

**RESOLUTION AUTHORIZING THE ESTABLISHMENT OF THE
MIDDLETON-CROSS PLAINS AREA SCHOOL DISTRICT
POST-EMPLOYMENT BENEFITS TRUST**

WHEREAS, the Middleton-Cross Plains School District (the "District") provides for the welfare of its eligible employees, former employees and their dependents by maintaining one or more post-employment welfare benefits plans including, without limitation, plans to provide health care benefits (collectively, the "Plans");

WHEREAS, such post-employment benefits provided by the District represent compensation resulting from contractual agreements between the District and its eligible employees and former employees for services rendered to the District;

WHEREAS, the District's obligation to provide such post-employment benefits and its liability with respect to the cost of funding such benefits accrues and has accrued during the period of employment of such eligible employees and former employees;

WHEREAS, in guidance it has provided, the Wisconsin Department of Public Instruction (the "Department") has acknowledged that it is fiscally appropriate to have the cost of funding such post-employment benefits recognized and provided for as such benefits accrue;

WHEREAS, it is necessary and desirable that the District create a segregated, irrevocable trust fund (the "Trust") pursuant to a trust agreement (the "Trust Agreement") and Wisconsin law in order to establish a trust which will have assets to fund all or a portion of the District's accrued liability with respect to the cost of funding such post-employment benefits;

WHEREAS, the Wisconsin Uniform Financial Accounting Requirements ("WUFAR") for school districts provide for a separate accounting fund, the "Employee Benefit Trust Fund (Fund 73)" for reporting resources set aside and held in trust to pay such post-employment benefits;

WHEREAS, the District intends for the Trust to qualify as a Fund 73 employee benefits trust fund within the meaning of WUFAR and in compliance with applicable requirements promulgated by the Department;

WHEREAS, the Trust shall be separate and independent from any other segregated account of the District which may hold or be used to account for assets used to pay post-employment benefits or fund accrued liability associated with such benefits and under no circumstances shall any assets in any such other account be commingled with assets of the Trust;

NOW, THEREFORE, BE IT RESOLVED by the School Board of the District that:

1. Approval of Creation of Trust and Trust Agreement. The creation of a trust to be named the "Middleton-Cross Plains Area School District Post-Employment Benefit Trust" (the "Trust") is hereby approved. The Trust shall be created by the Trust Agreement in substantially the form of Exhibit A attached hereto and incorporated herein by reference. The Trust Agreement is hereby approved. The President and District Clerk are hereby authorized and directed to execute the Trust Agreement on behalf of the District.

2. Appointment of Trustee; Notice of Fiduciary Responsibility. Thomas Wohlleber shall serve as the initial trustee (the "Trustee") under the Trust Agreement. The Trustee is hereby notified of his fiduciary responsibility concerning transactions of the Trust.

3. Provisions of Plans to Govern. The terms of the Plans shall govern the ultimate payment and disbursement of the funds accumulated in the Trust. Payments shall be made from the Trust only to provide benefits provided in the Plans in accordance with the terms of the Plans. Funds held in the Trust may not be used for any purpose other than to (a) pay operating and administrative expenses of the Trust, (b) make investments permitted under applicable Wisconsin law, (c) pay benefits in accordance with the terms of the Plans and (d) make a distribution to a trust or entity whose income is exempt from federal income taxation under section 115 of the Internal Revenue Code of 1986, as amended, as specified by the District upon the termination of the Trust as provided in Section 8(c) of the Trust Agreement. No assets of the Trust may revert to the District.

4. Opinion of Counsel. As required by the Department, the District shall obtain from legal counsel to the District an opinion in substantially the form attached hereto as Exhibit B (the "Opinion").

5. Required Documentation to be Provided to the Department. As required by the Department, the District Clerk is hereby authorized and directed to provide or cause to be provided to the Department executed copies of the following documents as soon as the same are available:

- (a) the Valuation Report;
- (b) this Resolution;
- (c) the minutes (or excerpts of minutes) from the meeting at which this Resolution is adopted;
- (d) the Trust Agreement,

- (e) the Opinion; and
- (f) such other documents and instruments as the Department may request.

6. Required Notice to Eligible Employees and Former Employees. As required by the Department, the District Clerk is hereby directed to provide, or cause to be provided, a notice to District employees and former employees that are eligible to receive benefits to be paid indirectly through the Trust that such employees and former employees may obtain a copy of the Trust Agreement upon request.


7. Filing and Reporting Requirements. The District has determined and hereby declares that the Trust has met applicable filing and reporting requirements, if any, required by the Internal Revenue Service or other regulatory agencies in connection with the establishment of the Trust, and covenants that the Trust will meet any applicable filing and reporting requirements which may be required to keep it in good standing going forward.

8. Consultation Regarding Qualified Economic Offer Calculations. The District hereby authorizes and directs appropriate District officers, employees and agents to consult with the Wisconsin Employment Relations Commission with respect to issues, if any, concerning the effect of providing, funding and costing post-employment benefits on qualified economic offer calculations.

9. Further Authorizations. The officers, employees and agents of the District are hereby authorized and directed to do any and all things reasonably necessary to accomplish the purposes of this Resolution.

10. Conflicting Actions Rescinded; Severability; Effective Date. All prior resolutions, rules or other actions of the District or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted and recorded this 14th day of MAY, 2007.



President

ATTEST:


District Clerk

EXHIBIT A

TRUST AGREEMENT

Attached

Middleton-Cross Plains Area School District

Post-Employment Benefit Trust Agreement

THIS TRUST AGREEMENT, dated as of MAY 14, 2007, is between the MIDDLETON-CROSS PLAINS AREA SCHOOL DISTRICT (the "District") and Thomas Wohlleber, as trustee (the "Trustee").

RECITALS

The District and the Trustee acknowledge the following:

A. The District maintains one or more post-retirement welfare benefit plans, and may in the future establish new or additional post-retirement welfare benefit plans (collectively the "Plan"), which provide health and other benefits to its eligible retired employees and their dependents.

B. The District wishes to establish this Trust to fund benefits under the Plan.

C. The District desires Trustee to serve as Trustee of the Trust, and Trustee is willing to do so pursuant to the terms of this Agreement.

AGREEMENTS

In consideration of the Recitals and the mutual agreements which follow, the District and the Trustee agree as follows:

1. Definitions; Construction.

(a) Definitions. The following words and phrases shall have the meanings stated below, unless otherwise expressly provided:

(i) "Administrator" means the District or a third party designated by the District to fulfill some or all of the responsibilities and obligations of the District under this Agreement.

(ii) "Code" means the Internal Revenue Code of 1986, as amended, and any successor thereto.

(iii) "Dependent" means an individual who is designated as a dependent under the terms of the Plan and is eligible for benefits under the Plan.

(iv) "Investment Manager" means a third party appointed by the District to give investment directions with respect to some or all of the Trust assets.

(v) "Participant" means an employee or former employee of the District who is or may become eligible for benefits as provided under the Plan.

(vi) "Trust" means the trust established by this Agreement.

(b) Construction.

(i) Governing Law. This Agreement and the Trust shall be governed by and construed in accordance with the laws of the State of Wisconsin.

(ii) Gender and Number. Words used in the masculine gender shall include the feminine gender, and words used in the singular shall include the plural where appropriate.

(iii) Severability. If any part of this Agreement shall be determined to be illegal or unenforceable for any reason, such determination shall not affect the remaining provisions of the Agreement. The remaining provisions shall be interpreted to effectuate the purpose of this Agreement and of the Trust.

(iv) Headings. The Headings and subheadings of this Agreement have been inserted for convenience of reference and are to be ignored in any construction of this Agreement.

2. Establishment and Acceptance of Trust.

(a) Establishment; Name; Purpose. The Trust is established as of the date of this Agreement. The name of the Trust shall be the " Middleton-Cross Plains Area School District Post-Employment Benefit Trust". The purpose of the Trust is to provide a source of funds for the payment of the District's obligations under the Plan for the benefit of Participants and their Dependents.

(b) Acceptance of Trust. The Trustee accepts the Trust created by this Agreement and agrees to perform its duties, responsibilities and obligations under this Agreement. All contributions or other payments made by the District or any other person or entity to the Trust, together with the earnings thereon, shall be held, managed and administered in trust pursuant to the terms of this Agreement.

(c) Irrevocable. The Trust established by this Agreement is irrevocable and no assets of the Trust may be turned over to the District except (i)

to reimburse the District for the payment of benefit under the Plan, (ii) to reimburse the District for costs and expenses of administering the Trust and (iii) upon the termination of the Trust as provided in section 8(c) below.

3. Contributions.

(a) District Contributions. The District shall contribute funds to the Trust at such times and in such amounts as determined by the District in its sole discretion. The Trustee shall not be responsible for the calculation or collection of contributions by the District. The Trustee shall be responsible only for the property received pursuant to this Agreement.

(b) Other Contributions. Unless otherwise directed by the District, the Trustee shall accept any contribution of cash or investment securities made by a third party to the Trust.

(c) Trust Assets. Contributions and investment earnings shall be invested and reinvested by the Trustee pursuant to section 4 below. The Trust assets shall be held solely for the purpose of providing funds for the payment of the District's obligations under the Plan. The Trustee shall hold, invest, reinvest and administer all amounts in the Account without distinction between principal and income. The Trustee shall hold title to the Trust assets in the Trustee's name or as otherwise directed by the District.

(c) Anti-Assignment. No assets maintained under this Trust shall be subject to transfer, assignment or alienation, whether voluntary or involuntary, in favor of any creditor, transferee or assignee of the District, the Trustee, or any Participant or Dependent.

4. Investments.

(a) Appointment of Investment Manager. The District may appoint an Investment Manager to supervise and direct the investment and reinvestment of a portion of or all of the Trust assets in accordance with the provisions of this Agreement. The District shall notify the Trustee in writing of any such appointment.

(b) Trustee Actions. The Trustee shall not have any discretion or authority with respect to the investment of the Trust assets and shall act solely as a directed Trustee of the assets to which it holds title. The Trustee has the following powers, rights and duties which shall be exercised in a nondiscretionary manner:

(i) To follow the directions of the District or the Investment Manager as to the investment of Trust assets.

(ii) To register stocks, bonds, securities or other investments in its name as Trustee or in the name of a nominee, or to take and keep such investments unregistered; to exercise any voting rights, conversion privileges and subscription rights; to make, execute, acknowledge and deliver transfer documents; and, in general, to exercise any of the powers of an owner with respect to investment securities or other property held as part of the Trust assets.

(iii) To endorse, in its own name or in the name of the Trust, any negotiable instruments payable to the Trust or to the Trustee.

(iv) At the direction of the District or the Investment Manager, to sell, write options on, convey or transfer, invest and reinvest contributions and earnings in each and every kind of property, whether real, personal or mixed, tangible or intangible, whether income or non-income producing and wherever situated.

(v) To employ such agents and legal counsel as it deems advisable in connection with its duties and to pay such agents and legal counsel a reasonable fee. Provided the Trustee has used reasonable care in selecting its agents and legal counsel, the Trustee shall not be liable for the acts done in good faith and in reliance upon the advice of such agents and legal counsel.

(c) Title to Assets. Notwithstanding anything within this Agreement to the contrary, the Trustee shall hold Trust assets as titleholder only.

5. Disbursement of Trust Assets.

(a) Benefits. The assets of the Trust shall, at the direction of the District or the Administrator, if any, be disbursed to provide the benefits described in the Plan including, without limitation, reimbursing the District for the payment of benefits under the Plan and reimbursing the Participants or Dependents for benefits under the Plan initially paid for by such Participant or Dependent. Such disbursement direction shall be in writing and shall specify the amount to be disbursed and the recipient thereof. The Trustee shall cause the directed disbursement to be made promptly after receipt of such disbursement direction.

(b) Expenses. The District, Trustee and Administrator may be reimbursed for expenses reasonably incurred by them in the administration of the Trust. All such expense, including reasonable fees of accountants and legal counsel, shall constitute a charge against and shall be paid from the Trust assets upon the direction of the District. All taxes of any kind levied or assessed upon the assets or income of the Trust shall be paid by the Trustee from the assets of the Trust.

6. Administration of the Trust.

(a) General. The administration of the Trust, including the filing of all reports and tax returns, if any, shall be the responsibility of the Administrator. The Trustee shall follow the directions of the Administrator and provide such information and assistance as may reasonably be requested by the Administrator.

(b) Valuation of Assets. The District or, if so designated by the District, the Administrator and the Investment Manager, will be responsible for valuing all Trust assets.

(c) Recordkeeping. The Trustee is not required to maintain accounts of the investments, receipts, disbursements and other transactions of the Trust, except as necessary to perform its title-holding function under this Agreement. All such records shall be maintained by the Administrator.

7. Trustee Liability; Indemnification.

(a) Liability of Trustee. The Trustee shall not incur any liability for any act or failure to act unless such act or failure to act is due to its own negligence, willful misconduct or lack of good faith. The Trustee may rely upon any direction from the District, the Administrator, the Investment Manager or any agent of any of the foregoing. The Trustee may refuse to comply with any direction from the District, the Administrator, the Investment Manager or such other agents if the Trustee deems such direction illegal.

(b) Indemnification of Trustee. The District indemnifies and holds the Trustee harmless from any and all actions, claims, demands, liabilities, losses or damages in connection with or arising out of: (i) Any action taken or omission of the Trustee in accordance with the directions of the District, the Administrator, the Investment Manager or their agents; and (b) any disbursement of any part of the Trust directed by the District. However, the District shall have no responsibility to indemnify the Trustee if the Trustee negligently, intentionally or recklessly fails to perform any of its duties required by the provisions of this Agreement.

(c) Indemnification of District. The Trustee shall indemnify and hold harmless the District from any and all actions, claims, demands, liabilities, losses, damages and reasonable expenses of whatsoever kind and nature in connection with or arising out of: (a) the Trustee's failure to follow the directions of the District, the Administrator, the Investment Manager or such parties' agents; (b) any disbursements made without the direction of the District; and (c) the Trustee's negligence, willful misconduct or recklessness with respect to the Trustee's duties under this Agreement.

8. Amendment and Termination.

(a) Amendment. The District may amend this Agreement at any time for any reason, without the consent of the Trustee, by an instrument in writing approved by the governing body of the District, executed by the duly authorized officers of the District and furnished to the Trustee. No amendment affecting the rights, duties or responsibilities of the Trustee shall be adopted unless the Trustee executes the amendment.

(b) Termination. This Trust Agreement and the Trust created hereby shall terminate at such time as all liabilities of the District under the Plan have been satisfied. From the date of termination of the Trust until the final disbursement of Trust assets the Trustee shall continue to have the powers and duties provided for in this Agreement which are necessary for the orderly liquidation and distribution of Trust property.

(c) Reversion on Termination. Upon termination of this Agreement, all Trust assets shall be paid to a trust or entity whose income is exempt from federal income taxation under section 115 of the Code, as specified by the District.

9. Successor Trustee.

(a) Dismissal. The District may dismiss the Trustee at any time by giving a 30-day written notice to the Trustee.

(b) Resignation. The Trustee may resign at any time by giving a 30-day written notice to the District.

(c) Successor Trustee. In the event of the removal or resignation of the Trustee, the District shall appoint a successor Trustee that shall succeed to all rights, duties and responsibilities of the former Trustee under this Agreement. The terminated Trustee shall be discharged of all duties under this Agreement and responsibilities for the Trust as of the date that the successor Trustee undertakes its duties with respect to the Plan and the Trust.

10. Miscellaneous.

(a) Bonding. The Trustee shall not be required to provide any bond in the exercise of its powers under this Agreement.

(b) Audit. The District shall, at all reasonable times during the term of this Agreement and for three years after the termination of this Agreement, have the right to examine, audit, inspect, review, extract information from and copy all books, records, accounts and other documents of the Trustee relating to this Agreement and the Trustee's performance of its duties.

(c) Limitation. This Agreement does not give any Participant, Dependent or any other person any legal right against the Trustee, the Administrator or the District, except as expressly provided in this Agreement.

Dated this 14th day of MAY, 2007.

MIDDLETON CROSS-PLAINS
AREA SCHOOL DISTRICT

BY Ellen Lindgren
Ellen Lindgren
Its President

Attest: Dianne Hesselbein
Dianne Hesselbein
Its Clerk

TRUSTEE:
Thomas Wohlleber
Thomas Wohlleber

EXHIBIT B

FORM OF OPINION OF COUNSEL

[Letterhead of Counsel to the District]

[Date]

Middleton Cross-Plains Area School District

Trust Agreement dated _____, 2007 between the
Middleton Cross-Plains Area School District, as Grantor, and
Thomas Wohlleber, as Trustee

Ladies and Gentlemen:

We have acted as counsel to the Middleton Cross-Plains Area School District, Wisconsin (the "District") in connection with the execution and delivery of the Trust Agreement referred to above (the "Trust Agreement") and the creation of the Middleton-Cross Plains Area School District Post-Employment Benefit Trust (the "Trust"). This opinion is being provided to fulfill the requirements of section 4 of the resolution adopted by the School Board of the District (the "School Board") on _____, 20__ (the "Resolution") which authorized the creation of the Trust and the execution and delivery of the Trust Agreement.

We have reviewed an executed counterpart of the Trust Agreement, a certified copy of the Resolution and such other documents and instruments as we have deemed necessary or appropriate to enable us to render this opinion. We have, with your permission, relied upon the certificate of _____, the _____ of the District, as to certain factual matters and have assumed, without investigation, verification or inquiry, that:

(a) The Trustee has the necessary right, power and authority to execute and deliver the Trust Agreement and perform its obligations thereunder; the Trust Agreement has been duly executed, delivered and accepted by the Trustee; and the Trust Agreement constitutes the legal, valid and binding obligation of the Trustee.

(b) All signatures on behalf of the Trustee are genuine; the copies of all documents submitted to us are accurate and complete; and each such document that is original is authentic and each such document that is a copy conforms to an authentic original.

Based on the foregoing, and subject to the assumptions, qualifications and limitations set forth herein, we are of the opinion that under existing law and as of the date hereof:

1. The District is a duly organized political subdivision of the State of Wisconsin validly existing under the Constitution and statutes of the State of Wisconsin.

2. The Resolution was duly adopted by the School Board at a properly convened meeting which was noticed and held in compliance with the applicable provisions of Section 19.81, et. seq., of the Wisconsin Statutes.

3. The establishment of the Trust pursuant to the Trust Agreement is within the authority of the School Board.

4. The Trust, as so established, complies with all statutes of the State of Wisconsin and all applicable federal laws and regulations.

5. The District has all necessary power and authority to execute and deliver the Trust Agreement, and the other documents and instruments to be executed and delivered by it in connection with the transactions contemplated by the Trust Agreement, and to perform its obligations thereunder.

6. The Trust Agreement is a valid and binding obligation of the District, enforceable in accordance with its terms, except to the extent that the enforceability may be limited by (a) bankruptcy, receivership, reorganization, moratorium, insolvency, fraudulent conveyance or transfer or other laws or judicially developed doctrines relating to or affecting creditors' rights and remedies generally and (b) general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law, and limitations on the availability of specific performance, injunctive relief and other equitable remedies.

7. To our knowledge, there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body pending or threatened against the School Board or the District that (a) affects or questions (i) the valid existence of the District, (ii) the right of the officers of the District or the members of the School Board to their respective positions, (iii) the adoption of the Resolution by the School Board or (iv) the authorization, execution, delivery or enforceability of the Trust Agreement, or (b) would have a material adverse impact on the ability of the District to perform its obligations under the Trust Agreement.

8. To our knowledge, the Resolution has not been repealed, rescinded, or revoked.

Very truly yours,