

**ORDER AUTHORIZING THE REMARKETING OF OUTSTANDING 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**

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

WHEREAS, on January 24, 2012, the Board of Trustees (the "Board") of the Issuer adopted an order (the "2012-A Bond Order") authorizing the issuance of Denton Independent School District Variable Rate Unlimited Tax School Building Bonds, Series 2012-A (the "Series 2012-A Bonds"); and

WHEREAS, on April 24, 2012, the Issuer issued and delivered the Series 2012-A Bonds, which Bonds are still outstanding in the aggregate principal amount of \$40,000,000; and

WHEREAS, the Series 2012-A Bonds were issued, and currently remain in, the Initial Rate Period bearing interest at the per annum rate of 2.125% and which Initial Rate Period expires on July 31, 2015; and

WHEREAS, upon the expiration of the Initial Rate Period, the Series 2012-A 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 2012-A Bond Order requires the Issuer to remarket the Series 2012-A Bonds at the expiration of the Initial Rate Period; and

WHEREAS, the 2012-A Bond Order authorizes the Issuer to remarket the Series 2012-A Bonds in a different interest rate mode, 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 2012-A 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 and Assistant Superintendent of Administrative Services of the Issuer, each of whom is independently authorized to finalize the terms of remarketing the Series 2012-A Bonds within the parameters prescribed herein.

(b) Pursuant to Sections 3.01 and 4.02(h) of the 2012-A Bond Order, the Pricing Officer is hereby directed to convert all outstanding Series 2012-A Bonds into a Term Rate mode in accordance with the terms of the 2012-A Bond Order, as amended and supplemented by this Order. The Term Rate Period following conversion from the Initial Rate Period shall take effect on August 1, 2015, 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 2012-A Bonds and taking all action required relating to the remarketing of the Series 2012-A Bonds, including without limitation establishing a new Stepped Rate and providing for optional redemption of a portion of the Series 2012-A 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 2012-A Bonds, the following parameters must be satisfied:

(i) the interest rate for the Term Rate into which the Series 2012-A Bonds are converted shall not exceed 2.50% per annum;

(ii) the Term Rate Period into which the Series 2012-A Bonds are converted shall expire no earlier than July 31, 2016 and no later than July 31, 2023;

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

(iv) the final maturity of the Series 2012-A Bonds shall not be extended; and

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

(c) The Series 2012-A Bonds are subject to optional redemption, at the option of the Issuer, at the end of the Initial Rate Period. The Issuer hereby authorizes any premium from the remarketing of the Series 2012-A Bonds to be applied to redeem a portion of the Series 2012-A 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 2012-A Bond Order. The Paying Agent/Registrar for the Series 2012-A Bonds is hereby directed to provide the appropriate notice of redemption as required by Article V of the 2012-A Bond Order and is hereby directed to make appropriate arrangements so that any Series 2012-A Bonds to be redeemed may be redeemed on the redemption dates.

**Section 3. Amendment to 2012-A Bond Order.** Pursuant to Section 15.01 of the 2012-A Bond Order, the 2012-A 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 2012-A Bonds. Any and all of the terms and provisions of the 2012-A 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 Assistant Superintendent of Administrative

Services, or such other officer or employee of the District authorized by the Board to act as an Authorized Representative.

(b) The defined term "Stepped Rate" is hereby amended and restated in its entirety as follows:

"Stepped Rate" shall mean the per annum rate of interest for Bonds in the Stepped Rate Period, as specified in the Pricing Certificate, or thereafter, established in connection with a conversion of the bonds to the Term Rate or from an existing Term Rate Period to a new Term Rate Period.

(c) Section 3.01 of the 2012-A Bond Order is hereby amended to add a new subsection (e) as follows:

(e) Notwithstanding any provision of this Order to the contrary, any remarketing of the Bonds, whether due to conversion from one interest rate mode to a different interest rate mode or otherwise, may generate market premium, provided that the interest rate shall never exceed the Maximum Interest Rate.

#### **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 March 29, 2012 (the "2012-A Remarketing Agreement"), between the Issuer and First Southwest Company, that are necessary or acceptable in connection with the conversion of the Series 2012-A Bonds to a Term Rate, or may remove and replace First Southwest Company as Remarketing Agent under the 2012-A Remarketing Agreement. The Pricing Officer, acting for and on behalf of the Issuer, is also authorized, in connection with the initial remarketing of the Series 2012-A Bonds into a Term Rate mode, to approve, enter into and carry out a separate remarketing agreement with a bank to serve as the remarketing agent in substantially the form of the Issuer's existing remarketing 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 March 29, 2012 (the "2012-A 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 2012-A 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 2012-A Bond Order as they apply to the Series 2012-A Bonds to reflect the requirements of the Rule so as to permit the Remarketing Agent to remarket the Series 2012-A 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 2012-A Bonds into a Term Rate mode.

(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 2012-A 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 2012-A 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 2012-A 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 2012-A Remarketing Agreement.

**Section 7. Further Procedures.** The Pricing Officer is 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 2012-A Bond Order, the Remarketing Memorandum, the 2012-A Tender Agent Agreement and the 2012-A Remarketing Agreement or other remarketing agreement for the conversion of the 2012-A Bonds to the Term Rate. Prior to the conversion of the Series 2012-A Bonds into a Term Rate mode, 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 2012-A Bonds by the Texas Attorney General's office, if such approval is necessary, or (iv) prepare substitute or replacement Series 2012-A 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.