



RESOLUTION RELATING TO GENERAL OBLIGATION AID ANTICIPATION CERTIFICATES OF INDEBTEDNESS, SERIES 2026A, IN AN AMOUNT NOT TO EXCEED \$12,000,000; AUTHORIZING THE ISSUANCE AND ESTABLISHING THE TERMS THEREOF; AND AUTHORIZING CERTAIN OFFICERS OF THE DISTRICT TO AWARD THE SALE THEREOF AND TO TAKE SUCH ACTION AND EXECUTE ALL DOCUMENTS NECESSARY TO ACCOMPLISH THE AWARD AND SALE

BE IT RESOLVED by the School Board (the “School Board”) of Independent School District No. 709, St. Louis County, Minnesota (the “District”), as follows:

Section 1. Certificates Purpose and Authorization.

1.01 Under and pursuant to the authority contained in Minnesota Statutes, Sections 126C.50 through 126C.56, as amended (the “Act”), and Minnesota Statutes, Chapter 475, the board of any school district may borrow money upon aid anticipation certificates in anticipation of receipt of state aid for schools as defined by Minnesota statutes and federal school aids to be distributed by or through the Minnesota Department of Education (the “Department”).

1.02 The School Board hereby determines that it is necessary to borrow, pursuant to the Act, upon aid anticipation certificates of indebtedness in an amount not to exceed \$12,000,000 in anticipation of receipt of state aids for schools and of federal school aids to be distributed by or through the Department during the July 1, 2025 to June 30, 2026 fiscal year (the “School Aids”), which are necessary for timely payments of anticipated expenditures from the District’s operating funds (the “Funds”). Such amount does not exceed 75% of the School Aids which are receivable by the District in such fiscal year as estimated by the Commissioner of the Department.

1.03 The School Board hereby determines that it is necessary and expedient that the District issue general obligation aid anticipation certificates of indebtedness as described in Section 1.02 above in a single issuance of General Obligation Aid Anticipation Certificates of Indebtedness, Series 2026A, in an amount not to exceed \$12,000,000 (the “Certificates”).

Section 2. Award of Sale. Pursuant to Minnesota Statutes, Section 126C.56, the requirements of public sale do not apply to the issuance under certain circumstances of aid anticipation certificates of indebtedness. The District has retained PMA Securities, Inc., in Albertville, Minnesota, as independent financial advisor in connection with the sale of the Certificates. The School Board desires to proceed with the sale of the Certificates by direct negotiation to Robert W. Baird & Co., Inc., in Oakdale, Minnesota (the “Purchaser”), and any officer of the School Board and either the Superintendent or the Executive Director of Finance & Business Services are authorized to award the sale of the Certificates and execute a contract on the part of the District for the sale of the Certificates upon the terms set forth herein. The officers of the School Board and the Superintendent or the Executive Director of Finance & Business Services are also authorized to take all other action, consistent with the resolution, that is necessary to complete the award and sale of the Certificates provided that the principal amount of the Certificates shall not in any event exceed \$12,000,000, nor shall the interest rate thereon exceed 5.0% per annum in any event. The authorization contained herein shall expire on June 30, 2026.

Section 3. Full Faith and Credit Pledge. The School Board hereby declares that the full faith and credit and taxing power of the District and the receipts of the School Aids, to the extent necessary to repay the Certificates, shall be and are hereby at all times irrevocably pledged for the payment of principal and interest on the Certificates when due.

Section 4. Certificates; Terms. The Certificates to be issued hereunder shall be dated the date of delivery to the Purchaser, but no later than January 22, 2026, shall be issued in the denomination of \$100,000 each, or any integral multiple thereof, in fully registered form, lettered and numbered R-1 and upward. The Certificates shall mature on September 30, 2026 (the "Maturity Date").

The Certificates shall not be subject to redemption prior to the Maturity Date. The interest on the Certificates shall be payable on the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The Bond Registrar designated below shall make the interest payments with respect to the Certificates by check or draft mailed to the registered owners of the Certificates shown on the bond registration records maintained by the Bond Registrar at the close of business on the 15th day prior to the Maturity Date, whether or not a business day, at such owners' addresses shown on such bond registration records. Principal of the Certificates shall be payable on the Maturity Date and in accordance with and on presentation and surrender of the Certificate to the Bond Registrar.

Section 5. Bond Registrar; Registration of Certificates.

5.01 A. Appointment of Bond Registrar. The School Board hereby appoints Northland Bond Services, a division of First National Bank of Omaha of Minneapolis, Minnesota, as registrar, authenticating agent, paying agent and transfer agent for the Certificates (such bank or its successor thereof is herein referred to as the "Bond Registrar"). No Certificate shall be valid or obligatory for any purpose unless or until the Bond Registrar's authentication certificate on such Certificate, substantially as set forth in Section 6 hereof, shall have been duly executed by an authorized representative of the Bond Registrar. Authentication certificates on different Certificates need not be signed by the same representative. The executed authentication certificate on each Certificate shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

B. The District shall cause to be kept at the principal corporate office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the District shall provide for the registration of the Certificates and the registration of transfers of the Certificates entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Bond Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Bond Registrar as may be appointed by the School Board.

C. At the option of the registered owners, the Certificates may be exchanged for other Certificates of any authorized denomination, of a like aggregate principal amount, maturing upon

the same date, upon surrender of the Certificates to be exchanged at the principal corporate office of the Bond Registrar. Whenever any Certificates are so surrendered for exchange, the District shall execute and the Bond Registrar shall authenticate, if required by law or this Resolution, and deliver the Certificates which the registered owner making the exchange is entitled to receive. Upon surrender for transfer of any Certificate at the principal corporate office of the Bond Registrar, the District shall execute and the Bond Registrar shall authenticate, if required by law or this Resolution, and deliver, in the names(s) of the designated transferee(s), one or more new certificates of a like aggregate principal amount, as requested by the transferor. All Certificates surrendered upon the exchange provided for in this Resolution shall be promptly cancelled by the Bond Registrar and thereafter disposed of as directed by the School Board. All Certificates issued in exchange for or upon transfer of the Certificates shall be valid obligations of the District evidencing the same debt and entitled to the same benefits under this Resolution as the Certificates surrendered for such exchange or transfer. Every Certificate presented for a transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the District and the Bond Registrar, duly executed by the registered owner thereof or the owner's attorney duly authorized in writing. The District or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of the Certificates, other than exchange expressly provided in this Resolution to be made, without expense or without charge to the registered owner.

D. Each Certificate delivered upon transfer of or in exchange for or in lieu of any other Certificate shall carry all of the rights to interest, accrued and unpaid and to accrue, which are carried by such other Certificate. Each Certificate shall be dated by the Bond Registrar as of the date of its authentication or manual execution, as the case may be. The District and the Bond Registrar shall not be required to make any transfer or exchange during the 15 days next preceding the Maturity Date.

5.02 Book-Entry System.

A. In order to make the Certificates eligible for the services provided by DTC, the District has previously agreed to the applicable provisions set forth in the Blanket Issuer Letter of Representations which has been executed by the District and DTC (the "Representation Letter").

B. Notwithstanding any provision herein to the contrary, so long as the Certificates shall be in Book-Entry Form, the provisions of this Section 5.02 shall govern.

C. All of the Certificates shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on and principal of any Certificate registered in the name of Cede & Co. shall be made by wire transfer or New York Clearing House or equivalent same day funds by 10:00 a.m. CT or as soon as possible thereafter following the Bond Registrar's receipt of funds from the District on the Maturity Date to the account of Cede & Co. at the address indicated in or pursuant to the Representation Letter.

D. DTC (or its nominees) shall be and remain recorded on the Bond Register as the holder of all Certificates which are in Book-Entry Form. No transfer of any Certificate in Book-Entry Form shall be made, except from DTC to another depository (or its nominee) or except to

terminate the Book-Entry Form. All Certificates of such stated maturity of any Certificates in Book-Entry Form shall be issued and remain in a single Certificate registered in the name of DTC (or its nominee); provided, however, that upon termination of the Book-Entry Form pursuant to the Representation Letter, the District shall, upon delivery of all Certificates of such series from DTC, promptly execute, and the Bond Registrar shall thereupon authenticate and deliver, Certificates of such series to all persons who were beneficial owners thereof immediately prior to such termination; and the Bond Registrar shall register such beneficial owners as holders of the applicable Certificates.

The Bond Registrar shall maintain accurate books and records of the principal balance, if any, of each such outstanding Certificate in Book-Entry Form, which shall be conclusive for all purposes whatsoever. Upon the authentication of any new Certificate in Book-Entry Form in exchange for a previous Certificate, the Bond Registrar shall designate thereon the principal balance remaining on such Certificate according to the Bond Registrar's books and records.

No beneficial owner (other than DTC) shall be registered as the holder on the Bond Register for any Certificate in Book-Entry Form or entitled to receive any bond certificate. The beneficial ownership interest in any Certificate in Book-Entry Form shall be recorded, evidenced and transferred solely in accordance with the Book-Entry System.

Except as expressly provided to the contrary herein, the District and the Bond Registrar may treat and deem DTC to be the absolute owner of all Certificates of each series which are in Book-Entry Form (i) for the purpose of payment of the principal of and interest on such Certificate, (ii) for the purpose of giving notices hereunder, and (iii) for all other purposes whatsoever.

E. The District and the Bond Registrar shall each give notices to DTC of such matters and at such times as are required by the Representation Letter, including with respect to any notice required or permitted under this Bond Resolution to be given to any holder of a Certificate.

All notices of any nature required or permitted hereunder to be delivered to a holder of a Certificate in Book-Entry Form shall be transmitted to beneficial owners of such Certificates at such times and in such manners as shall be determined by DTC, the participants and indirect participants in accordance with the Book-Entry System and the Representation Letter.

F. All payments of principal, redemption price of and interest on any Certificates in Book-Entry Form shall be paid to DTC (or Cede & Co.) in accordance with the Book-Entry System and the Representation Letter in same day funds by wire transfer.

5.03 Lost or Damaged Certificates. If a Certificate becomes mutilated or is destroyed, stolen or lost, the Bond Registrar will deliver a new Certificate of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Certificate or in lieu of and in substitution for any Certificate destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Bond Registrar and the District in connection therewith, including the cost of printing new Certificates; and, in the case of a Certificate destroyed, stolen or lost, upon filing with the Bond Registrar and the District of evidence satisfactory to them that the Certificate was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to

the Bond Registrar and the District of an appropriate bond or indemnity in form, substance and amount satisfactory to them and as provided by law, in which both the District and the Bond Registrar must be named as obligees. Certificates so surrendered to the Bond Registrar will be canceled by the Bond Registrar and evidence of such cancellation must be given to the District. If the mutilated, destroyed, stolen or lost Certificate has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Certificate prior to payment.

5.04 Payment of Certificates.

A. The District and the Bond Registrar may treat the person in whose name any Certificate is registered as the owner of such Certificate for the purpose of receiving payment of principal of and interest on such Certificate and for all other purposes whatsoever, whether or not such Certificate be overdue, and neither the District nor the Bond Registrar shall be affected by notice to the contrary.

B. The principal of and interest on the Certificates shall be payable by the Bond Registrar in such funds as are legal tender for the payment of debts due the United States of America. The District shall pay the reasonable and customary charges of the Bond Registrar for the disbursement of principal and interest.

5.05 Delivery. Delivery of the Certificates and payment of the purchase price shall be made at a place mutually satisfactory to the District and the Purchaser. Printed or typewritten and executed Certificates shall be furnished by the District without cost to the Purchaser. The Certificates, when prepared in accordance with this Resolution and executed, shall be delivered by or under the direction of the Clerk to the Purchaser upon receipt of the purchase price plus accrued interest.

Section 6. Form of Certificate. The Certificates to be issued hereunder shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF ST. LOUIS

INDEPENDENT SCHOOL DISTRICT NO. 709
(DULUTH)

GENERAL OBLIGATION AID ANTICIPATION CERTIFICATE
OF INDEBTEDNESS, SERIES 2026A

R-1

\$12,000,000

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
____%	September 30, 2026	January 22, 2026	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWELVE MILLION DOLLARS

Independent School District No. 709, St. Louis County, State of Minnesota (the “District”), acknowledges itself to be indebted and for value received hereby promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above on the Maturity Date specified above, together with interest thereon from the date of original issue specified above until paid at the annual interest rate specified above. The interest shall be payable on the Maturity Date specified above, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal amount is paid or has been provided for. This Certificate is not subject to redemption prior to maturity. Both principal and interest are payable at Northland Bond Services, a division of First National Bank of Omaha, in Minneapolis, Minnesota, as registrar, paying agent, authenticating agent and transfer agent (the “Bond Registrar”), or at the office of such successor Bond Registrar as may be designated by the School Board, in coin or currency of the United States of America, which on the date of payment is legal tender for payment of public and private debts. The Bond Registrar shall make the interest payment with respect to this Certificate directly to the registered owner hereof shown on the bond registration records maintained on behalf of the District by the Bond Registrar at the close of business on the 15th day of the month next preceding the Maturity Date (whether or not a business day) at such owner’s address shown on said bond registration records, without, except for the payment of principal of the Certificate, the presentation and surrender of this Certificate, and all such payments shall discharge the obligation of the District to the extent of the payments so made. Payment of principal of the Certificates shall be made to the registered owner upon presentation and surrender of this Certificate to the Bond Registrar when due.

This Certificate is one of a series issued by the District in the aggregate amount of \$12,000,000, pursuant to the authority contained in Minnesota Statutes, Sections 126C.50 through 126C.56, as amended, and Chapter 475, and all other laws and pursuant to an authorizing resolution adopted by the School Board of the District on December 16, 2025 (the “Resolution”) authorizing Superintendent or the Executive Director of Finance & Business Services to award the sale of the Certificates on terms contained in the Resolution, for the purpose of authorizing receipt of unpaid state aids for school receivables by the District as hereinafter set forth.

It is hereby certified and recited that the amount of School Aids as defined in the Resolution yet to be received by the District in the July 1, 2025 to June 30, 2026 fiscal year, for deposit in the District's operating funds (the "Funds") is in the amount of \$75,401,017 as estimated by the State of Minnesota Commissioner of Education; that heretofore no aid anticipation certificates have been issued against the School Aids; and that the Certificates are issued in anticipation of collection of said School Aids.

This Certificate constitutes a general obligation of the District, and the full faith and credit and taxing powers of the District have been and are hereby irrevocably pledged to provide monies for the prompt and full payment of principal and interest when due. This Certificate is payable from a special debt service fund of the District established for payment of the Certificates by the Resolution.

The District has qualified the Certificates for participation in the State of Minnesota program to preclude default of school district debt, pursuant to Minnesota Statutes, Section 126C.55, as amended. If the District is unable to make any portion of the principal or interest payments on the Certificates on or before the date due, the State of Minnesota has agreed to make such payment in the District's place.

The Certificates of this series are issued as fully registered certificates without coupons, in the denomination of \$100,000 each, or any integral multiple thereof. Subject to limitations set forth in the Resolution, the District will, at the request of the registered owner, issue one or more new fully registered certificates in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Certificate, and of like tenor except as to number and principal amount. Subject to the limitations set forth in the Resolution, this Certificate is transferable by the registered owner hereof upon surrender of this Certificate for transfer at the principal corporate office of the Bond Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar and executed by the registered owner hereof or the owner's attorney duly authorized in writing. Thereupon the District shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Certificate, one or more new fully registered certificates in the name of the transferee, of an authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of this Certificate. No service charge shall be made for any transfer or exchange hereinbefore referred to but the District may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

IT IS FURTHER CERTIFIED AND RECITED that all acts and conditions required by the Constitution and laws of the State of Minnesota to be done, and to exist precedent to and in the issuance of this Certificate in order to make it a valid and binding general obligation of the District in accordance with its terms, have been done and do exist in form, time, and manner as so required; and this

Certificate, together with all other debts of the District outstanding on the date hereof and the date of its actual issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness; that all taxable property within the boundaries of the District is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest hereon when due, without limitation as to rate or amount.

This Certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Bond Registrar's Authentication Certificate hereon shall have been executed by the Bond Registrar by one of its authorized representatives.

IN WITNESS WHEREOF, Independent School District No. 709, by its School Board, has caused this Certificate to be executed in its name by the signatures of the Chair and the Clerk of the School Board; and the District has caused this Certificate to be dated the date of original issue set forth above.

Attest:

(form – no signature required)
Clerk

(form – no signature required)
Chair

Date of Authentication: _____

BOND REGISTRAR'S AUTHENTICATION CERTIFICATE

The Bond Registrar confirms that the books reflect the ownership of a Certificate registered in the name of the owner named above in the principal amount stated above and this Certificate is one of the Certificates of the series issued pursuant to the Resolution hereinabove described.

NORTHLAND BOND SERVICES,
a division of First National Bank of Omaha
Minneapolis, Minnesota

By _____
Authorized Representative

REGISTRATION CERTIFICATE

This Certificate must be registered as to both principal and interest in the name of the owner on the books to be kept by Northland Bond Services, a division of First National Bank of Omaha of Minneapolis, Minnesota, as Bond Registrar. No transfer of this Certificate shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of

this Certificate and the interest accruing thereon is registered on the books of U.S. Bank National Association in the name of the registered owner last noted below.

<u>Date</u>	<u>Registered Owner</u>	<u>Signature of Bond Registrar</u>
1/__/26	Cede & Co. c/o The Depository Trust Company 570 Washington Blvd. Jersey City, NJ 07310 Federal Taxpayer I.D. No.: 13-2555119	_____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____

(Name and Address of Assignee)

_____ Social Security or other

_____ Identifying Number of Assignee

the within Certificate and all rights thereunder and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Certificate on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____.

NOTICE: The signature of this assignment must correspond with the name of the registered owner as it appears upon the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

(Bank, Trust Company, member of
National Securities Exchange)

Unless this Certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the District or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Section 7. Funds; Deposits.

A. The Treasurer shall credit the proceeds received upon the sale of the Certificates, less amounts allocable to underwriter's discount and less amounts allocable to pay a part of the interest cost of the Certificates as allowed by Minnesota Statutes, Section 475.56, from the proceeds of the sale of the Certificates to the Funds, and the proceeds shall be used for the purposes for which the School Aids may be utilized.

B. A separate debt service fund for the Certificates is hereby created, to be designated as the "Series 2026A General Obligation Aid Anticipation Certificates of Indebtedness Fund" (the "Debt Service Fund"), to be used solely for the payment of interest on and the principal of the Certificates when due. Prior to the Maturity Date, there shall be deposited in the Debt Service Fund, State Aids or other school funds which may become available in an amount sufficient to pay all principal and interest due on the Certificates at Maturity.

C. The School Board hereby certifies that the School Aids for the July 1, 2025 to June 30, 2026 fiscal year yet to be received are in the amount of \$75,401,017.

D. The full faith and credit of the District are pledged to pay the Certificates. If the School Aids are insufficient to pay all principal and interest on the Certificates when due, the Treasurer shall, nevertheless, provide sufficient monies from other funds of the District which are available for that purpose, and such other funds shall be reimbursed from the Funds when the balance therein is sufficient. It is recognized that the District's liability on the Certificates is not limited to the collection of the School Aids, and the School Board covenants and agrees that it will levy upon all taxable property within the boundaries of the District and cause to be extended, assessed, and collected any additional taxes found necessary for full payment of the principal of and interest on the Certificates, without limitation as to rate or amount. The School Board hereby covenants and obligates itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, as amended.

E. The School Board authorizes and directs the Board Chair, the Superintendent or the Executive Director of Finance & Business Services to submit a Minnesota School District Credit Enhancement Program Application for Default Preclusion to the Minnesota Department of Education, as provided by Minnesota Statutes, Section 126C.55. All actions by such officers taken with regard to such application prior to the date of this resolution are ratified and approved. The School Board hereby covenants and obligates itself to notify the Commissioner of Education of a potential default in the payment of principal and interest on the Certificates and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee, to the extent provided therein, payment of the principal and interest on the Certificates when due. The School Board 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 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 Certificates, or if, on the day two (2) business days prior to the date a payment is due on the Certificates, 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 provisions of Minnesota Statutes, Section 126C.55, the provisions of that section shall be binding as long as any Certificates of this issue remain outstanding.

F. The District further covenants to comply with all procedures now or hereafter established by the Office of Management and Budget and the Department of 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 Executive Director of Finance & Business Services are authorized to execute any applicable Minnesota Department of Education forms regarding such program.

G. The School Board acknowledges, represents and covenants that it must include a provision in its agreement with the Bond Registrar, as paying agent for the Certificates, that requires the Bond Registrar to inform the Commissioner of Education if it becomes aware of a potential default in the payment of principal or interest on the Certificates or if, on the day two business days prior to the date a payment is due on the Certificates, there are insufficient funds to make the payment on deposit with the Bond Registrar.

Section 8. Tax Covenants and Arbitrage Matters.

8.01 Restrictive Action. The District covenants and agrees with the owners from time of the Certificates that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause the interest on the Certificates to become includable in gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the interest on the Certificates will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

8.02 Statement of Working Capital Expenditures and Arbitrage Certificate. The School Board estimates that the principal amount of the Certificates does not exceed (i) the largest amount

by which working capital expenditures in the Funds of the District exceed available amounts for payment thereof during the period for which the State Aids are anticipated and during which the Certificates will be outstanding, and (ii) the amount of a working capital reserve equal to five percent of the District's working capital expenditures in the Funds for the prior fiscal year, all as contemplated by the Regulations. The District Treasurer is directed to prepare a statement of estimated expenditures during the period for which the State Aids and other funds are anticipated and during which the Certificates will be outstanding for the purpose of verifying the correctness of this estimate. In the event that such statement does not verify such estimate, the principal amount of the Certificates shall be reduced to such amount as will not exceed the amount permitted by the Regulations. Prior to the issuance of the Certificates, the Chair and the Clerk, being the officers of the District charged with the responsibility for issuing the Certificates pursuant to this resolution, shall execute and deliver to the Purchaser a certificate as contemplated by the Regulations stating the facts, estimates and circumstances in existence on the date of issuance and delivery of the Certificates which indicate that the proceeds of the Certificates will not be used in a manner that would cause the Certificates to be "arbitrage bonds" within the meaning of the Code and the Regulations.

8.03 Arbitrage Rebate. The District acknowledges that the Certificates are subject to the rebate requirements of Section 148(f) of the Code. The District covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Certificates from gross income for federal income tax purposes, unless the Certificates qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no "gross proceeds" of the Certificates (other than amounts constituting a "bona fide debt service fund") arise during or after the expenditure of the original proceeds thereof.

Section 9. Filing with County Auditor. The Clerk of the District is directed to file with the County Auditor a certified copy of this Resolution, and such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the Certificates herein authorized have been duly entered on his register.

Section 10. Certified Proceedings. The officers of the District and the Superintendent or the Executive Director of Finance & Business Services are authorized and directed to prepare and furnish to the Purchaser of the Certificates and to bond counsel certified copies of all proceedings and records of the District pertaining to the authorization, issuance, and sale of the Certificates and such other affidavits and certificates as may reasonably be required to show the facts relating to the legality and marketability of the Certificates as such facts appear from the official books and records of the officers' custody or are otherwise known. All such certified copies, certificates, and affidavits, including any heretofore furnished, constitute representations of the District as to the correctness of facts recited therein and the actions stated therein to have been taken.

Section 11. Absent or Disabled Officers. In the event of the absence or disability of the Chair, the Clerk or the Treasurer, such officers or members of the School Board as in the opinion of the District's attorney may act in their behalf shall, without further act or authorization, execute

and deliver the Certificates, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

Section 12. Official Statement. The Chair and the Clerk are hereby authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Certificates and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date thereof.

Adopted: December 16, 2025.

Motion made by Member Gadwasai, seconded by Member Loeffler Kemp, to approve Resolution #B-~~12-85-4137~~, as presented. Upon a vote taken, the same was approved as follows:

Yeah: 7

Nay: 0

Sarah Mikeseel
Clerk

Keeler
Chair

[illegible]

I, the duly qualified and acting Clerk of the School Board of Independent School District No. 709, located in Duluth, Minnesota, do hereby certify that I am the official custodian of the records of the School District, and that I have compared the attached copy with the original records of the School District, and that it is a true and correct transcript taken from the records of a meeting of the School Board, held at the City of Duluth, Minnesota, on De

IN WITNESS WHEREOF, I have hereunto set my hand as Clerk of said Independent School District No. 709, this 16th day of December, 2025.

Sarah Wilson
Clerk