PARTICIPATION RESOLUTION

A RESOLUTION OF THE BOARD OF EDUCATION AUTHORIZING THE EXECUTION OF AN EQUIPMENT LEASE AND SECURITY AGREEMENT BETWEEN THE KENTUCKY INTERLOCAL SCHOOL TRANSPORTATION ASSOCIATION AND THE BOARD PROVIDING FOR THE ACQUISITION AND LEASING OF SCHOOL BUSES AND APPROVING GENERALLY THE PLAN OF FINANCING THE ACQUISITION OF SCHOOL BUSES FOR AND ON BEHALF OF THE BOARD.

WHEREAS, the Board of Education ("Board") has determined that it is necessary and desirable that the Board acquire new school buses in order to provide for the transportation needs of the students served by the Board, and

WHEREAS, the Kentucky Department of Education of the Commonwealth of Kentucky ("Department") has implemented a program to assist local boards of education throughout the Commonwealth in the acquisition of school buses, combining the needs of school districts throughout the Commonwealth and purchasing in bulk directly from the manufacturers, and

WHEREAS, notwithstanding the pooled acquisition of buses administered by the Department, it is necessary that local boards of education provide their own financing for the acquisition of school buses purchased for them through the Department, and

WHEREAS, it has been determined by the Boards of Education of the Elliott, Lewis, Morgan, Pendleton, Rowan (the "Original Districts") and certain subsequent Districts (the "KISTA Governing Board") that certain economies may be realized through the utilization of a joint agency to act for and on behalf of local boards of education desiring to acquire school buses, and

WHEREAS, the provisions of Sections 65.210 through 65.300 of the Kentucky Revised Statutes, designated as the Interlocal Cooperation Act ("Act"), set forth the procedure by which any two or more governmental units may enter into agreements with one another and with third parties for joint or cooperative action, and

WHEREAS, the KISTA Governing Board pursuant to the Act administers the Kentucky Interlocal School Transportation Association ("KISTA") which acts as an agency and instrumentality for those local boards of education which desire to participate in the issuance of Certificates of Participation on a pooled basis, the proceeds of which are applied to the acquisition of school buses for participating boards of education in order that certain economies in financing may be realized; said pooled financing plan being designated as the KISTA Equipment Acquisition Program ("KEAP"), and

WHEREAS, in order for the Board to participate in KEAP for the year 2008 for which KISTA is to act as an issuing agency for this Board and other participating local boards of education, it is necessary that the Board approve the execution of an Equipment Lease and Security Agreement ("Series 2009 Lease") by the Chairman and Secretary whereunder this Board's portion of school buses ("Equipment") purchased from the proceeds of KISTA's Series 2009 Certificates of Participation, will be leased by KISTA to the Board on a year to year basis at rentals sufficient to amortize (i) the costs of the Equipment purchased by KISTA on behalf of this Board through the payment of the Board's pro rata portion of the Series 2009 Certificates of Participation, issued by KISTA, (ii) the funding of a collision insurance and debt service reserve fund, to the extent required, and (iii) the expenses incident to the issuance of said 2009 Certificates of Participation, allocated to the Board;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED BY THE BOARD OF EDUCATION AS FOLLOWS:

SECTION 1. DECLARATION OF PUBLIC POLICY

That the Board hereby declares that it is in the best interests of the Board to cooperate with other local boards of education pursuant to the Act and to contract with the Kentucky Interlocal School Transportation Association in the acquisition of Equipment through the utilization of KEAP for 2008 effected by the issuance of KISTA's Certificates of Participation, Series of 2009, (the "Series 2009 COPS" or "COPS"). It is now anticipated that KEAP for 2008 will be funded with KISTA COPS issued in the year 2009.

SECTION 2. APPROVAL OF GENERAL FINANCING PLAN

That KISTA has been established pursuant to the Act to act as an issuing agency for participating boards of education in the issuance of Certificates of Participation, which, after providing for the expenses of their authorization, sale, issuance, and funding a collision insurance and debt service reserve, shall be utilized on a pro rata basis among the participating boards of education for the acquisition of Equipment. The KISTA COPS, shall be issued pursuant to the terms of a Trust Indenture by and between KISTA and Monticello Banking Company, Somerset, Kentucky ("Trustee") and shall be secured exclusively by rental payments due under a certain Equipment Lease and Security Agreement ("Lease") whereunder the Equipment purchased by KISTA with the proceeds of the COPS, will be leased to the Board on a year to year basis at annual rentals sufficient to amortize the Board's pro rata portion of the proceeds of the COPS allocated to Equipment purchased on behalf of the Board, and the expenses incident to the authorization, sale, and issuance of the COPS.

SECTION 3. AUTHORIZATION OF EXECUTION OF EQUIPMENT LEASE AND SECURITY AGREEMENT

That the Chairman and Secretary of this Board are hereby authorized to execute an Equipment Lease and Security Agreement with KISTA; said Lease shall provide for the lease of the Equipment purchased by KISTA on behalf of the Board to the Board on a year to year basis for a term of ten years at annual rentals sufficient to amortize the Board's pro rata portion of the COPS issued by KISTA on its behalf, as well as the expenses incident to the authorization and sale of said COPS.

The Lease shall be prepared by KISTA's Bond Counsel prior to the sale of KISTA's COPS, and shall be submitted to the Board and its counsel for consideration and execution.

The Lease shall provide for annual rental payments in amounts sufficient to amortize the Board's pro rata portion of the KISTA COPS, which shall be payable in semi-annual installments due two weeks prior to the principal and interest due dates on the KISTA COPS.

The Lease shall provide that the Board shall have the option to not renew the Lease at the end of any rental year (June 30), but the Lease shall automatically renew without action by the Board in the event the Board desires to continue its obligations on a year to year basis.

The Lease shall provide that the Board shall have the option to purchase the Equipment identified therein at any time upon sixty days' notice to KISTA and the Trustee Bank and upon the payment of the Board's pro rata portion of the KISTA COPS, then outstanding, plus interest due to the next interest payment date upon which the Board's portion of said COPS may be redeemed plus any redemption premium.

The Lease shall provide that the Board shall maintain adequate liability insurance in accordance with guidelines established by the statutes and the Department, but the Equipment financed thereunder shall be covered by KISTA for collision insurance for all damage in excess of \$5,000.

The Lease shall provide that title to the Equipment shall be vested in the Board, but shall be subjected to a security interest in favor of the Trustee Bank in order to secure the Registered Owners of the KISTA COPS, with the right to foreclose in the event of a default by the Board.

The Lease shall not be effective or binding upon the Board or KISTA unless and until its provisions and the Board's execution thereof are approved by the Commissioner of Education of the Commonwealth of Kentucky or the duly authorized and designated representative of the Department in accordance with the Commissioner's direction.

That the Lease shall provide that in the event the Board shall fail to pay the required rental payments due thereunder, KISTA, or its designee, shall have the right to advise the Department and request that the Commissioner of Education or his duly designated representative in the Department intercept any funds appropriated and allocated to the Board annually in any year in which the Lease is in effect and apply a sufficient amount to the rental then due; said right of interception shall terminate upon the termination of the Lease by the Board in accordance with its terms.

That the Lease shall provide that title to the Equipment purchased by KISTA on behalf of the Board shall vest in the Board and the Board shall exercise all rights incident to the ownership of said Equipment and shall be responsible for liability insurance and maintenance of said Equipment from which responsibilities KISTA shall be held harmless, but KISTA shall provide collision insurance for claims in excess of \$5,000.

SECTION 4. DIRECTION TO SUPERINTENDENT

That the Superintendent of the Board is hereby authorized and directed to file an executed copy of this Resolution, accompanied by an executed copy of the Board's 2008 School Bus Purchase Authorization, with the Department no later than October 24, 2008; the Department's deadline for KISTA orders; said Resolution and Authorization shall likewise be filed with Ross, Sinclaire & Associates, LLC, Financial Advisor to KISTA no later than October 24, 2008.

That this Resolution shall constitute a notice and request by the Board to KISTA that the Board be included in the 2008 KEAP pooled financing represented by the KISTA COPS, to the extent of the Board's required Equipment indicated herein and that Counsel for KISTA proceed to prepare the Lease reflecting the general terms herein set forth and the specifics of the Board's participation.

That upon the sale and delivery of the KISTA COPS the proceeds thereof, after the deduction of the expenses incident to their authorization and sale, shall be deposited in an Acquisition Account with the Trustee Bank in the name of the Board and applied to the acquisition of the Equipment for the Board in the total amount of approximately \$\frac{161,262}{2}\$ consisting of \$\frac{2}{2}\$ Equipment units.

Notwithstanding anything contained herein to the contrary, the Board shall have the right to withdraw its participation at any time prior to November 30, 2008, by giving written notice to KISTA of its intention to withdraw. Conversely, KISTA may rely on the commitment of the Board expressed through the adoption of this Resolution unless and until it receives notice to the contrary by the date stated.

SECTION 5. CERTIFICATION REGARDING KISTA CERTIFICATES AS "QUALIFIED TAX EXEMPT OBLIGATIONS"

That pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, the Board, by the adoption of this Resolution, acknowledges that KISTA's COPS will not be issued as "qualified tax exempt obligations", but that the Board's pro rata portion of said COPS will count against the Board's \$10,000,000 "qualified tax exempt obligation" limitation for the calendar year ending December 31, 2009 just as if the Board or its School District Finance Corporation had issued said COPS directly.

SECTION 6. ACKNOWLEDGEMENT OF POSSIBLE VARIATIONS

That by the adoption of this Resolution the Board acknowledges its understanding that estimated interest rates for the KISTA COPS, are subject to some variation based upon the conditions of the municipal bond market at the time the KISTA COPS are publicly advertised and sold and that the annual rental payments due under the Lease will be impacted by the interest requirements of the COPS, as well as the amount of the Board's participation.

SECTION 7. WAIVER AND CONSENT ON BIDDING

That Ross, Sinclaire & Associates, LLC, Frankfort, Kentucky, is acting as Financial Advisor to KISTA and Program Administrator for KEAP; nevertheless, the Board hereby acknowledges and consents to the right of Ross, Sinclaire & Associates, LLC to submit a bid for the purchase of the Series 2009 Certificates either alone or in concert with other underwriters.

SECTION 8. SEVERABILITY AND REPEAL OF CONFLICTS

That if any section, paragraph or clause hereof shall be held invalid, the invalidity of said section, paragraph or clause shall not affect any of the remaining provisions of this Resolution. All resolutions or parts thereof in conflict with the provisions of this Resolution are hereby repealed and this Resolution shall take effect and be in force upon its adoption.

Passed and adopted by the Board of	f Education of on the 20day of JANUARY /2008. 2009
ATTEST:	Chairperson
Secretary	
adopted by said Board on the 22 motion to adopt said Resolution and correct copy of the State Department	ry of the Board of Education certify that the foregoing Resolution was passed and day of JANUARY, 200,890 y a vote of voting for the voting against said motion and that there is attached hereto a true and ent of Education's form of 2008 School Bus Purchase Authorization executed by did Board in accordance with the terms of said Resolution.
	Secretary, Board of Education

PLEASE PROCESS AS FOLLOWS:

- (1) FILL IN INFORMATION REQUIRED BY SECTION 4 ABOVE (page 3) AND SIGN ON PAGE 4
- (2) ATTACH COPY OF 2008 SCHOOL BUS PURCHASE AUTHORIZATION
- (3) RETURN TO ROSS, SINCLAIRE & ASSOCIATES, LLC, P.O. BOX 398, FRANKFORT, KENTUCKY, $40602\,$
- (4) YOUR DISTRICT MUST FILE PA-1 AND PA-2 FORMS WITH THE KENTUCKY DEPARTMENT OF EDUCATION BY October 24, 2008.





PA-1 KENTUCKY DEPARTMENT OF EDUCATION 2009 SCHOOL BUS PURCHASE AUTHORIZATION TYPE A, TYPE C, AND TYPE D SCHOOL BUSES

procure 2009 school buses.		rice procedure. This Board nutes of the meeting of thi	of Education took to Board of Educatio	this official act	tion in order to authorized that date, should be constru	constituted meeting, did vote to e the Chief State School Officer to ned as evidence of obligation of this.
	Signed	, Sec	nirman retary erintendent			
	Of <u>NELSON COU</u>	NTY Board o	f Education Date	JANUARY	20, 2009	
BODY SIDE NUMBERS:	Indicate the body side number to numbers. Example: Item 1 - Si		its painted on the bo	ody side of each	h school bus. Match bod	dy side number to individual item

ATTACH ADDITIONAL INFORMATION IF NECESSARY





2009 PA-1 TYPE A AND TYPE C SCHOOL BUSES

NELSON COUNTY

BOARD OF EDUCATION

Item #	No To Be Purchased	Capacity	Engine & Chassis Manufacturer	HP	Trans	Brakes	Fuel Tank Location	Wheel base	Body Manufacturer	Rear axle overhang	FOB KY Price
1		16	6 6 GM, GENERAL MOTORS	155	AUTO	Н	Center rear	139"	BLUEBIRD	53"	53,705
2		22	6 6 GM, CHEVROLET	155	AUTO	Н	Center rear	139"	BLUEBIRD	54"	51,955
3		22	6 6 GM, CHEVROLET	155	AUTO	Н	Center rear	139"	MIDBUS	82"	51,729
3		34	CUMMINS ISB-07, BLUEBIRD	220	2500PTS	AB	Center rear	189"	BLUEBIRD	123"	71,225
4		34	MAXFORCE DT, INTERNATIONAL	210	2500PTS	AB	Right side	169"	IC CORP	95"	70,796
5		34	MAXFORCE 7, INTERNATIONAL	200	2500PTS	AB	Right side	169"	IC CORP	95"	69,401
6		34	MBE900, MERCEDES/FREIGHTLINER	210	2500PTS	AB	Center rear	158"	THOMAS	99"	69,417
7		52	CUMMINS ISB-07, BLUEBIRD	220	2500PTS	AB	Center rear	217"	BLUEBIRD	130"	72,420
8		52	MAXFORCE DT, INTERNATIONAL	210	2500PTS	AB	Right side	217"	IC CORP	128"	72,995
9		52	MAXFORCE 7, INTERNATIONAL	200	2500PTS	AB	Right side	217"	IC CORP	128"	71,055
10		52	MBE900 MERCEDES/FREIGHTLINER	210	2500PTS	AB	Right side	219"	THOMAS	128"	71,010
11		66	CUMMINS ISB-07, BLUEBIRD	220	2500PTS	AB	Center rear	273"	BLUEBIRD	151 "	73,785
12		66	MAXFORCE DT, INTERNATIONAL	225	2500PTS	AB	Right side	276"	IC CORP	141"	72,814
13		66	MAXFORCE 7, INTERNATIONAL	215	2500PTS	AB	Right side	276"	IC CORP	141"	71,095
14		66	MBE900 MERCEDES/FREIGHTLINER	210	2500PTS	AB	Right side	279"	THOMAS	148**	71,235
15		66	CUMMINS ISB-07, BLUEBIRD	240	3000PTS	AB	Center rear	273"	BLUEBIRD	151"	77,900
16		66	MAXFORCE DT, INTERNATIONAL	225	3000PTS	AB	Right side	276"	IC CORP	141"	74,603
17		66	MBE900 MERCEDES/FREIGHTLINER	230	3000PTS	AB	Right side	279"	THOMAS	148"	75,310
18		72	MAXFORCE DT, INTERNATIONAL	225	3000PTS	AB	Right side	276"	IC CORP	167"	76,418
19		72	MBE900 MERCEDES/FREIGHTLINER	230	3000PTS	AB	Right side	279"	THOMAS	148"	77,159

KEY: Engines			Transmissions and Brakes	Fuel Tank Loc	ation
MAXFORCE DT	466CID TURBO ELECTRONIC I-6, DIESEL	AUTO	Type A automatic	Center Rear	Behind the rear axle between the frame rails
MAXFORCE 7	390CID TURBO ELECTRONIC V-8, DIESEL	2500PTS	Allison 5 speed automatic	Right side	Attached to the right frame rail between the axles
MBE900	440CID TURBO ELECTRONIC I-6, DIESEL	3000PTS	Allison severe service automatic	Center	Between the frame rails, between the axles
CUMMINS ISB-07	410CID TURBO ELECTRONIC I-6, DIESEL	Н	Hydraulic Brakes		
6.5 GM	400CID TURBO ELECTRONIC V8, DIESEL	AB	Air brakes		





2009 PA - 1

TYPE D NON-CONVENTIONAL SCHOOL BUSES

NELSON COUNTY

BOARD OF EDUCATION

FORWARD CONTROL

Item #	No. To Be Purchased	Capacity	Engine & Manufacturer	НР	Trans	Brakes	Fuel Tank Location	Wheel base	Body Manufacturer	Rear axle overhang	FOB KY Price
20		66	CUMMINS ISB-07, BLUEBIRD	240	3000PTS	AB	Center rear	232"	BLUEBIRD	151"	77,770
21		66	MAXFORCE DT, INTERNATIONAL	225	3000PTS	AB	Right side	198"	IC CORP	138"	79,024
22		70	CUMMINS ISB-07, BLUEBIRD	240	3000PTS	AB	Center rear	232"	BLUEBIRD	158"	82,100
23		70	MAXFORCE DT, INTERNATIONAL	225	3000PTS	AB	Right side	234"	IC CORP	128"	80,450
24		74	CUMMINS ISB-07, BLUEBIRD	240	3000PTS	AB	Center rear	232"	BLUEBIRD	158"	85,770
25		74	MAXFORCE DT, INTERNATIONAL	225	3000PTS	AB	Right side	234**	IC CORP	137"	80,909
26		78	CUMMINS ISB-07, BLUEBIRD	240	3000PTS	AB	Center rear	232"	BLUEBIRD	158"	81,300
27	1	78	MAXFORCE DT, INTERNATIONAL	225	3000PTS	AB	Right side	234"	IC CORP	156"	81,471

REAR ENGINE

Item #	No To Be Purchased	Capacity	Engine & Manufacturer	HP	Trans	Brakes	Fuel Tank Location	Wheel base	Body Manufacturer	Rear axle overhang	FOB KY Price
28		72	CUMMINS ISB-07, BLUEBIRD	240	3000PTS	AB	Center	245"	BLUEBIRD	119**	91,545
29		72	MAXFORCE DT, INTERNATIONAL	230	3000PTS	AB	Center	249"	IC CORP	120	89,762
30		72	MBE900 MERCEDES, FREIGHTLINER	230	3000PTS	AB	Center	238"	THOMAS	115**	89,003
31		78	CUMMINS ISB-07, BLUEBIRD	240	3000PTS	AB	Center	273"	BLUEBIRD	119"	92,080
32		78	MAXFORCE DT, INTERNATIONAL	230	3000PTS	AB	Center	276"	IC CORP	120"	90,687
33		78	MBE900 MERCEDES, FREIGHTLINER	230	3000PTS	AB	Center	267"	THOMAS	115"	89,324
34		78	CUMMINS ISB-07, BLUEBIRD	260	3000PTS	AB	Center	273"	BLUEBIRD	119"	92,930
35		78	MAXFORCE DT, INTERNATIONAL	255	3000PTS	AB	Center	276"	IC CORP	120	90,844
36		78	MBE900 MERCEDES, FREIGHTLINER	250	3000PTS	AB	Center	267"	THOMAS	115	90,101
37		84	MBE900 MERCEDES, FREIGHTLINER	250	3000PTS	AB	Center	277"	THOMAS	115"	90,108





PA-2 KENTUCKY DEPARTMENT OF EDUCATION 2009 SCHOOL BUS PURCHASE AUTHORIZATION

(HANDICAPPED UNITS)

The Board of Education NELSON purchase school buses through the Kentucky St		, Kentucky, on JANUARY 20	, 20_09, in a legally called and constituted meeting, did vote to
			This action, as spread upon the minutes of the meeting of this Board of eschool buses through State Price Contract agreements established in
Signe		Chairman Secretary Superintendent	
Of	NELSON COUNTY Boa	rd of Education Date	20, 2009
	dy side number the Board of Education wa em 1 - Side number - 5, 6, 7, 8 903	nts painted on the body side of each	school bus. Match body side number to individual item numbers

ATTACH ADDITIONAL INFORMATION IF NECESSARY





NELSON COUNTY



Item #	No To Be Purchased	Shell Capacity	Engine & Manufacturer	HP	Trans	Brakes	Fuel Tank Location	Wheel base	Body Manufacturer	Rear axle	FOB KY
38	Turchasea	24	6 6 Chevrolet, Lift behind rear axle	155	AUTO	Н	Center rear	139"	MIDBUS	overhang 82"	Price 56,730
39		24	6 6 Chevrolet, Lift behind rear axle	155	AUTO	Н	Center rear	139"	BLUEBIRD	72"	58,005
40		24	6 6 Chevrolet, Lift behind rear axle	155	AUTO	Н	Center rear	139"	THOMAS	72"	55,506
41		34	CUMMINS ISB-07, BLUEBIRD	220	2500PTS	AB	Center rear	189"	BLUEBIRD	123"	
42		34									75,685
			MAXFORCE DT, INTERNATIONAL	210	2500PTS	AB	Right side	169"	IC CORP	95"	75,821
43		34	MAXFORCE 7, INTERNATIONAL	200	2500PTS	AB	Right side	169"	IC CORP	95"	74,391
44		34	MBE900 MERCEDES/FREIGHTLINER	210	2500PTS	AB	Center rear	179"	THOMAS	108"	73,876
45		34	MAXFORCE 7, INTER, FLAT FLOOR	200	2500PTS	AB	Right side	169"	IC CORP	95"	77,831
46		34	MBE900, FREIGHT, FLAT FLOOR	210	2500PTS	AB	Center rear	179"	THOMAS	108"	76,234
47		52	CUMMINS ISB-07, BLUEBIRD	220	2500PTS	AB	Center rear	217"	BLUEBIRD	130"	75,605
48	1	52	MAXFORCE DT, INTERNATIONAL	210	2500PTS	AB	Right side	217"	IC CORP	128"	75,611
49		52	MAXFORCE 7, INTERNATIONAL	200	2500PTS	AB	Right side	217"	IC CORP	128"	74,236
50		52	MBE900 MERCEDES/FREIGHTLINER	210	2500PTS	AB	Right side	219"	THOMAS	128"	77,926
51		66	CUMMINS ISB-07, BLUEBIRD	220	2500PTS	AB	Center rear	273"	BLUEBIRD	151"	81,745
52		66	MAXFORCE DT, INTERNATIONAL	225	2500PTS	AB	Right side	276"	IC CORP	150"	80,442
53		66	MAXFORCE 7, INTERNATIONAL	215	2500PTS	AB	Right side	276"	IC CORP	150"	78,801
54		66	MBE900 MERCEDES/FREIGHTLINER	210	2500PTS	AB	Right side	279"	THOMAS	148"	79,708
55		66	CUMMINS ISB-07, BLUEBIRD	240	3000PTS	AB	Center rear	273"	BLUEBIRD	151"	86,385
56		66	MAXFORCE DT, INTERNATIONAL	225	3000PTS	AB	Right side	276"	IC CORP	150"	82,973
57		66	MBE900 MERCEDES/FREIGHTLINER	230	3000PTS	AB	Right side	279"	THOMAS	148"	83,679

KEY: Engines:

MAXFORCE DT MAXFORCE 7 MBE900 CUMMINS ISB 6 5 GM

466CID TURBO ELECTRONIC I-6, DIESEL 390CID TURBO ELECTRONIC V-8, DIESEL 440CID TURBO ELECTRONIC I-6, DIE 410CID TURBO ELECTRONIC I-6, DIESEL 400CID TURBO ELECTRONIC V8, DIESEL

Transmission and Brakes:

AUTO Type A automatic 2500PTS Allison 5 speed automatic 3000PTS H Allison severe service automatic Center ABHydraulic Brakes Air Brakes

Fuel Tank Location:

Center Rear

Right Side

Behind the rear axle between the frame rails Attached to right frame rail between the axles Between the frame rails, between the axles