

EXTRACT OF MINUTES OF A MEETING  
OF THE SCHOOL BOARD OF  
SCHOOL DISTRICT NO. \_\_\_\_  
(\_\_\_\_ PUBLIC SCHOOLS)  
STATE OF MINNESOTA

Pursuant to due call and notice thereof, a \_\_\_\_\_ meeting of the school board of **School District No. \_\_\_\_**, State of Minnesota, was duly held on \_\_\_\_\_, 2011, at \_\_\_\_ o'clock p.m.

Inspector \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION AUTHORIZING THE DISTRICT TO ENTER  
INTO A LINE OF CREDIT AGREEMENT  
WITH A FINANCIAL INSTITUTION**

WHEREAS, upon review of financial projections, the Board has determined that **School District No. \_\_\_\_** (the "District") may face cash flow problems in **2010-2011**;

WHEREAS, District staff has entered into negotiations and has reached a tentative agreement, subject to Board approval and Bank acceptance, with \_\_\_\_\_, \_\_\_\_\_, Minnesota (the "Bank"); and

WHEREAS, the Board desires to enter into such an agreement with the Bank, as authorized by Minnesota Statutes, Section 123B.12(b), as amended;

NOW THEREFORE, BE IT RESOLVED by the School Board of **School District No. \_\_\_\_**, State of Minnesota, as follows:

1. Upon the effective date of this resolution, the District hereby agrees to establish a revolving line of credit (the "Line") with the Bank whereby the Bank will advance funds to the District to resolve cash flow problems.

2. The amount advanced at any time under the Line will not exceed the lesser of (a) \$\_\_\_\_\_ or (b) ninety-five percent (95%) of the District's average expenditure per month of operating expenditures in the previous fiscal year (\$\_\_\_\_\_ per month for fiscal year 2010).

3. Each advance under the Line will be repaid no later than forty-five (45) days after the day of advancement, but in no event later than June 30, 2011, with taxable interest on the outstanding principal amount at an interest rate of \_\_\_\_%.

4. The **Director of Finance** or her designated agent is directed to prepare or execute such documents as may be necessary to comply with the above paragraphs or any other requirements for this Agreement.

5. The amounts advanced under the Line are not designated as "Qualified Tax-Exempt Obligations" for the purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

6. This resolution shall be effective upon receipt by the **Director of Finance** on behalf of the Board of written acceptance of its terms by an authorized official of the Bank, and thereafter shall constitute the terms of the Line of Credit Agreement.

The motion for the adoption of the foregoing resolution was duly seconded by Inspector \_\_\_\_\_, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

### ACCEPTANCE STATEMENT

The Bank has received and agrees to be bound by the terms and conditions of the resolution of the School Board of **School District No. \_\_\_\_** authorizing the District to enter into a Line of Credit Agreement with a financial institution pursuant to Minnesota Statutes, Section 123B.12(b), and that the resolution included therein is a full, true and correct copy of the original thereof. The officer executing this Acceptance is authorized to sign on behalf of the Bank. The Bank understands that the interest on the amounts advanced shall be taxable and that the amounts advanced have not been designated as "Qualified Tax-Exempt Obligations" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

Date: \_\_\_\_\_

\_\_\_\_\_  
Name of Bank

\_\_\_\_\_  
Signature of Bank Official

\_\_\_\_\_  
Title of Bank Official

