

Joe Prom and I recommend approving the RESOLUTION AUTHORIZING ISSUANCE AND SALE OF \$23,000,000 GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2013A

It is expected on Thursday, January 31, 2013 Northland Securities Inc. will bring the bond issue to market for a negotiated sale. This resolution authorizes the Board Chair and Superintendent or the Business Manager to sign the bond purchase agreement to complete the negotiated transaction. On Monday, February 4, 2013, (assuming reasonable bid rates) the School Board will be asked to pass a resolution ratifying the awarding of the sale of the bond issue.

Member _____ introduced the following resolution and moved its adoption, which motion was seconded by Member _____:

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF \$23,000,000 GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2013A

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

SECTION 1. AUTHORIZATION. This Board hereby authorizes the issuance and sale of its General Obligation School Building Bonds, Series 2013A (the Bonds) in an amount not to exceed \$23,000,000. The proceeds of the Bonds will be used to finance the acquisition and betterment of school facilities, including, including the completion of various deferred maintenance projects at the high school, middle school, intermediate school and primary school facilities; and, at the high school site and facility, the construction and equipping of auditorium and pool additions, the renovation and remodeling of the existing pool and theater areas for other school uses, the construction of sidewalk and parking lot improvements, and the construction of lobby and cafeteria improvements as approved by the electors at a special election held on November 6, 2012.

SECTION 2. APPROVAL OF SALE OF THE BONDS. The Board desires to proceed with the sale of Bonds by direct negotiation to Northland Securities, Inc. (NSI) and it does hereby retain PMA Securities, Inc. to act as an independent financial advisor to provide bond pricing opinion services for the issuance of the Bonds for the purpose set forth in Minnesota Statutes, Section 475.60, Subdivision 2(9). NSI will purchase the Bonds in an arm's-length commercial transaction with the District. The Board Chair and the Superintendent or Director of Business Services are hereby authorized to approve the sale of the Bonds in an aggregate principal amount of not to exceed \$23,000,000 and to execute a bond purchase agreement for the purchase of the Bonds with NSI, provided that the true interest cost does not exceed 3.75% per annum.

SECTION 3. ADOPTION OF APPROVING RESOLUTIONS. Upon approval of the sale of the Bonds by the Board Chair and the Superintendent or Director of Business Services, the School Board will take action at its next regularly scheduled meeting thereafter to adopt the necessary approving resolutions as prepared by the District's bond counsel.

SECTION 4. STATE CREDIT ENHANCEMENT PROGRAM. (a) The District hereby covenants and obligates itself to notify the Commissioner of Education of a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the Bonds when due. The District further covenants to deposit with the Registrar or any successor paying agent three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner of Education that it will be unable to make all or a portion of that payment. The Registrar for the Bonds is authorized and directed to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal

or interest on the Bonds or if, on the day two (2) business days prior to the date a payment is due on the Bonds, there are insufficient funds to make that payment on deposit with the Registrar. The District understands that as a result of its covenant to be bound by the provision of Minnesota Statutes, Section 126C.55, the provisions of that section shall be binding as long as any Bonds of this issue remain outstanding.

(b) The District further covenants to comply with all procedures now and hereafter established by the Departments of Management and Budget and Education of the State of Minnesota pursuant to Minnesota Statutes, Section 126C.55, subdivision 2(c) and otherwise to take such actions as necessary to comply with that section. The Chair, Vice Chair, Deputy Clerk, Superintendent or Executive Director of Finance and Operations is authorized to execute any applicable Minnesota Department of Education forms.

SECTION 5. OFFICIAL STATEMENT. NSI is authorized to prepare and distribute an Official Statement related to the sale of the Bonds.

SECTION 6. EXPIRATION OF AUTHORITY. If the Board Chair and the Superintendent or Director of Business Services have not approved the sale of the Bonds to NSI and executed the related bond purchase agreement by June 30, 2013, this resolution shall expire.

Upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted.