

Joe Prom and I recommend approving the RESOLUTION PROVIDING FOR SALE OF GENERAL OBLIGATION SCHOOL BUILDING BONDS; COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND BY AND TO USE THE PROVISIONS OF MINNESOTA STATUTES, SECTION 126C.55 TO GUARANTEE THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS

Northland Securities Inc. brought our bonds for sale on January 31. We did not sell the bonds because the rates were not favorable.

This resolution is similar to the one the school board approved in January. However, this resolution authorizes the sale of \$23,000,000 in aggregate, thus providing the ability to sell smaller bond amounts totaling the aggregate. Northland Securities will continue to market the bond in aggregate and in smaller amounts to achieve a desirable interest cost.

As with the previous resolution, this authorizes the Board Chair and Superintendent or the Business Manager to sign the bond purchase agreement to complete the negotiated transaction to be ratified by the school board at the next regular meeting.

**CERTIFICATION OF MINUTES RELATING TO
\$23,000,000 GENERAL OBLIGATION SCHOOL BUILDING BONDS**

Issuer: Independent School District No. 726 (Becker), Minnesota

Governing Body: School Board

Kind, date, time and place of meeting: A regular meeting held on February 4, 2013 at 7:00 p.m. at the School District offices in Becker, Minnesota.

Members present:

Members absent:

Documents Attached:

Minutes of said meeting (pages):

RESOLUTION PROVIDING FOR SALE OF GENERAL OBLIGATION SCHOOL BUILDING BONDS; COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND BY AND TO USE THE PROVISIONS OF MINNESOTA STATUTES, SECTION 126C.55 TO GUARANTEE THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer on this ____ day of February, 2013.

School District Deputy Clerk

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

RESOLUTION PROVIDING FOR SALE OF GENERAL OBLIGATION SCHOOL BUILDING BONDS; COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND BY AND TO USE THE PROVISIONS OF MINNESOTA STATUTES, SECTION 126C.55 TO GUARANTEE THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS

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 (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 sites and 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 Chair and the Superintendent or Director of Business Services are authorized to approve the sale of Bonds in an aggregate principal amount of not to exceed \$23,000,000 and to execute a bond purchase agreement or agreements for the purchase of the Bonds, provided that the True Interest Cost is less than 3.75% for any bonds approved to be issued as tax-exempt bonds and is less than 3.50% for any bonds approved to be issued as taxable bonds. The Board hereby retains PMA to act as an independent financial advisor to provide bond pricing opinion services for the issuance of either that tax-exempt or the taxable bonds, or both. NSI will purchase the Bonds in an arm's-length commercial transaction with the District.

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 December 31, 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.