

ORDER AUTHORIZING THE REMARKETING OF OUTSTANDING SERIES 2013 BONDS OF THE DENTON INDEPENDENT SCHOOL DISTRICT; DELEGATING TO AN AUTHORIZED OFFICER THE AUTHORITY TO APPROVE THE REMARKETING OF THE BONDS, INCLUDING APPROVING A REMARKETING AGREEMENT AND REOFFERING MEMORANDUM AND ESTABLISHING CERTAIN PARAMETERS FOR THE APPROVAL OF SUCH MATTERS

WHEREAS, the Denton Independent School District (the "Issuer") is an independent school district of the State of Texas; and

WHEREAS, on August 13, 2013, the Board of Trustees (the "Board") of the Issuer adopted an order (the "2013 Bond Order") authorizing the issuance of Denton Independent School District Variable Rate Unlimited Tax School Building Bonds, Series 2013 (the "Series 2013 Bonds"); and

WHEREAS, on September 19, 2013, the Issuer issued and delivered the Series 2013 Bonds, which Bonds are currently outstanding in the aggregate principal amount of \$22,260,000; and

WHEREAS, the Series 2013 Bonds are currently in a Term Rate mode bearing interest at the per annum rate of 2.000% and which Initial Rate Period expires on July 31, 2020; and

WHEREAS, upon the expiration of the current Term Rate Period, the Series 2013 Bonds are subject to mandatory tender without right of retention by the owners thereof and are subject to optional redemption by the Issuer; and

WHEREAS, the 2013 Bond Order requires the Issuer to remarket the Series 2013 Bonds at the expiration of the current Term Rate Period; and

WHEREAS, the 2013 Bond Order authorizes the Issuer to remarket the Series 2013 Bonds in a different interest rate mode or in a Term Rate mode with a different Term Rate Period, and the Board has determined that the remarketing of the Bonds at a Term Rate as provided herein will be for the benefit of the Issuer; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Order has been adopted was open to the public, and public notice of the date, hour, place and subject of said meeting, including this Order, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551;

THEREFORE, BE IT ORDERED BY THE BOARD OF TRUSTEES OF DENTON INDEPENDENT SCHOOL DISTRICT:

Section 1. Definitions; Conversion to Term Rate.

(a) Capitalized terms not defined herein have the same meaning as assigned in the 2013 Bond Order. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Order, the following term shall have the meaning specified below:

"Pricing Officer" means the Superintendent of Schools and Chief Financial Officer of the Issuer, each of whom is independently authorized to finalize the terms of remarketing the Series 2013 Bonds within the parameters prescribed herein.

(b) Pursuant to Sections 3.01, 3.02(c) and 4.02(d) of the 2013 Bond Order, the Pricing Officer is hereby directed to convert all outstanding Series 2013 Bonds into a new Term Rate Period in accordance with the terms of the 2013 Bond Order, as amended and supplemented by this Order. The Term Rate Period following conversion from the current Term Rate Period shall take effect on August 1, 2020, which is the Term Rate Conversion Date.

Section 2. Delegation to Pricing Officer; Establishment of Parameters.

(a) As authorized by Section 1371.053, Texas Government Code, as amended, the Pricing Officer is hereby authorized to act on behalf of the Issuer in remarketing the Series 2013 Bonds and taking all action required relating to the remarketing of the Series 2013 Bonds, including without limitation establishing a new Stepped Rate and providing for optional redemption of a portion of the Series 2013 Bonds. The delegation made to the Pricing Officer shall expire if not exercised by the Pricing Officer on or prior to the date that is six months after the date of adoption of this Order.

(b) In providing for the remarketing of the Series 2013 Bonds, the following parameters must be satisfied:

(i) the interest rate per annum for the Term Rate into which the Series 2013 Bonds are converted shall not exceed an interest rate that produces a yield in excess of 2.50% per annum;

(ii) the Term Rate Period into which the Series 2013 Bonds are converted shall expire no earlier than July 31, 2021 and no later than July 31, 2025;

(iii) the Stepped Rate shall not exceed the Maximum Interest Rate;

(iv) the final maturity of the Series 2013 Bonds shall not be extended; and

(v) the delegation given to the Pricing Officer shall not have expired.

(c) The Series 2013 Bonds are subject to optional redemption, at the option of the Issuer, at the end of the current Term Rate Period. The Issuer hereby authorizes any premium from the remarketing of the Series 2013 Bonds to be applied to redeem a portion of the Series 2013 Bonds on the Term Rate Conversion Date. The Pricing Officer is authorized to issue a notice of redemption that contains the information required by Article V of the 2013 Bond Order. The Paying Agent/Registrar for the Series 2013 Bonds is hereby directed to provide the appropriate notice of redemption as required by Article V of the 2013 Bond Order and is hereby directed to make appropriate arrangements so that any Series 2013 Bonds to be redeemed may be redeemed on the redemption date.

Section 3. Amendment to 2013 Bond Order. Pursuant to Section 15.01 of the 2013 Bond Order, the 2013 Bond Order will be amended and supplemented, as of the Term Rate Conversion Date, as follows in this Section. The amendments and supplements shall take effect on the Term Rate Conversion Date of all outstanding Series 2013 Bonds. Any and all of the terms and provisions of the 2013 Bond Order shall, except as amended and supplemented hereby, remain in full force and effect.

(a) The defined term "Authorized Representative" is hereby amended and restated in its entirety

as follows:

"Authorized Representative" shall mean one or more of the following officers of the District: the Superintendent of Schools, the Chief Financial Officer, or such other officer or employee of the District authorized by the Board to act as an Authorized Representative.

(b) Section 5.02(b) and (f) of the 2013 Bond Order are hereby amended and restated in its entirety as follows:

(b) Term Rate Bonds. Bonds bearing interest at a Term Rate are subject to redemption at the option of the District, in whole or in part, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the redemption date, on the first day after the last day of any Term Rate Period. The Bonds are subject to optional redemption at the end of the Initial Rate Period for such Bonds.

(f) Deposit of Moneys. Subject to Section 5.06(c) herein, on or prior to the date established for optional redemption of any Bonds, the District shall have deposited an amount sufficient to pay the redemption price of the Bonds to be redeemed with the Paying Agent/Registrar. Such moneys shall be invested in legally authorized investments for funds of the District, having maturities which coincide with the redemption date, and bearing the highest rating of each Rating Agency then providing a rating with respect to the Bonds.

(c) Section 5.02 of the 2013 Bond Order is hereby amended to add a new subsection (g) as follows:

(g) On Mandatory Tender Dates. Bonds subject to mandatory tender are subject to redemption at the option of the District, in whole or in part, on any mandatory tender date therefor, at a redemption price equal to the principal amount thereof plus interest accrued thereon to the redemption date.

(d) Section 5.06(a) and (c) of the 2013 Bond Order are hereby amended and restated in its entirety as follows:

(a) The Paying Agent/Registrar shall cause notice of redemption of any Bond to be redeemed in whole or in part to be mailed first class mail or provided by other customary means to each Rating Agency and to the Owner thereof at the address of the Owner appearing in the Register (i) with respect to Purchased Bonds and Bonds bearing interest at the Stepped Rate, at least one Business Day prior to the redemption date, (ii) with respect to a Bond bearing interest at a Flexible Rate, a Weekly or a Term Rate, at least ten (10) days prior to the redemption date, unless the redemption date is also a mandatory tender date with respect to the Bonds to be redeemed in which case no notice shall be required; (iii) with respect to a Bond bearing interest at a Fixed Rate, at least thirty (30) days prior to the redemption date.

(c) If at the time of the delivery of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall,

within 5 days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

(e) Section 12.01(f) of the 2013 Bond Order is hereby amended and restated in its entirety as follows:

(f) Prior to any defeasance of Bonds bearing interest at the Initial Rate, a Variable Rate or a Flexible Rate and supported by a Liquidity Agreement, the District shall receive confirmation from a Rating Agency providing a rating on the Bonds that the defeasance will not result in a reduction or withdrawal of the rating on the Bonds.

(f) Section 14.02(a) of the 2013 Bond Order is hereby amended and restated in its entirety as follows:

(a) The District shall provide annually to the MSRB, in the electronic format prescribed by the MSRB, financial information and operating data (the "Annual Operating Report") with respect to the District of the general type included in the final Official Statement authorized by this Order, being the information described in the Pricing Certificate. The District will additionally provide financial statements of the District (the "Financial Statements"), that will be (i) prepared in accordance with the accounting principles described in the financial statements of the District appended to the final Official Statement or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation and shall be in substantially the form included in the final Official Statement and (ii) audited, if the District commissions an audit of such Financial Statements and the audit is completed within the period during which they must be provided. The District will update and provide the Annual Operating Report within six months after the end of each fiscal year and the Financial Statements within 12 months of the end of each fiscal year. The District may provide the Financial Statements earlier, including at the time it provides its Annual Operating Report, but if the audit of such Financial Statements is not complete within 12 months after any such fiscal year end, then the District shall file unaudited Financial Statements within such 12-month period and audited Financial Statements for the applicable fiscal year, when and if the audit report on such Financial Statements becomes available. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

Section 4. Remarketing Agreement; Tender Agent Agreement.

(a) The Pricing Officer, acting for and on behalf of the Issuer, is authorized to approve, enter into and carry out amendments and supplements to the remarketing agreement dated and effective as of September 19, 2013 (the "2013 Remarketing Agreement"), between the Issuer and Hilltop Securities Inc. (successor to First Southwest Company), that are necessary or acceptable in connection with the conversion of the Series 2013 Bonds to a Term Rate, or may remove and replace Hilltop Securities Inc. as Remarketing Agent under the 2013 Remarketing Agreement. The Pricing Officer, acting for and on behalf of the Issuer, is also authorized, in connection with the remarketing of the Series 2013 Bonds into a new Term Rate Period, to approve, enter into and carry out a separate remarketing or mode conversion agreement with a financial institution to serve as the remarketing agent in substantially the form of the Issuer's existing remarketing or mode conversion agreements relating to previously-issued bonds with such changes as are acceptable to the Pricing Officer.

(b) The Pricing Officer, acting for and on behalf of the Issuer, is authorized to approve, enter into and carry out amendments and supplements to the tender agent agreement dated and effective as of September 19, 2013 (the "2013 Tender Agent Agreement"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Tender Agent, that are necessary or acceptable in connection with the conversion of the Series 2013 Bonds to a Term Rate.

Section 5. Continuing Disclosure Undertaking.

(a) The Pricing Officer is hereby authorized to revise the provisions of Article XIV of the 2013 Bond Order as they apply to the Series 2013 Bonds to reflect the requirements of the Rule so as to permit the Remarketing Agent or other remarketing agent to remarket the Series 2013 Bonds in compliance with the Rule. Any such revisions shall be set forth in the certificate of the Pricing Officer delivered in connection with the conversion of the Series 2013 Bonds into a new Term Rate Period.

(b) The Pricing Officer is hereby authorized and directed to take any action and to deliver any and all certificates or other instruments as necessary for the filing of any event notice described in the Rule that is required in connection with the conversion and remarketing of the Series 2013 Bonds.

Section 6. Preliminary and Final Remarketing Memorandum. The Pricing Officer is authorized to approve a Preliminary Remarketing Memorandum relating to the remarketing of the Series 2013 Bonds, and the Pricing Officer is authorized to approve any changes, addenda, supplements or amendments to that document and to authorize its distribution by the remarketing agent to prospective purchasers of the Series 2013 Bonds. The Pricing Officer is further authorized, for and on behalf of the Issuer, to approve a final Remarketing Memorandum, and any addenda, supplements or amendments thereto, relating to such Bonds and referred to in the 2013 Remarketing Agreement.

Section 7. Further Procedures. The President, Vice President, Secretary, and Pricing Officer are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the Issuer all such notices, certificates, documents and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order, the 2013 Bond Order, the Remarketing Memorandum, the 2013 Tender Agent Agreement and the 2013 Remarketing Agreement or other remarketing agreement or mode conversion agreement for the conversion of the Series 2013 Bonds to a new Term Rate Period. Prior to the conversion of the Series 2013 Bonds into a new Term Rate Period, the Pricing Officer, the Issuer's Financial Advisor and the Issuer's Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Order or to any of the instruments authorized and approved by this Order necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Order, (ii) obtain a rating from any of the nationally recognized statistical bond rating agencies, (iii) obtain the approval of the remarketing of the Series 2013 Bonds by the Texas Attorney General's office, if such approval is necessary, or (iv) prepare substitute or replacement Series 2013 Bonds, as necessary.

Section 8. Incorporation of Recitals. The statements, findings, representations, and determinations set forth in the recitals to this Order are hereby incorporated into and made a part of this Order for all purposes.

Section 9. Law of this Order. This Order shall be construed and interpreted in accordance with the laws of the State of Texas.

Section 10. Repealer. All orders, resolutions and agreements, or parts thereof, which are in conflict

or inconsistent with any provision of this Order are hereby repealed to the extent of such conflict, and the provisions of this Order shall be and remain controlling as to the matters resolved herein.

Section 11. Effective Date. This Order shall be in force and effect after its passage.
