

I recommend approving the enclosed resolution, authorizes the superintendent to enter into a lease purchase agreement. The district will be leasing network infrastructure equipment and two busses as described below.

- The building network project is \$196,720, of which \$154,174 will be leased over three years.
- The replacement cost for two busses is \$217,380, which will be leased over five years.
- The lease payments are planned in the FY 11 technology and transportation budgets. A \$1,446 contingency is also included.

Bus & Technology Lease Summary of Estimated Costs

Estimated Bus Costs for Lease

Bus #1	102,635
Bus #2	112,847
Bus Radios	1,898
Total Bus Costs	\$217,380

Technology Costs for Lease

Base Bid	173,068
Management Software and Server	8,952
Cabling for security system	14,700
	196,720
Hardware portion of above Servers	135,811
	18,363
Total Technology to Lease	\$154,174

Estimated Lease Terms Based on Quote Received

Total Bus & Technology Amounts	371,554	
Contingency	1,446	
Total Amount of Lease	\$373,000	
Estimated Down Payment	(99,579)	August 2010 Payment
Total Amount Financed	273,421	
	(99,579)	August 2011 Payment
	(99,579)	August 2012 Payment
	(45,418)	August 2013 Payment
	(45,418)	August 2014 Payment
Total Interest Costs	(\$16,573)	
Lease Interest Rate	2.79%	

Financing quotes were received from five potential lenders. Amounts quoted above were received from American Capital, which quoted the lowest rates and provided quality references.

Joe Prom, Director of Business Services, recommends entering into a lease-purchase agreement with American Capital pending review of contract language.

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A
GOVERNMENTAL LEASE-PURCHASE MASTER AGREEMENT AND
SUPPLEMENTS THERETO AND RELATED DOCUMENTS AND CERTIFICATES

BE IT RESOLVED by the School Board of Independent School District No. 726, Becker, State of Minnesota, as follows:

1.) The Governmental Lease-Purchase Master Agreement (the "Agreement" or the "Master Lease") and the Supplement or Supplements thereto and the Escrow Agreement, if any, are hereby approved substantially in the form presented to this board and on file in the office of the Clerk.

2.) The Superintendent of the District is hereby authorized to execute the Agreement and any Supplement or Supplements thereto on behalf of the District, and to execute such other certificates and documents as may be necessary and appropriate to effectuate the transactions contemplated by the Agreement and said Supplement or Supplements. The Agreement, the Supplement or Supplements and the related documents may contain such necessary and appropriate variations, omissions and insertions as the Superintendent shall determine to be necessary, and the execution thereof by the Superintendent shall be conclusive evidence of such determination and its approval by the Board.

3.) Lessee reasonably anticipates that it will not issue tax-exempt obligations (not including "private activity bonds" as defined in Section 141 of the Internal Revenue Code of 1986, as amended) in an aggregate amount in excess of \$30 million during the calendar year in which the Lease commences. The lease is designated as a qualified tax-exempt obligation for purposes of Section 265(b)(c) of the Internal Revenue Code of 1986, as amended, relating to deductibility of interest by financial institutions.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____ and upon roll call vote the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed adopted.

STATE OF MINNESOTA)
)SS
COUNTY OF SHERBURNE)

I, the undersigned, being the fully qualified and acting Clerk of Independent School District No. 726, Becker, State of Minnesota do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a meeting of the School District held on the 26th day of July 2010, with the original thereof on file in my office, and the same is a full, true and complete transcript insofar as the same relates to the adoption of a resolution approving and authorizing the execution of a governmental lease-purchase master agreement and supplements thereto and related documents and certificates.

WITNESS MY HAND officially as such Clerk this 26th day of July, 2010.

Clerk