

RESOLUTION AUTHORIZING TRANSFER OF FUNDS FROM THE
GENERAL FUND TO THE DEBT SERVICE FUND REGARDING
FINANCING OF THE LONG-RANGE FACILITIES PLAN

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

Section 1. A. The Board approved on June 19, 2007, a Long-Range Facilities Plan (the "Facilities Plan"), which calls for renewal and remodeling of existing school facilities, additions to existing facilities and construction of new schools.

B. The District has submitted the Facilities Plan to the Minnesota Department of Education (i) for approval of the Facilities Plan; (ii) for approval of the financing of the Facilities Plan, and (iii) for review and comment on the Facilities Plan. The Commissioner of Education has approved the Facilities Plan and the financing for the Facilities Plan.

C. The District has issued four series of obligations to finance the Facilities Plan, including the \$71,170,000 Taxable Full Term Certificates of Participation, Series 2009A (Build America Bonds – Direct Pay), dated October 1, 2009 (the "Series 2009A COPs").

D. The financing plan for the Facilities Plan anticipates canceling all or a portion of tax levies for the Series 2009A COPs each year from general fund monies derived primarily from operational savings, rebates and grants and proceeds from the sale of excess properties.

Section 2. The Board hereby authorizes, pursuant to Minnesota Statutes Section 123B.80, the permanent transfer of funds from the General Fund (Fund 01) to the Debt Service Fund (Fund 07) in the amount of \$2,283,686.81 for the purpose of canceling the tax levy for the Series 2009A COPs for Levy Year 2009/Collection Year 2010.