

CERTIFICATION OF MINUTES

RELATING TO  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015A

ISSUER: INDEPENDENT SCHOOL DISTRICT NO. 831  
(FOREST LAKE AREA SCHOOLS)  
STATE OF MINNESOTA

BODY: SCHOOL BOARD

KIND, DATE, TIME AND PLACE OF MEETING: A regular meeting held on September 10, 2015, at 8:00 o'clock p.m., in the District Office Boardroom, 6100 N. 210th St., Forest Lake, Minnesota.

MEMBERS PRESENT: \_\_\_\_\_

MEMBERS ABSENT: \_\_\_\_\_

Documents Attached: Extract of Minutes of said meeting.

**RESOLUTION OF THE SCHOOL BOARD OF INDEPENDENT  
SCHOOL DISTRICT NO. 831 (FOREST LAKE AREA SCHOOLS)  
STATE OF MINNESOTA (THE "DISTRICT") AWARDED THE  
SALE OF THE DISTRICT'S GENERAL OBLIGATION  
REFUNDING BONDS, SERIES 2015A (THE "BONDS") TO THE  
PURCHASER THEREOF; DETERMINING THE FORM AND  
DETAILS OF SUCH BONDS; AUTHORIZING THE EXECUTION,  
DELIVERY AND REGISTRATION OF SUCH BONDS;  
PROVIDING FOR THE PAYMENT OF AND THE SECURITY  
FOR SUCH BONDS; AND AUTHORIZING AND RATIFYING  
CERTAIN OTHER DOCUMENTS AND ACTIONS IN  
CONNECTION THEREWITH**

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the obligations referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said obligations; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting duly given as required by law.

EXECUTED AND DATED this 10<sup>th</sup> day of September, 2015.

\_\_\_\_\_  
School District Clerk

EXTRACT OF MINUTES OF A MEETING  
OF THE SCHOOL BOARD  
OF INDEPENDENT SCHOOL DISTRICT NO. 831  
(FOREST LAKE AREA SCHOOLS)  
STATE OF MINNESOTA

HELD: SEPTEMBER 10, 2015

Pursuant to due call and notice thereof, a regular meeting of the School Board of Independent School District No. 831 (Forest Lake Area Schools), State of Minnesota (the "District"), was duly held on September 10, 2015, at 8:00 o'clock p.m. All proceedings hereafter shown were taken while the meeting was open to the attendance of the public.

It was reported that four (4) proposals for the purchase of the District's General Obligation Refunding Bonds, Series 2015A (the principal amount being subject to adjustment in accordance with the Terms of Proposal), had been received prior to 10:30 a.m., Central Time, pursuant to the Terms of Proposal contained in the Preliminary Official Statement, dated August 24, 2015; that the proposals had been opened, read and tabulated; and that the best proposal of each proposal maker was determined to be as follows:

SEE ATTACHED



Springsted Incorporated  
380 Jackson Street, Suite 300  
Saint Paul, MN 55101-2887  
Tel: 651-223-3000  
Fax: 651-223-3002  
Email: advisors@springsted.com  
www.springsted.com

**\$11,315,000<sup>(a)</sup>**  
**INDEPENDENT SCHOOL DISTRICT NO. 831, FOREST LAKE, MINNESOTA**  
**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015A**  
**(MINNESOTA SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM)**  
**(BOOK ENTRY ONLY)**

**AWARD:**

**JEFFERIES & COMPANY, INC.**  
**RAYMOND JAMES & ASSOCIATES, INC.**  
**FIRST TENNESSEE BANK**  
**RAMIREZ & COMPANY**  
**MORGAN STANLEY & CO. INC.**

**SALE:** **September 10, 2015** **Moody's MNSDCEP Rating: Aa2**  
**Moody's Underlying Rating: A1**

| <b>Bidder</b>  | <b>Interest Rates</b>         | <b>Price</b>                   | <b>Net Interest Cost</b>    | <b>True Interest Rate</b> |
|--|-------------------------------|--------------------------------|-----------------------------|---------------------------|
| JEFFERIES & COMPANY, INC.<br>RAYMOND JAMES & ASSOCIATES, INC.<br>FIRST TENNESSEE BANK<br>RAMIREZ & COMPANY<br>MORGAN STANLEY & CO. INC.                                | 5.00% 2017-2019               | \$12,352,763.49 <sup>(b)</sup> | \$277,319.15 <sup>(b)</sup> | 0.9906% <sup>(b)</sup>    |
| J.P. MORGAN SECURITIES LLC<br>CITIGROUP GLOBAL MARKETS, INC.<br>DREXEL HAMILTON<br>INTERCOASTAL CAPITAL<br>WILEY BROS. – AINTREE CAPITAL, LLC<br>PROTECTIVE SECURITIES | 4.00% 2017<br>5.00% 2018-2019 | \$12,276,150.80                | \$305,186.56                | 1.0938%                   |

<sup>(a)</sup> Subsequent to bid opening, the issue size decreased from \$11,315,000 to \$10,285,000.

<sup>(b)</sup> Subsequent to bid opening, the price, net interest cost, and true interest rate have changed to \$11,241,615.77, \$285,301.59, and 0.9983%, respectively.

| Bidder   | Interest Rates  | Price           | Net Interest Cost | True Interest Rate |
|--|-----------------|-----------------|-------------------|--------------------|
| ROBERT W. BAIRD & COMPANY,<br>INCORPORATED<br>C.L. KING & ASSOCIATES<br>CRONIN & COMPANY, INC.<br>VINING-SPARKS IBG,<br>LIMITED PARTNERSHIP<br>EDWARD D. JONES & COMPANY<br>LOOP CAPITAL MARKETS, LLC<br>WNJ CAPITAL<br>CREWS & ASSOCIATES<br>DAVENPORT & COMPANY LLC<br>ROSS, SINCLAIRE & ASSOCIATES, LLC<br>COUNTRY CLUB BANK<br>OPPENHEIMER & CO. INC.<br>SUMRIDGE PARTNERS<br>R. SEELAUS & COMPANY, INC.<br>SIERRA PACIFIC SECURITIES<br>ALAMO CAPITAL<br>ISAAK BOND INVESTMENTS, INC.<br>IFS SECURITIES<br>UMB BANK, N.A. | 2.00% 2017-2019 | \$11,546,375.90 | \$294,657.16      | 1.1039%            |
| PIPER JAFFRAY & CO.  | 5.00% 2017-2019 | \$12,309,168.25 | \$320,914.39      | 1.1491%            |

REOFFERING SCHEDULE OF THE PURCHASER

| <u>Rate</u> | <u>Year</u> | <u>Yield</u> |
|-------------|-------------|--------------|
| 5.00%       | 2017        | 0.50%        |
| 5.00%       | 2018        | 0.80%        |
| 5.00%       | 2019        | 1.11%        |

BBI: 3.82%  
Average Maturity: 2.324 Years

Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION OF THE SCHOOL BOARD OF INDEPENDENT SCHOOL DISTRICT NO. 831 (FOREST LAKE AREA SCHOOLS) STATE OF MINNESOTA (THE “DISTRICT”) AWARDING THE SALE OF THE DISTRICT’S GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015A (THE “BONDS”) TO THE PURCHASER THEREOF; DETERMINING THE FORM AND DETAILS OF SUCH BONDS; AUTHORIZING THE EXECUTION, DELIVERY AND REGISTRATION OF SUCH BONDS; PROVIDING FOR THE PAYMENT OF AND THE SECURITY FOR SUCH BONDS; AND AUTHORIZING AND RATIFYING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH**

**BE IT RESOLVED** by the School Board (the “Board”) of Independent School District No. 831 (Forest Lake Area Schools), State of Minnesota (the “District”), as follows:

**Article I  
Authorization and Sale**

**Section 1.01 Authorization and Purpose.** The District previously issued its General Obligation Refunding Bonds, Series 2005A, in the original aggregate principal amount of \$34,140,000 and bearing a date of original issue of January 1, 2005 (the “**Series 2005A Bonds**”). Minnesota Statutes, Section 475.67, authorizes the issuance of refunding bonds for the purpose of achieving debt service savings on outstanding bonds. At a meeting held August 20, 2015, this Board determined to sell and issue \$10,285,000 in aggregate principal amount of its general obligation refunding bonds (as more fully described herein, the “**Bonds**” or the “**Refunding Bonds**”) for the purpose of refunding and redeeming in advance of maturity the outstanding Series 2005A Bonds maturing on February 1 in the years 2017 through and including 2019 (the “**Refunded Bonds**”). In the Terms of Proposal approved by this Board at such meeting (the “**Terms of Proposal**”), the District reserved the right, after proposals were opened and prior to award, to increase or decrease the principal amount of the Bonds offered for sale or the amount of any individual maturity, with the increase or decrease to occur in multiples of \$5,000 in any of the maturities. The Terms of Proposal are hereby ratified and confirmed in all respects and are incorporated herein by reference as though fully specified in this Article.

**Section 1.02 Sale.** The Board, having been advised by Springsted Incorporated, its independent municipal advisor (the “**Municipal Advisor**”), previously authorized its Municipal Advisor to solicit proposals on behalf of the District for the sale of the Bonds on a competitive basis without requirement of published notice, all in accordance with Minnesota Statutes, Section 475.60, Subdivision 2. The Board has publicly received and considered all proposals presented

in conformity with the Terms of Proposal. The most favorable of such proposals is ascertained to be that of Jefferies LLC, New York, New York (the “**Purchaser**”) to purchase the Bonds at a price of \$11,241,615.77 plus interest accrued to settlement, and upon the further terms and conditions set forth in the Terms of Proposal and this resolution. The proposal of the Purchaser is hereby accepted and the sale of the Bonds is hereby awarded to the Purchaser.

**Section 1.03 Execution of Documents; Good Faith Deposit.** The Chair of the Board and the Clerk of the District are authorized and directed to endorse an acceptance on both copies of the most favorable proposal and to send one copy to the Purchaser. The Treasurer of the Board is directed to deposit the good faith deposit of the Purchaser, specified in the Terms of Proposal, pending delivery of the Bonds and payment.

**Section 1.04 Debt Service Savings.** In accordance with Minnesota Statutes, Section 475.67, the Board hereby finds and determines that the issuance of the Refunding Bonds upon the terms set forth in the proposal of the Purchaser and in this Resolution will result in substantial debt service savings to the District. The present value of the dollar amount of debt service for the Refunding Bonds is lower by at least three percent (3.000%) than the present value of the dollar amount of debt service for the Refunded Bonds, each computed in accordance with Minnesota Statutes, Section 475.67, Subdivisions 12.

**Section 1.05 Compliance with Law.** All acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed precedent to the issuance of the Bonds having been done, having happened and having been performed in regular and due form, time and manner as required by law, the Board hereby finds and determines that it is necessary for this Board to provide for the issuance, sale and delivery of the Bonds, to establish the form and terms of the Bonds and to provide for the payment and the security thereof.

## **Article II**

### **Authorization; Bond Terms; Registration; Execution and Delivery**

**Section 2.01 Authorization and Designation.** In accordance with the Constitution and laws of the State of Minnesota, as well as the Terms of Proposal, the Board hereby authorizes the issuance of the Bonds in the aggregate principal amount of \$10,285,000 to provide for the refunding and redemption of the Refunded Bonds and to pay costs of issuing the Bonds. Such Bonds, which have been sold on this date to the Purchaser, shall be designated as “General Obligation Refunding Bonds, Series 2015A”.

**Section 2.02 Maturities, Interest Rates and Denominations.** The Bonds shall be originally dated their date of original issue and delivery (October 8, 2015), shall be issued and sold in denominations of \$5,000 or any integral multiple thereof within a single maturity, shall mature on February 1 in the years and amounts set forth below and shall bear interest at the rates per annum set forth below opposite such years and amounts from their date of original issue or from the most recent Interest Payment Date to which interest has been paid or duly provided for until paid or duly called for redemption (if any), as follows:

| <u>Year</u> | <u>Amount</u> | <u>Interest Rate</u> |
|-------------|---------------|----------------------|
| 2017        | \$3,155,000   | 0.500%               |
| 2018        | \$3,475,000   | 0.800%               |
| 2019        | \$3,655,000   | 1.110%               |

The Bonds shall be issuable only in fully registered form. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest thereon and, upon surrender of each Bond, the principal amount thereof, shall be paid by check or draft issued by the Registrar described herein; provided, however, that so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.07 hereof, the principal of and the interest on the Bonds shall be paid in accordance with the operational arrangements of the securities depository.

The maturities set forth above, together with the maturities of all other outstanding general obligation bonds of the District, meet the requirements of Minnesota Statutes, Section 475.54.

**Section 2.03 Dates and Interest Payments.** Upon initial delivery of the Bonds pursuant to Section 2.06 hereof and upon any subsequent transfer or exchange pursuant to Section 2.05 hereof, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. The interest on the Bonds shall be payable on February 1 and August 1 (each, an “**Interest Payment Date**”), commencing August 1, 2016, to the owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day the (“**Record Date**”).

**Section 2.04 Appointment of Initial Registrar.** The District hereby appoints U.S. Bank National Association in St. Paul, Minnesota, as the initial bond registrar, transfer agent and paying agent (the “**Registrar**”). The Chair of the Board and the Clerk of the District are authorized to execute and deliver, on behalf of the District, a contract with the Registrar (the “**Registrar Agreement**”). The Registrar shall have only such duties and obligations as are expressly specified by this Resolution and the Registrar Agreement, and no other duties or obligations shall be implied to the Registrar, except as may be set forth in a written agreement between the District and a successor Registrar. The District agrees to pay the reasonable and customary charges of the Registrar for the services performed. The Registrar shall notify the District in writing of any changes in its principal corporate trust office as set forth in this Section.

Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar.

The District reserves the right to remove the Registrar upon thirty (30) days’ notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar.

**Section 2.05 Registration.** The effect of registration and the rights and duties of the District and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after any Record Date and until the immediately succeeding Interest Payment Date.

(c) Exchange of Bonds. Whenever any Bonds are surrendered by the registered owner for exchange the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the District.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The District and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.



(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the District and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the District. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the District, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

**Section 2.06 Execution; Authentication and Delivery.** The Bonds shall be prepared under the direction of the Clerk of the District and shall be executed on behalf of the District by the signatures of the Chair of the Board and the Clerk of the District, provided that all signatures may be printed, engraved, or lithographed facsimiles of the originals. In case any officer whose signature, or a facsimile of whose signature, shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of the Registrar. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so executed and authenticated, they shall be delivered by the Clerk of the District to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed.

#### **Section 2.07. Securities Depository.**

(a) For purposes of this section the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the District agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this Resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the District shall be affected by any notice to the contrary. Neither the Registrar nor the District shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this Resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC’s Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the District’s obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the District to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the District determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of bond certificates, the District may notify

DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the District and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC, in substantially the form attached hereto as Exhibit B, by the Chair of the Board or the Clerk of the District, if not previously filed with DTC, is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this Resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this Resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of bond certificates and the method of payment of principal of and interest on such Bonds in the form of bond certificates.

### **Article III Form of Bonds**

The Bonds shall be issued in substantially the form of bond attached as Exhibit A hereto.

### **Article IV Redemption of Refunded Bonds; Use of Proceeds**

#### **(a) Redemption of Refunded Bonds.**

(i) The Board hereby authorizes the refunding and redemption of the Refunded Bonds on or about November 15, 2015 (“**Redemption Date**”) at a redemption price equal to 100% of the principal amount thereof plus accrued interest on such principal amount to the Redemption Date, all in accordance with redemption provisions set forth in the resolution which authorized the issuance of the Series 2005A Bonds (the “**Series 2005A Bond Resolution**”), after which date interest on such Refunded Bonds shall cease.

(ii) Immediately upon adoption of this Resolution, the Clerk of the District is hereby directed to file a copy of this Resolution with U.S. Bank National Association, as registrar and paying agent with respect to the Refunded Bonds (the “**Refunded Bonds Registrar**”). Upon receipt of this Resolution, the Registrar is hereby instructed to (A) mail notice of the redemption of the Refunded Bonds to each registered owner thereof not less than 30 days prior to the Redemption Date (or such shorter period as may be acceptable to the then registered owner of the Refunded Bonds), all in accordance with

the Series 2005A Bond Resolution and (B) file such notice of redemption with the Municipal Securities Rule Making Board and its EMMA portal.

(iii) The Board covenants and agrees to take all steps necessary and appropriate to provide for the calling and redemption of the Refunded Bonds on the Redemption Date.

(b) Use of Proceeds.

(i) Upon payment for the Bonds by the Purchaser, proceeds of the Bonds, together with funds of the District held for the payment of the Refunded Bonds and other District moneys, if necessary, shall be transferred to the Refunded Bonds Registrar for deposit into the debt service fund relating to the Refunded Bonds and applied to redeem the Refunded Bonds on or about the Redemption Date at the redemption price set forth above.

(ii) Proceeds of the Bonds may be disbursed by the District to pay the costs of issuing the Bonds. The District may also pay such costs from other legally available moneys.

(iii) Any accrued interest received upon the issuance and delivery of the Bonds shall be deposited in the Debt Service Fund described herein and applied to interest falling due on the Bonds on February 1, 2016.

## **Article V**

### **Creation of Debt Service Fund; Tax Levies; Investments**

**Section 5.01. General Obligation Refunding Bonds, Series 2015A Debt Service Fund.** The principal of and the interest on the Bonds shall be paid from a separate General Obligation Refunding Bonds, Series 2015A Debt Service Fund (the “**Debt Service Fund**”) which shall be created and maintained on the books of the District as a separate debt redemption fund until the Bonds, and all interest thereon, are fully paid. All ad valorem taxes levied and collected as hereinafter specified shall be credited to the Debt Service Fund, as well as any other funds appropriated by the Board for the payment of the Bonds and any moneys received pursuant to the Credit Enhancement Act (as defined in Article X herein). If any payment of principal of or interest on the Bonds shall become due when there is not sufficient money in the Debt Service Fund to make such payment, the Clerk of the District shall pay the same from any other available fund of the District, and such other fund shall be reimbursed for such advances out of the proceeds of the taxes levied for the payment of the Bonds when available. If the District does not have other moneys available to pay scheduled debt service on the Bonds, the District shall take all necessary actions pursuant to Article X hereof.

**Section 5.02. Tax Levies.** The Board hereby irrevocably pledges the full faith, credit and taxing power of the District to the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due. To provide moneys for the payment of principal of and interest on the Bonds as required by Minnesota Statutes, Section 475.61, Subdivision 1,

the Board hereby represents, warrants and covenants that it shall cause to be levied and collected annually on all taxable property in the District a direct, annual ad valorem tax which shall be spread upon the tax rolls for collection in the years and amounts as follows, as a part of other general taxes of the District, as follows:

Levy Years

Collection Years

Amount

(See Exhibit C hereto for levy computation)

Such tax shall be in excess of and in addition to all other taxes now or hereafter authorized to be levied by the District. The special tax described herein and all receipts therefrom are pledged to the payment of debt service on the Bonds. Such tax shall be irrevocable as long as any of the Bonds are outstanding and unpaid; provided that the District reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61. It is estimated that the ad valorem taxes will be collected in amounts not less than five percent (5%) in excess of the annual principal and interest requirements of the Bonds. If, as of the date tax levies are certified in any year, the sum of the balance in the Debt Service Fund plus any ad valorem taxes theretofore levied for the payment of Bonds payable therefrom and collectible through the end of the following calendar year is not sufficient to pay when due all principal and interest to become due on all Bonds payable therefrom in said following calendar year, or the Debt Service Fund has incurred a deficiency in the manner provided in Section 5.01 hereof or amounts are owing to the State in the manner provided in Article X hereof, an additional direct, irrevocable, ad valorem tax shall be levied on all taxable property within the corporate limits of the District for the purpose of restoring such accumulated or anticipated deficiency in accordance with the provisions of this Resolution.

**Section 5.03. Investments.** Moneys in each of the funds and accounts created and established by this Resolution shall be deposited, invested and secured in accordance with State law. Moneys held in such funds and accounts may be invested by the District or at its direction in such amounts and maturing at such times as shall reasonably provide for moneys to be available when required in the accounts or funds; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund or account was created; and provided further that such investments shall be subject to the covenants and provisions of the Article VIII hereof. All interest on any authorized investment held in any fund or account shall accrue to and become a part of such fund or account. All money held in the funds created by this Resolution shall be kept separate and apart from all other funds of the District so that there shall be no commingling of such funds with any other funds of the District.

## **Article VI**

### **Defeasance**

The District may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, if any Bond should not be paid when due, it may nevertheless be discharged

by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The District may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Registrar on or before that date an amount equal to the principal, interest and redemption premium, if any, which are then due, provided that notice of such redemption has been duly given as provided herein. The District may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited, bearing interest payable at such time and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity or earlier designated redemption date. If any deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the District shall have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date. When all of the Bonds have been discharged as provided in this Article, all pledges, covenants and other rights granted by this Resolution to the registered owners of the Bonds shall cease.

## **Article VII**

### **Certification of Proceedings**

**Section 7.01. Filing with County Auditors.** The Clerk of the District is hereby authorized and directed to file with the County Auditors of Washington, Anoka and Chisago Counties, a certified copy of this Resolution together with such other information as the County Auditors shall require and to obtain from the County Auditors a certificate that the Bonds have been entered upon the bond registers and that the tax for the payment of the Bonds has been levied as required by law.

**Section 7.02. Certification of Proceedings.** The officers of the District and the County Auditors are hereby authorized and directed to prepare and furnish to the Purchaser and to Kutak Rock LLP, Bond Counsel, certified copies of all proceedings and records of the District relating to the Bonds and to the financial condition and affairs of the District, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds as they appear from the books and records under the officer's custody and control or as otherwise known to the them. All such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the District to the correctness of all statements contained herein.

**Section 7.03. Official Statement.** The Preliminary Official Statement relating to the Bonds, as of its date August 24, 2015, prepared and distributed by the Municipal Advisor, including any amendments or supplements thereto, is hereby ratified, approved and deemed "final" for purposes of Rule 15c2-12 promulgated under the Securities and Exchange Act of

1934, as amended (“**Rule 15c2-12**”). The Municipal Advisor is hereby authorized on behalf of the District to prepare and distribute to the Purchaser within seven business days from the date hereof, a Final Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12. The use and public distribution of the final Official Statement by the Purchaser in connection with the offering of the Bonds is hereby authorized. The officers of the District are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

## **Article VIII**

### **Covenants and Arbitrage Matters.**

**Section 8.01. Restrictive Action.** The Board covenants and agrees with the registered owners of the Bonds, that it will not take or permit to be taken by any of its officers, employees or agents any actions that would cause interest on the Bonds to become includable in gross income of the recipient under the Code and applicable Regulations, and covenants to take any and all actions within its powers to ensure that the interest will not become includable in gross income of the recipient under the Code and the Regulations. It is hereby certified that the proceeds of the Refunded Bonds were used to finance the acquisition and betterment of school facilities owned and operated by the District and the District covenants and agrees that, so long as the Bonds are outstanding, the District shall not enter into any lease, management agreement, use agreement or other contract with any nongovernmental entity relating to the school facilities so financed which would cause the Bonds to be considered “private activity bonds” or “private loan bonds” pursuant to Section 141 of the Code.

**Section 8.02. Arbitrage Certification.** The Chair of the Board and the Clerk of the District, being the officers of the District charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code and applicable Regulations stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of the Code and the Regulations.

**Section 8.03. Arbitrage Rebate.** The Board acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code and covenants 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 Bonds from gross income for federal income tax purposes, unless the Bonds 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 Bonds (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof.

**Section 8.04. Post-Issuance Compliance Procedures.** The Board hereby adopts the Post-Issuance Tax Compliance Procedures attached to this Resolution as Exhibit D to ensure that the District satisfies and meets all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt status of the Bonds. The District reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as it may determine. The District also reserves the right to change these policies and procedures from time to time, without notice.

## **Article IX Continuing Disclosure**

**Section 9.01. Continuing Disclosure Undertaking.** The Board (a) authorizes and directs any District officer to execute and deliver, on the date of the issuance of the Bonds, a continuing disclosure undertaking (the “**Undertaking**”) in such form that satisfies the requirements of Rule 15c2-12 and is acceptable to the Purchaser and bond counsel and (b) covenants that it will comply with and carry out all of the provisions of the Undertaking. A description of this undertaking is set forth in the Official Statement. Notwithstanding any other provisions of this Resolution or the Undertaking, failure of the District to comply with the Undertaking will not be considered a default under this Resolution or the Bonds; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this subparagraph and the Undertaking. For purposes of this subparagraph, “**Beneficial Owner**” means any person who (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Bonds for federal income tax purposes

**Section 9.02. Post-Issuance Compliance Procedures.** The Board hereby adopts the Post-Issuance Compliance Procedures attached to this Resolution as Exhibit E to ensure that the District satisfies and meets all applicable post-issuance requirements of Rule 15c2-12 and the Undertaking. The District reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as it may determine. The District also reserves the right to change these policies and procedures from time to time, without notice.

## **Article X Credit Enhancement Act**

The Board hereby covenants and obligates the District to be bound by and to use the provisions of Minnesota Statutes, Section 126C.55 (the “**Credit Enhancement Act**”) to guarantee payment of the principal of, the premium, if any, and the interest on the Bonds when due. The District shall comply with all procedures now or hereafter established by the Minnesota Department of Management and Budget and the Minnesota Department of Education pursuant to subdivision 2(c) of the Credit Enhancement Act and to take such actions as necessary to comply with the Credit Enhancement Act. The Chair of the Board, the Clerk of the District, and the superintendent and the business manager of the District are each authorized to execute any applicable forms of the Minnesota Department of Management and Budget or the Minnesota



Department of Education. The Board understands and acknowledges that the provisions of the Credit Enhancement Act shall be binding on the District as long as any Bonds are outstanding.

The Board further covenants to deposit with the Registrar, at least three (3) business days prior to the date on which any payment of principal of, premium, if any, or interest on the Bonds is due, an amount sufficient to pay such payment. If the District believes it may be unable to pay the principal of, the premium, if any or the interest on the Bonds on the date any such payment is due, the District shall notify the Commissioner of the Department of Education as soon as possible, but not less than 15 business days before the date such payment is due. The District shall authorize and direct the Registrar to notify the Commissioner of the Department of Education if (i) the Registrar becomes aware of a potential payment default with respect to the Bonds or (ii) two (2) business days prior to the date a payment is due on the Bonds the Registrar does not have sufficient funds to make the payment due on such date.

## **Article XI**

### **Authorization of Officers**

Without in any way limiting the power, authority, or discretion elsewhere herein granted or delegated, the Board hereby (a) authorizes and directs each officer, employee and agent of the District to carry out, or cause to be carried out, and to perform such obligations of the District and such other actions as they, or any one of them shall consider necessary, advisable, desirable, or appropriate in connection with this Resolution and the issuance, sale, and delivery of the Bonds, including, without limitation and whenever applicable, the execution and delivery thereof and of all other related documents, instruments, certificates, and opinions; and (b) delegates to each such officer, employee and agent the right, power, and authority to exercise her or his own independent judgment and absolute discretion in determining and finalizing the terms, provisions, form and contents of each of the foregoing. The execution and delivery by any such officer, employee or agent of the District of any such documents, instruments, certifications, and opinions, or the doing by them of any act in connection with any of the matters which are the subject of this Resolution, shall constitute conclusive evidence of both the District's and their approval of all changes, modifications, amendments, revisions, and alterations made therein, and shall conclusively establish their absolute, unconditional, and irrevocable authority with respect thereto from the District and the authorization, approval, and ratification by the District of the documents, instruments, certifications, and opinions so executed and the action so taken.

\* \* \* \* \*

Upon vote taken on the foregoing resolution, the following voted in favor thereof:

\_\_\_\_\_  
\_\_\_\_\_;

the following voted against the same: \_\_\_\_\_;

and the following were absent or did not vote: \_\_\_\_\_.

Said Resolution having been voted upon favorably by a majority of the members of the Board, the same was by the President declared passed and adopted.

**EXHIBIT A**

**(FORM OF BOND)**

**UNITED STATES OF AMERICA  
STATE OF MINNESOTA**

**INDEPENDENT SCHOOL DISTRICT NO. 831  
(FOREST LAKE AREA SCHOOLS)**

**GENERAL OBLIGATION REFUNDING BOND, SERIES 2015A**

R-\_\_\_\_\_ \$\_\_\_\_\_

INTEREST  
RATE

\_\_\_\_\_%

MATURITY  
DATE

February 1, 20\_\_

DATE OF  
ORIGINAL ISSUE

October \_\_\_, 2015

CUSIP

**REGISTERED OWNER:** CEDE & CO.

**PRINCIPAL AMOUNT:** \_\_\_\_\_DOLLARS

**INDEPENDENT SCHOOL DISTRICT NO. 831 (FOREST LAKE AREA SCHOOLS), STATE OF MINNESOTA**, a duly organized and existing independent school district, whose administrative offices are located in Forest Lake, Minnesota (the "District"), promises to pay to the registered owner specified above, or registered assigns, the principal sum specified above on the maturity date specified above, and to pay interest thereon from the date of original issue specified above, or from the most recent interest payment date to which interest has been paid or duly provided for, at the annual rate specified above, payable on February 1 and August 1 in each year, commencing August 1, 2016, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof at the principal office of the Registrar described below, the principal hereof, are payable in lawful money of the United States of America by check or draft drawn on U.S. Bank National Association in St. Paul, Minnesota, as bond registrar, transfer agent and paying agent, or its successor designated under the resolution described herein (the "Registrar").

This Bond is one of an issue in the aggregate principal amount of \$10,285,000 (the "Bonds"), issued by the District to provide funds to refund certain outstanding general obligation bonds of the District, and is issued pursuant to and in full conformity with resolutions adopted by the School Board on August 20, 2015 and September 10, 2015 (collectively, the "Resolution"), and is issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 475. The Bonds are

issuable only in fully registered form, in denominations of \$5,000 or any integral multiple thereof, of single maturities.

The Bonds are direct, general obligations of the District, to which the full faith, credit and resources and the taxing power of the District are irrevocably pledged. Pursuant to the Resolution, the District has covenanted to cause to be made annually a special levy of taxes on all the taxable property in the District, in addition to all other taxes, sufficient in rate and amount to produce sums not less than five percent in excess of the principal of and interest on the Bonds when due. The District has pledged such tax levy and all receipts therefrom to all payments due on the Bonds. The District has further covenanted to be bound by and to use the provisions of Minnesota Statutes, Section 126C.55 (the "Credit Enhancement Act") to guarantee payment of the principal of and the interest on the Bonds when due.

This Bond is not subject to redemption prior to maturity.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the District at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the District will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The District and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the District nor the Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the District.

**IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED** that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the District in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond, together with all other indebtedness of the District outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the District to exceed any constitutional or statutory limitation of indebtedness.

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

**IN WITNESS WHEREOF**, Independent School District No. 831 (Forest Lake Area Schools), State of Minnesota, by its School Board, has caused this Bond to be executed in its behalf by the facsimile signatures of the Chair of the Board and Clerk of the District, the District having no seal or said seal having been intentionally omitted as permitted by law.

Date of Registration:

Registrable by:

October \_\_, 2015

BOND REGISTRAR'S  
CERTIFICATE OF  
AUTHENTICATION

Payable at:

This Bond is one of  
the Bonds described  
in the within mentioned  
Resolution.

INDEPENDENT SCHOOL DISTRICT NO. 831  
(FOREST LAKE AREA SCHOOLS)  
FOREST LAKE, MINNESOTA

Bond Registrar

/s/ (Facsimile)  
Chair of the Board

By \_\_\_\_\_  
Authorized Signature

/s/ (Facsimile)  
School District Clerk

## CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Bond may be made only by the registered owner or the registered owner's legal representative last noted below.

| <u>Date of Registration</u> | <u>Registered Owner</u>   | <u>Signature of<br/>Bond Registrar</u> |
|-----------------------------|---|--|
| <u>October</u> , 2015       | Cede & Co.<br>P. O. Box 222<br>Bowling Green Station<br><u>New York, NY 10274</u> | _____                                  |
| _____                       | _____   | _____                                  |
| _____                       | _____   | _____                                  |
| _____                       | _____   | _____                                  |
| _____                       | _____   | _____                                  |
| _____                       | _____   | _____                                  |

## REGISTER OF PARTIAL PAYMENTS

The principal amount of the attached Bond has been redeemed and prepaid on the dates and in the amounts noted below:

| <u>Date</u> | <u>Amount</u> | <u>Signature of<br/>Bondholder</u> | <u>Signature of<br/>Bond Registrar</u> |
|-------------|---------------|------------------------------------|--|
| _____       | _____         | _____                              | _____                                  |
| _____       | _____         | _____                              | _____                                  |
| _____       | _____         | _____                              | _____                                  |
| _____       | _____         | _____                              | _____                                  |
| _____       | _____         | _____                              | _____                                  |
| _____       | _____         | _____                              | _____                                  |
| _____       | _____         | _____                              | _____                                  |
| _____       | _____         | _____                              | _____                                  |
| _____       | _____         | _____                              | _____                                  |
| _____       | _____         | _____                              | _____                                  |
| _____       | _____         | _____                              | _____                                  |
| _____       | _____         | _____                              | _____                                  |
| _____       | _____         | _____                              | _____                                  |
| _____       | _____         | _____                              | _____                                  |
| _____       | _____         | _____                              | _____                                  |
| _____       | _____         | _____                              | _____                                  |
| _____       | _____         | _____                              | _____                                  |

If a notation is made on this register, such notation has the effect stated in the attached Bond. Partial payments do not require the presentation of the attached Bond to the Bond Registrar, and a Holder could fail to note the partial payment here.

## ASSIGNMENT

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

\_\_\_\_\_ the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated \_\_\_\_\_

\_\_\_\_\_

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

\_\_\_\_\_

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240 Ad-15(a)(2).

The Bond Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(Include information for all joint owners if the Bond is held by joint account.)

Please insert Social Security or other Tax Identification Number of Transferee.

|  |
|--|
|  |
|--|



## EXHIBIT B

### BLANKET ISSUER LETTER OF REPRESENTATIONS

#### The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

#### BLANKET ISSUER LETTER OF REPRESENTATIONS

(To be completed by Issuer and Co-Issuer(s), if applicable)

\_\_\_\_\_  
(Name of Issuer and Co-Issuer(s), if applicable)

\_\_\_\_\_  
(Date)

**The Depository Trust Company**  
570 Washington Blvd, 4th FL  
Jersey City, NJ 07310  
Attention: Underwriting Department

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request to be made eligible for deposit by The Depository Trust Company ("DTC").

Issuer is: **(Note: Issuer shall represent one and cross out the other.)**

[incorporated in] [formed under the laws of] \_\_\_\_\_.

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Very truly yours,

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

\_\_\_\_\_  
(Issuer)

By: \_\_\_\_\_  
(Authorized Officer's Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(City) (State) (Country) (Zip Code)

\_\_\_\_\_  
(Phone Number)

\_\_\_\_\_  
(E-mail Address)

**DTCC**

BLOR 06-2013

**EXHIBIT C**

**LEVY COMPUTATION SHEET**

Post Sale

**\$10,285,000**

Independent School District 831, Forest Lake, Minnesota  
General Obligation Refunding Bonds, Series 2015A  
Current Refunding of Series 2005A

**Post-Sale Tax Levies**

| Payment Date | Principal       | Coupon | Interest       | Total P+I       | 105% Overlevy   | Levy Amount     | Levy/Collect Year |
|--------------|-----------------|--------|----------------|-----------------|-----------------|-----------------|-------------------|
| 02/01/2017   | 3,155,000.00    | 5.000% | 675,667.36     | 3,830,667.36    | 4,022,200.73    | 4,022,200.73    | 2015/2016         |
| 02/01/2018   | 3,475,000.00    | 5.000% | 356,500.00     | 3,831,500.00    | 4,023,075.00    | 4,023,075.00    | 2016/2017         |
| 02/01/2019   | 3,655,000.00    | 5.000% | 182,750.00     | 3,837,750.00    | 4,029,637.50    | 4,029,637.50    | 2017/2018         |
| Total        | \$10,285,000.00 | -      | \$1,214,917.36 | \$11,499,917.36 | \$12,074,913.23 | \$12,074,913.23 | -                 |

Series 2015A Ref 2005A - | SINGLE PURPOSE | 9/10/2015 | 11:06 AM



## **EXHIBIT D**

### **POST-ISSUANCE TAX COMPLIANCE PROCEDURES**

#### **General**

In connection with the issuance of the Bonds, the District will execute a federal tax certificate (the “**Tax Certificate**”) that describes the requirements and provisions of the Code that must be followed in order to maintain the tax exempt status of interest on such bonds. In addition, the Tax Certificate will contain the reasonable expectations of the District at the time of issuance of the Bonds with respect to the use of the gross proceeds of such bonds and the assets to be financed or refinanced with the proceeds thereof. These Procedures supplement and support the covenants and representations made by the District in the Tax Certificate related to the Bonds. In order to comply with the covenants and representations set forth in the Bond documents and in the Tax Certificate, the District tracks and monitors the actual use of the proceeds of the Bonds, the investment and expenditure of the Bond proceeds and the assets financed or refinanced with the proceeds of such bonds over their life.

#### **Designation of Responsible Person**

The Clerk of the District shall maintain an inventory of Bonds and assets financed which contains the pertinent data to satisfy the District’s monitoring responsibilities. Any transfer, sale or other disposition of bond-financed assets must be reviewed and approved by the Clerk of the District.

#### **Post-Issuance Compliance Requirements**

##### External Advisors/Documentation

The District shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for tax-exempt status. Those requirements and procedures shall be documented in the Tax Certificate and/or other documents finalized at or before issuance of the Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds.

The District also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with future contracts with respect to the use of Bond-financed or refinanced assets.

The District shall train and employ or otherwise engage expert advisors (a “**Rebate Analyst**”) to assist in the calculation of arbitrage rebate payable in respect of the investment of Bonds proceeds, unless the Tax Certificate documents that arbitrage rebate will not be applicable to the Bonds.

Unless otherwise provided by the resolution or other authorizing documents relating to the Bonds, unexpended Bond proceeds shall be held in a segregated account by a trustee, and the investment of Bond proceeds shall be managed by the District. The District shall prepare (or cause the trustee to prepare) regular, periodic statements regarding the investments and transactions involving Bond proceeds.

#### Arbitrage Rebate and Yield

Unless the Tax Certificate documents that arbitrage rebate will not be applicable to the Bonds, the District shall be responsible for:

- engaging the services of a Rebate Analyst and, prior to each rebate calculation date, causing the trustee or other account holder to deliver periodic statements concerning the investment of Bond proceeds to the Rebate Analyst;
- providing to the Rebate Analyst additional documents and information reasonably requested by the Rebate Analyst;
- monitoring efforts of the Rebate Analyst;
- assuring payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond is redeemed;
- during the construction period of each capital project financed in whole or in part by the Bonds, monitoring the investment and expenditure of Bond proceeds and consulting with the Rebate Analyst to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Bonds; and
- retaining copies of all arbitrage reports and account statements as described below under “Record Keeping Requirements”.

The District, in the Tax Certificate and/or other documents finalized at or before the issuance of the Bonds, has agreed to undertake the tasks listed above (unless the Tax Certificate documents that arbitrage rebate will not be applicable to an issue of the Bonds).

#### Use of Bond Proceeds and Bond-Financed or Refinanced Assets:

The District shall be responsible for:

- monitoring the use of Bond proceeds and the use of Bond-financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of the bonds to ensure compliance with covenants and restrictions set forth in the Tax Certificate;

- maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of the bonds, including a final allocation of Bond proceeds as described below under “Record Keeping Requirements”;
- consulting with bond counsel and other legal counsel and advisers in the review of any contracts or arrangements involving use of Bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Tax Certificate;
- maintaining records for any contracts or arrangements involving the use of Bond-financed or refinanced assets as described below under “Record Keeping Requirements”;
- conferring at least annually with personnel responsible for Bond-financed or refinanced assets to identify and discuss any existing or planned use of Bond-financed or refinanced assets, to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Certificate; and
- to the extent that the District discovers that any applicable tax restrictions regarding use of Bond proceeds and bond-financed or refinanced assets will or may be violated, consulting promptly with Bond counsel and other legal counsel and advisers to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary.

The District, in the Tax Certificate and/or other documents finalized at or before the issuance of the Bonds, has agreed to undertake the tasks listed above.

All relevant records and contracts shall be maintained as described below.

#### Record Keeping Requirement

The District shall be responsible for maintaining the following documents for the term of the Bonds (including refunding bonds, if any) plus at least three years:

- a copy of the Bond closing transcript(s) and other relevant documentation delivered to the District at or in connection with closing of the issue of the Bonds, including any elections made by the District in connection therewith;
- a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, draw requests for Bond proceeds and evidence as to the amount and date for each draw down of Bond proceeds, as well as documents relating to costs paid or reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of Bond proceeds;
- a copy of all contracts and arrangements involving the use of Bond-financed or refinanced assets;

- copies of all trustee statements and reports, including arbitrage reports, prepared with respect to District bonds; and
- a copy of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements, in connection with any investment agreements, and copies of all bidding documents, if any.

## **EXHIBIT E**

### **POST-ISSUANCE CONTINUING DISCLOSURE COMPLIANCE PROCEDURES**

#### **Purpose of Disclosure Policies and Procedures**

The issuance and sale of certain municipal bonds, notes, certificates of participation or other obligations (collectively, “**Obligations**”) are subject to certain federal and state securities laws, including Rule 15c2-12 (the “**Rule**”) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). The Rule requires that an underwriter, prior to purchasing or selling an issue of Obligations in a principal amount over \$1,000,000, obtain a written agreement from the issuer of such Obligations to provide certain financial information or operating data on an annual basis and notices of the occurrence of certain enumerated events with the Municipal Securities Rulemaking Board (“**MSRB**”) using the MSRB’s Electronic Municipal Market Access system (“**EMMA**”).

The School Board of Independent School District No. 831 (Forest Lake Area Schools), State of Minnesota (the “**District**”) has previously issued or may in the future issue Obligations subject to the Rule, and in connection with such issuances the District has entered and/or will enter into one or more Continuing Disclosure Certificates or Continuing Disclosure Undertakings (collectively, the “**Undertakings**”) in accordance with the Rule. Pursuant to such Undertakings, the District has covenanted or will covenant to comply with the Rule by timely making the required filings. These Policies and Procedures are intended to assure that all filings required under the Rule are made timely and completely and meet all requirements of the Rule.

#### **Designation of District Representative; Maintenance of List and Files**

The “**District Representative**” for the District shall be the Clerk of the District and any alternate or assistant as the Clerk of the District shall appoint. The District Representative is directed to employ the policies and procedures described herein. The District Representative shall be knowledgeable and familiar with the provisions of each Undertaking as to the type, format and content of the financial information or operating data to be included in each Annual Report required to be made thereunder, the instances in which notice of the occurrence of certain events must be given, and the timing requirements for the filing thereof. The District and the District Representative recognize and acknowledge that the terms, requirements and filing deadlines may vary by Undertaking.

The District Representative shall maintain a current list for each fiscal year identifying each issue of Obligations of the District outstanding during such fiscal year setting forth the name, original principal amount, date of issuance and CUSIP numbers for each such issue and the dates by which the Annual Reports are required to be submitted to the MSRB using EMMA, such list to be accompanied by copies of the related Undertakings.

## **Dissemination Agents**

The District and the District Representative may utilize the services of a financial institution or other provider to act as dissemination agent (each, a “**Dissemination Agent**”) in filing the disclosures and notices described herein and performing the duties of the Dissemination Agent in accordance with the terms of the applicable Undertaking. The Dissemination Agent shall review and be familiar with the contents and filing requirements of the particular Undertaking and with the procedures for making the filings required under such Undertaking with the MSRB using the EMMA system. The District Representative shall coordinate the preparation and submission of the required information with such Dissemination Agent to ensure full compliance with the requirements of the Rule and the applicable Undertakings.

## **Annual Financial Filings**

The District Representative will review the Undertaking related to each outstanding issue of Obligations to determine the financial information required to be included in the Annual Report (i.e., the District’s audited financial statements and certain other financial information or operating data with respect to the District, if applicable (the “**Annual Report**”)) required to be filed annually with the MSRB using the EMMA system, and the deadline by which such information must be filed. Unless required otherwise by an Undertaking and as permitted by EMMA filing procedures, the District Representative may file identical Annual Reports with respect to each issue of the District’s Obligations. The District Representative shall be knowledgeable and familiar with the specific requirements for the filing of a Notice of Failure to File the Annual Report by the date(s) required under the terms of each Undertaking, if applicable.

The District Representative shall timely initiate the process of preparing the financial information or operating data required to be submitted under each Undertaking as part of the Annual Report. The District Representative shall assemble the information as soon as it becomes available and determine the scope of additional information to be required and also contact the auditors to establish a schedule for completion and submission for the Audited Financial Statements.

The District Representative will timely file the Annual Report, or will cause the Dissemination Agent to file the Annual Report, with the MSRB using the EMMA system. If the Audited Financial Statements are not then available, unaudited financial information may be filed with the MSRB using EMMA and the Audited Financial Statements shall be filed within 10 business days of their receipt and acceptance.

## **Listed Event Filings**

The District Representative will review the Undertaking related to each outstanding issue of Obligations for the listed events which, upon the occurrence thereof, require prompt notices to be filed with the MSRB using the EMMA system. The District Representative will monitor the Obligations and the District’s operations for occurrences of any such events and will actively evaluate whether an event may be a listed event as set forth in the



District's outstanding Undertakings. After obtaining actual knowledge of such an event, the District Representative will promptly contact the District's bond counsel and the Dissemination Agent, if any, to determine whether the District must file notice of the event with the MSRB under one or more of its Undertakings. Upon a determination that the District must file such notice, the District Representative will file the appropriate notice, or will cause the Dissemination Agent to file such notice, with the MSRB using the EMMA system within ten (10) business days after the occurrence of the listed event or as the District's bond counsel may otherwise direct.

### **Reports of District Representative; Record Retention**

The District Representative shall provide to the School Board of the District, any Dissemination Agent and the underwriter of each issue of Obligations confirmation from EMMA received upon the filing of each Annual Report and any other filings made with the MSRB using the EMMA system promptly upon receipt of each such confirmation.

The District Representative shall maintain records with respect to the filings with the MSRB using EMMA, including, but not limited to, EMMA posting receipts showing the dates and nature or contents of all filings for each issue of Obligations outstanding during each fiscal year. Such records shall be kept for at least 5 years after the respective issue of Obligations is no longer outstanding.

### **Familiarity with EMMA Submission Process**

The District Representative shall register with EMMA and review the on-line process of filing with EMMA located at [www.emma.msrb.org](http://www.emma.msrb.org) in order to submit the required information. The MSRB market Information Department can also be contacted at 703.797.6668. A tutorial is available at the website and a practice submission is available as well. The District Representative also shall enroll the District in EMMA's reminder system to ensure timely performance of its responsibilities and obligations.

Notwithstanding the foregoing, if the District has retained a Dissemination Agent to assist with making the filings required by the District's Undertakings and to remind the District of its filing deadlines, the District Representative need not register with EMMA or enroll in EMMA's reminder system.

### **Training**

To ensure adequate resources to comply with the Rule, the District Representative shall develop a training process aimed at providing additional assistance in preparing required information. The training process shall be conducted at least annually and shall encompass a review of the EMMA submission process and an understanding of the timing requirements necessary for full compliance. The retention by the District of a Dissemination Agent to assist it with compliance under its Undertakings and the Rule may be deemed part of such training process.

## **Review of Offering Document in Connection with Primary Offerings**

In connection with a new issue of Obligations, the District Representative, together with such District officials as the District Representative deems appropriate, shall promptly review upon receipt the offering document by which such Obligations shall be offered and sold. For any issue of Obligations subject to the Rule, prior to the distribution of the related offering document the District shall deem the information concerning the District in such offering document as accurate and complete in all material respects (except for such information as permitted to be omitted by the Rule) as of the date of such offering document. The District shall confirm prior to the final pricing of the Obligations that the information concerning the District in the offering document does not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.