

EXTRACT OF MINUTES OF A MEETING
OF THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 253
(GOODHUE PUBLIC SCHOOL DISTRICT)
STATE OF MINNESOTA

Pursuant to due call and notice thereof, a Regular meeting of the school board of Independent School District No. 253, State of Minnesota, was duly held on the 20th day of June, 2011, at 7:30 o'clock p.m.

Member _____ introduced the following resolution and moved its adoption:

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

BE IT RESOLVED by the School Board (the Board) of Independent School District No. 253 Goodhue, Minnesota (the District), follows:

WHEREAS, the District is authorized to enter into a line of credit agreement (the Agreement) with a financial institution, pursuant to Minnesota Statutes, Section 123B.12(b);

WHEREAS, the District has negotiated and reached a tentative Agreement, subject to Board approval and Bank Acceptance, with First Farmers & Merchant Bank (White Rock Bank), in Cannon Falls, Minnesota (the Bank); and

WHEREAS, the Board desires to enter into such an agreement with the Bank;

NOW THEREFORE, BE IT RESOLVED by the School Board of Independent School District No. 253, State of Minnesota, as follows:

1. Upon the effective date of this resolution, the District hereby agrees to enter into the Agreement with the Bank and thereby, 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. The Agreement shall have a term not exceeding five years.

2. The amount advanced at any fiscal year under the Line will not exceed ninety-five percent (95%) of the District's average expenditure per month of operating expenditures in the previous fiscal year.

3. Each advance under the Line will be repaid no later than forty-five (45) days after the day of advancement, with interest on the outstanding principal at an interest rate of 5.00% per annum.

4. The Superintendent or his 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 Superintendent 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 Member _____, 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 Independent School District No. 253 (Goodhue Public School District) 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

CERTIFICATION OF MINUTES RELATING TO LINE OF CREDIT AGREEMENT

Issuer: Independent School District No. 253 Goodhue, Minnesota

Governing Body: School Board

Kind, date, time and place of Meeting: A regular meeting held on _____, 20__ at _____p.m. at the District Offices.

Members present:

Members absent:

Documents attached:

Minutes of said meeting (including):

RESOLUTION AUTHORIZING THE DISTRICT TO ENTER
INTO A LINE OF CREDIT AGREEMENT
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I, the undersigned, being the duly qualified and acting Clerk of Independent School District No. 253 (Goodhue Public School District), State of Minnesota, hereby certify that the attached and foregoing is a full, true and correct transcript of the minutes of a meeting of the school board of said district duly called and held on the date therein indicated so far as such minutes relate to the resolution of the school board 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.

WITNESS MY HAND officially as such recording officer and the official seal of the school district this _____ day of _____, 2011.

School District Clerk