

**RESOLUTION AUTHORIZING AND ESTABLISHING THE TERMS OF
\$10,000,000 GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2016B**

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

SECTION 1. AUTHORIZATION AND NEGOTIATED TERMS.

1.01. At the special election duly called and held October 7, 2014, the voters of the District authorized the issuance of general obligation bonds in an amount not exceeding \$65,000,000, for the purpose of providing funds for the purpose of constructing, remodeling, improving and equipping school buildings; to include construction of a new middle school, and to pay costs incidental to such work and bond issuance (the "**Project**"). The District previously issued \$55,000,000 of the bonds so authorized. It is hereby found and determined that it is desirable and in the best interest of the District to now issue bonds in the amount of \$10,000,000 for the purpose of providing funds, together with any other funds available, to complete the Project.

1.02. The District has received a commitment from the Bank of North Dakota ("**BND**") dated February 4, 2016, to provide up to \$10,000,000 of financing through the State School Construction Fund. The School Board hereby finds and determines that acceptance of this commitment is in the best interest of the District.

1.03. There is hereby authorized to be issued a series of general obligation bonds of the District to be designated "Dickinson Public School District No. 1, Stark and Dunn Counties, North Dakota, General Obligation School Building Bonds, Series 2016B" (the "**Bonds**") in the aggregate principal amount of \$10,000,000. The Bonds shall be issued in accordance with the terms and conditions set forth in this Resolution.

SECTION 2. FORM OF BONDS.

2.01. The Bonds shall be initially issued as a single fully registered bond, numbered R-1, dated the date of issue, and shall be payable in semiannual installments of principal and interest in accordance with the Amortization Schedule attached to the Bond. The Bond shall be printed in substantially the form present to this governing body.

SECTION 3. BOND TERMS, EXECUTION, AND DELIVERY.

3.01. The Bonds shall be designated General Obligation School Building Bonds, Series 2016B, shall be dated the date of issue of the Bonds, shall be issued in fully registered form, shall mature in semiannual installments in the respective years and amounts set forth in the amortization schedule presented to this meeting and contained in the transcript of the proceedings for the Bond, with the final maturity on April 1, 2036. The Bonds shall bear interest on the outstanding principal from date of issue until July 1, 2025 at the rate of 5.00% per annum, and thereafter at a

rate established by BND pursuant to Chapter 15.1-36 of the North Dakota Century Code. From the date of issue until July 1, 2025, the District shall receive interest buy down funds from the State to reduce the interest rate on the Bonds to 2.00%.

The principal of and interest on the Bonds is payable on April 1 and October 1 in each year, commencing April 1, 2017, by check or draft mailed by the Paying Agent to the registered owner of the Bonds on the close of business on the fifteenth (15th) day (or the following business day) of the immediately preceding month; provided, however, that the final principal payment is payable only upon presentation and surrender of this Bond at the principal office of the Bond Registrar and Paying Agent.

The Bonds are subject to redemption at the option of the District in whole or in part, and if in part, in inverse order of principal installments on any date at a price of par plus accrued interest. Not less than thirty (30) days prior to the date specified for redemption of any of the Bonds, the District will mail notice of the call thereof to the registered owner and the Paying Agent. Upon partial redemption of any Bond, an appropriate notation will be made to the amortization schedule attached to the Bond specifying the remaining principal and interest payments on the Bonds.

3.02. The Bonds shall be initially issued as a single bond, and shall be executed on behalf of the District by the manual or facsimile signatures of the President of the School Board and Assistant Superintendent. If signed by facsimile signatures, a Certificate of Authentication shall be manually signed by an authorized representative of the Bond Registrar. When the Bonds have been so prepared and executed, the Assistant Superintendent shall deliver the same to the purchaser thereof upon payment of an initial advance pursuant to Section 4.01 hereof in an amount of more than \$50,000. The purchaser shall not be obligated to see to the application of the purchase price, but such net proceeds, other than accrued interest, shall be disbursed solely in payment of valid claims duly allowed by the Board for the purpose for which the Bonds were authorized.

3.03. Books for the registration and for the transfer of the Bonds as provided in this Resolution shall be kept by the Assistant Superintendent of the District, who is hereby appointed the Bond Registrar and Paying Agent of the District for the Bonds. Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the District shall execute and the Bond Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds for a like aggregate principal amount.

The Bond Registrar shall not be required to transfer or exchange any Bonds (i) during the period beginning on the fifteenth (15th) day of the month next preceding any Interest Payment Date and ending on such Interest Payment Date, (ii) during the period of fifteen (15) days next preceding the day for the selection of Bonds to be redeemed or, (iii) selected, called, or being called for redemption in whole or in part.

SECTION 4. BOND PRINCIPAL DRAW REQUESTS.

4.01. The principal amount of the Bond shall be advanced, from time to time, by BND to the District, only for the purpose of paying cost of issuance of the Bonds and amounts due to contractors or others for the cost of construction of the Project properly incurred, or the reimbursement to the District for payments made for the cost of construction of the Project properly incurred. BND shall disburse the principal amount of this Bond upon receipt of a voucher signed by an authorized officer of the District in substantially the form on file with the Assistant Superintendent.

4.02. For purposes of complying with the requirements of this Section, BND may conclusively rely and shall be protected in acting or refraining from acting upon receipt of the voucher from the District, which may be submitted by facsimile. BND shall not be bound to make an investigation into the facts or matters stated in any principal draw request of the District. BND shall not be responsible to collect lien waivers.

SECTION 5. SINKING FUND AND TAX LEVIES.

5.01. So long as any of the Bonds are outstanding and unpaid, the Assistant Superintendent shall maintain a sinking fund to be designated "General Obligation School Building Bonds, Series 2016B Bond Fund" (the "**Bond Fund**") as a separate and special bookkeeping account on the official books and records of the District to be used for no purpose other than the payment of the principal of and interest on the Bonds and such other general obligation bonds of the District as have been or may be directed to be paid from the Bond Fund. The Assistant Superintendent of the District is the custodian of the Bond Fund in accordance with Section 21-03-40 of the North Dakota Century Code. If the balance in the Bond Fund is ever insufficient to pay all principal and interest then due on such Bonds, the Assistant Superintendent shall nevertheless provide sufficient money from other funds of the District which are available for that purpose, and such other funds shall be reimbursed from the proceeds of the taxes levied for the Bond Fund. The Assistant Superintendent shall deposit in the Bond Fund the proceeds of all taxes levied and other money which may, at any time, be received for or appropriated to the payment of such Bonds and interest, including the taxes levied by this Resolution and any interest buy down funds received from the State.

5.02. The full faith and credit and taxing powers of the District are irrevocably pledged for the prompt and full payment of the principal of and interest on the Bonds and on all other bonds made payable from the Bond Fund, as such principal and interest respectively become due. For that purpose, a direct, annual, ad valorem tax is levied upon all taxable property within the corporate limits of the District, in addition to all taxes heretofore levied for the Bond Fund, to be spread upon the tax rolls prepared in each of the following years and collected in each of the respective ensuing years in the following respective amounts:

<u>Levy</u> <u>Years</u>	<u>Collection</u> <u>Years</u>	<u>Amount</u>	<u>Levy</u> <u>Years</u>	<u>Collection</u> <u>Years</u>	<u>Amount</u>
2016	2017	\$535,000	2026	2027	\$695,000
2017	2018	\$575,000	2027	2028	\$715,000
2018	2019	\$585,000	2028	2029	\$730,000
2019	2020	\$600,000	2029	2030	\$750,000
2020	2021	\$610,000	2030	2031	\$770,000
2021	2022	\$620,000	2031	2032	\$790,000
2022	2023	\$635,000	2032	2033	\$815,000
2023	2024	\$650,000	2033	2034	\$835,000
2024	2025	\$665,000	2034	2035	\$860,000
2025	2026	\$680,000	2035	2036	\$440,000

These taxes shall be irrevocable, except that the right is reserved to reduce any of the annual levies in the manner and to the extent permitted by Section 21-03-15 of the North Dakota Century Code.

SECTION 6. CERTIFICATIONS OF PROCEEDINGS.

6.01. The Assistant Superintendent is directed to file with the Stark and Dunn County Auditors a certified copy of this Resolution and to obtain from such County Auditors certificates stating that this Resolution has been so filed and that the Bonds have been recorded substantially in the manner provided in Section 21-03-23 of the North Dakota Century Code.

6.02. The officers of the District and the respective County Auditors are authorized and directed to prepare and furnish to the purchasers of the Bonds and to Bond Counsel certified copies of all proceedings and records of the District and the Counties relating to the authorization and issuance of the Bonds and such other affidavits and certificates as may reasonably be required to show the facts appear from the officers' books and records or are otherwise known to them. All such certified copies, certificates, and affidavits, including any heretofore furnished, constitute representations of the District as to the correctness of the facts recited therein and the actions stated therein to have been taken.

(Remainder of this page intentionally left blank.)

Dated: March 14, 2016.

DICKINSON PUBLIC SCHOOL DISTRICT NO. 1 ATTEST:

President
Board of Education

Assistant Superintendent

(S E A L)

The governing body of the District acted on the foregoing resolution at a properly noticed meeting held in Dickinson, North Dakota, on March 14, 2016, with the motion for adoption made by _____ and seconded by _____, and the roll call vote on the motion was as follows:

"Aye" _____

"Nay" _____

Absent _____

Abstain _____