

**RESOLUTION PROVIDING FOR PARTICIPATION
IN SCHOOL BOND CREDIT ENHANCEMENT PROGRAM**

WHEREAS, Section 6-09.4-23 of the North Dakota Century Code ("**N.D.C.C.**") establishes a credit enhancement program for school district bonds (the "**Credit Enhancement Program**") whereby a school district may elect to participate in the Credit Enhancement Program and thereby reduce its borrowing costs by reducing the interest rate payable on its bonds; and

WHEREAS, the School Board initiated proceedings on November 17, 2014 to issue approximately \$9,995,000 General Obligation School Building Bonds, Series 2014 (the "**Bonds**") to construct, remodel, improve and equip school buildings and to construct and equip a new middle school building and the School Board intends to sell such bonds on or about December 8, 2014; and

WHEREAS, the School Board finds it is in the best interest of the School District to elect to participate in the Credit Enhancement Program for the Bonds.

NOW, THEREFORE, BE IT RESOLVED by the School Board of Dickinson Public School District No. 1 of Stark County, North Dakota (the "**School District**"), as follows:

1. The School District hereby elects to participate in the Credit Enhancement Program and, in the event the School District is unable to make a full payment of the principal of and interest on the Bonds when due or payable, the School District hereby authorizes the Superintendent of Public Instruction to withhold state funds due or payable or appropriated to the School District under Chapter 15.1-27, N.D.C.C., for use as provided for in Section 6-09.4-23, N.D.C.C.

2. The School District hereby covenants that, in the resolution authorizing the issuance of and establishing the terms for the Bonds, it will: (i) appoint an independent Paying Agent for the Bonds; (ii) designate February 1 and August 1 as interest payment dates and August 1 as the principal payment date for the Bonds; and (iii) include an additional bonds test which provides that the state funds available to the School District under Chapter 15.1-27, N.D.C.C. shall be least two times the maximum annual debt service amount for all outstanding bonds and any subsequent bonds issued by the School District under the Credit Enhancement Program.

3. The School District hereby covenants that it will, no later than October 1 each year the Bonds are outstanding, filing the following with the Superintendent of Public Instruction as required by Section 15.1-27.02 N.D.C.C.: (i) the June thirtieth student membership and attendance report; (ii) the annual school district financial report; (iii) the September tenth fall enrollment report; and, (iv) the personnel report forms for licensed and non-licensed employees.

4. The School District hereby covenants that it will, on or before December 15th each year the Bonds are outstanding, file with the Superintendent of Public Instruction the taxable valuation and mill levy certifications required by Section 15.1-27-02 N.D.C.C. and, that it will timely file with the Superintendent of Public Instruction any additional report or other document

that may be required by law to be filed before state aid payments may be forwarded to the School District.

5. The School District hereby covenants that it will deposit with the Paying Agent five days prior to the date on which any payment is due on the Bonds, an amount sufficient to make that payment. The School District further covenants that, if it should appear the School District will not be able to deposit with the Paying Agent sufficient funds to make any Bond payment, it will notify the Department of Public Instruction and Paying Agent not less than 15 days prior to any such potential default in the deposit in the manner required by the Department of Public Instruction and that the agreement between the School District and, in the event the School District fails to deposit funds in the payment amount with the Paying Agent five days prior to any payment date, the Paying Agent agreement shall provide that the Paying Agent is shall notify the Department of Public Instruction of such default and request payment of state funds in the amount necessary to make such payment.

6. The School District further covenants that, so long as the Bonds are outstanding, this election to participate in the Credit Enhancement Program shall be irrevocable by the School District.

7. The Business Manager is hereby directed to notify the Superintendent of Public Instruction, in the manner required by the Superintendent of Public Instruction, that the School District has obligated itself to be bound by the provisions of Section 6-09.4-23, N.D.C.C.

Dated November 17, 2014.

DICKINSON PUBLIC SCHOOL DISTRICT NO. 1

Attest:

President, Board of Education

Business Manager

The governing body of the District acted on the foregoing resolution at a properly noticed meeting held in Dickinson, North Dakota, on November 17, 2014, with the motion for adoption made by _____ and seconded by _____, and the roll call vote on the motion was as follows:

"Aye" _____

"Nay" _____

Absent _____