

**EXTRACT OF MINUTES OF A MEETING
OF THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 877
(BUFFALO-HANOVER-MONTROSE)
STATE OF MINNESOTA**

HELD: JANUARY 23, 2012

Pursuant to due call and notice thereof, a regular meeting of the School Board of Independent School District No. 877, State of Minnesota, was duly held on January 23, 2012 at 7:00 p.m.

MEMBERS PRESENT:

MEMBERS ABSENT:

Member _____ introduced the following resolution and moved its adoption:

**RESOLUTION PROVIDING FOR THE APPROVAL OF THE SALE OF GENERAL
OBLIGATION SCHOOL BUILDING REFUNDING BONDS, SERIES 2012A;
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 THESE
BONDS**

BE IT RESOLVED by the School Board of Independent School District No. 877, State of Minnesota, as follows:

1. Bond Authorization. The Board hereby finds and declares that it is necessary and expedient to sell and issue approximately \$34,905,000 principal amount of general obligation refunding bonds of Independent School District No. 877 (the "District"). Said Bonds shall hereinafter be referred to as the "Bonds" or the "Refunding Bonds". The Refunding Bonds, together with other available funds of the District, shall provide funds to refund in advance of their stated maturities, through an advance refunding: the 2014-2024 of the \$42,400,000 General Obligation School Building Bonds, Series 2003B, dated November 1, 2003; and the 2014-2018 maturities of the \$9,100,000 General Obligation Alternative Facilities Bonds, Series 2005A, dated December 1, 2005. The Refunded Bonds have not previously been refunded.

2. Sale. The Board, having been advised by Ehlers & Associates, Inc., its independent financial advisor, hereby determines that this issue shall be privately sold after receipt of written proposals, as authorized pursuant to Minnesota Statutes, Section 475.60, Subdivision 2(9).

3. The Chair and Superintendent are authorized and directed to receive all proposals presented in conformity with the Terms of Proposal contained in the Official Statement, the terms of which are ratified and confirmed in all respects, and to approve on behalf of the District, the sale of the Refunding Bonds to the party submitting the most favorable proposal (the "Purchaser"), provided that the total net present value savings included in the most favorable proposal is at least \$_____, the present value benefit as a percentage of the present value of the refunded debt service is at least _____% and a favorable recommendation to accept the proposal is received from Ehlers & Associates, Inc. In the Terms of Proposal, the District may reserve the right, after proposals are open and prior to award, to increase or decrease the specified principal amount of the Refunding Bonds offered for sale, with the increase or decrease to occur in multiples of \$5,000 in any of the maturities. The Chair and Superintendent are authorized and directed to endorse an acceptance on both copies of the most favorable proposal and to send one copy to the Purchaser.

4. Upon approval of the sale of the Bonds by the Chair and the Superintendent, the Board will meet at its next regularly scheduled meeting to adopt the necessary approving resolution as drafted by the District's Bond Counsel.

5. Minnesota School District 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 Bond 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 Bond 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 Bond 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, clerk, superintendent or business manager is authorized to execute any applicable Minnesota Department of Education forms.

The motion for adoption of the foregoing resolution was duly seconded by Member _____,

and 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.

STATE OF MINNESOTA)
) **ss.**
COUNTIES OF WRIGHT)
AND HENNEPIN)

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the obligations referred to in the title of this resolution, 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 obligations; 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 this ____ day of _____, 2012.

School District Clerk