, in view of currently prevailing low interest rates and the availability of one or more advantageous interest rate hedges the Board has determined that it remains advisable and in the best interest of the School District (i) to issue refunding bonds (the “Refunding Bonds”) of the School District to refund a portion of the 2003D Bonds (the “Refunded Bonds”), (ii) to issue refunding bond anticipation notes (the “Notes”) in anticipation of the Refunding Bonds, and (iii) to enter into one or more interest rate hedges; and

WHEREAS, the Treasurer of the Board (the “Treasurer”) has certified to this board that the maximum maturity and principal amount of the securities herein authorized cannot exceed the respective maximum maturities of the Refunded Bonds and the principal amount of the bonds authorized by the voters on the Election Date;

WHEREAS, the Original Resolution was amended on January 6, 2009, February 12, 2009 and October 9, 2009 (together with the Original Resolution the "Amended Resolution") and this Board desires to further amend the Amended Resolution with respect to (i) authorizing the execution and delivery of one or more Note Purchase Agreements to sell the Notes in a private sale to one or more financial institutions offering to purchase the Notes on terms deemed favorable to and recommended to the District by its Financial Advisor, Bradley Payne LLC (the "Financial Advisor") and its Swap Advisor, PRISM Municipal Advisors LLC (the "Swap Advisor"); (ii) authorizing the negotiation of an amendment to the interest rate hedge contract currently in place with respect to the Notes with the Bank of New York Mellon ("Current Swap Counterparty") on terms deemed more favorable to and recommended to the District by its Financial Advisor and Swap Advisor; and (iii) authorizing the negotiation of and execution and delivery of a new interest rate hedge contract with a different swap counterparty on terms deemed more favorable to and recommended to the District by its Financial Advisor and Swap Advisor.

WHEREAS, this Board hereby confirms that it is deemed necessary to issue and sell not to exceed \$94,505,000 of the Notes under the authority of the general laws of the State of Ohio, including Chapter 133, Ohio Revised Code, and in particular Section 133.22 and 133.34 thereof and Sections 9.98 through 9.983 Ohio Revised Code, for the purpose described in the title of this resolution;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Dayton City School District, Montgomery County, Ohio that:

Section 1. Section 14 of the Original Resolution is deleted and amended in its entirety to read as follows:

Section 14. The Notes may be sold in a private sale to one or more purchasers recommended by the Financial Advisor (the "Original Purchaser") at the purchase price set forth in the Certificate of Fiscal Officer, plus interest accrued to the date of delivery of the Notes to the Original Purchaser. The President and Treasurer, or either of them individually, are authorized and directed to execute on behalf of the board a Note Placement Agreement with the Original Purchaser, setting forth the conditions under which the Notes are to be sold and delivered, which agreement shall be in such form, not inconsistent with the terms of this resolution, as the Treasurer shall determine, including provisions for the payment of premium on any series of Notes at any time, or for the delivery of one or more series of Notes on or not more than 90 days prior to the first optional redemption date of any related series of Refunded Bonds. A form of Note Purchase Agreement constituting a Note Purchase Commitment Agreement may also be entered into with one or more financial institutions providing for a commitment and offer by such financial institutions (the "Committed Purchaser") to purchase the Notes upon their issuance and delivery by the District, and providing that the maturity and interest rate on the Notes shall be as described therein, with such commitment to purchase the Notes extending through a term of not less than five years from September 1, 2011; provided that the District shall not be required to sell the Notes to the Committed Purchaser if it is determined,

based upon the advice of its Financial Advisor, to issue and sell its Notes or its Refunding Bonds to a different Original Purchaser upon different financial terms.

“Any upfront payment received from any counterparty to the interest rate hedge described in Section 16 hereof is hereby deemed premium and shall be deposited into the School District’s Permanent Improvement Fund. Unless otherwise provided in the Certificate of Fiscal Officer, proceeds received from the sale of the Notes shall be deposited to the Bond Retirement Fund to be applied to the payment of the principal of and interest on the Refunded Bonds, or other obligations of the School District, as permitted by law.”

Section 2. Section 16 of the Original Resolution is deleted and amended in its entirety to read as follows:

“Section 16. The Treasurer and President, or either of them individually, are each authorized to enter into and provide for an amendment to the existing interest rate hedge with the Bank of New York Mellon, or a new interest rate hedge with a counterparty selected by the Treasurer, providing for an interest rate payment to the counterparty not to exceed six-percent (6%) per annum on a notional amount not to exceed \$94,505,000; provided however, that any such amendment or new interest rate hedge must be reviewed and recommended to the Board by the Financial Advisor and the Swap Advisor.

The Board hereby appoints PRISM Municipal Advisors LLC as the initial Swap Advisor pursuant to an advisory agreement with the Board, to be entered into between the Swap Advisor and the Board and executed by the Treasurer on behalf of the Board. The Board hereby appoints Bradley Payne LLC as the Financial Advisor with respect to the Notes and the interest rate hedge transaction described herein, pursuant to an advisory agreement with the Board, to be entered into between the Financial Advisor and the Board and executed by the Treasurer on behalf of the Board. The Treasurer, if advisable, may appoint one or more Placement Agents with respect to the sale of the Notes. The Treasurer is authorized to pay the fees and expenses of the Financial Advisor, Swap Advisor, Frost Brown Todd LLC, as Bond Counsel, and other costs of issuance from available funds including the Bond Retirement Fund, and the Treasurer shall give notification to the Board.

Payments received from the counterparty to the interest rate hedge shall be deposited as follows: first, to the Bond Retirement Fund in an amount equal to debt service on the Notes for the period to which the counterparty’s payment corresponds, minus any sale premium on the Notes deposited therein, and second, unless otherwise provided in the Certificate of Fiscal Officer, to the General Fund.”

Section 3. It is hereby found and determined that all acts, conditions and things necessary to be done precedent to an in the issuing of the Notes in order to make them legal, valid and binding obligations of the Board have happened, been done and been performed in regular and due form as required by law; that the faith, credit and revenue of the board are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at maturity;

and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the Notes.

Section 4. It is hereby found and determined that all formal actions of the Board concerning and relating to the passage of this resolution were taken in an open meeting of the Board, and that all deliberations of the Board and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

Section 5. Except as amended herein, the Original Resolution is hereby ratified and confirmed, and remains in full force and effect.

Section 6. The Treasurer is hereby directed to forward a certified copy of this resolution to the County Auditor of Montgomery County, Ohio.

Respectfully submitted,

Stanley E. Lucas
Treasurer