

RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY
OF \$44,320,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015B,
OF INDEPENDENT SCHOOL DISTRICT NO. 709;
ESTABLISHING THE TERMS AND CONDITIONS THEREFOR;
DIRECTING THEIR EXECUTION AND DELIVERY;
CREATING A DEBT SERVICE FUND THEREFOR;
AND AWARDING THE SALE THEREOF

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

Section 1. Bond Purpose, Authorization and Award.

1.01 Under and pursuant to the authority contained in Minnesota Statutes, Section 123B.59 and Minnesota Statutes, Chapter 475 (the "Act"), the District previously issued its \$59,235,000 General Obligation Alternative Facilities Bonds, Series 2008A, dated February 15, 2008 (the "2008 Bonds"), to finance repairs, renovations, replacements and equipment for various District sites and facilities, pursuant to the District's facilities plan adopted pursuant to Minnesota Statutes 123B.59, and as authorized by a Resolution adopted by the School Board on January 29, 2008 (the "2008 Resolution").

1.02 Under and pursuant to the provisions of the Act and Section 475.67, Subdivisions 1 through 12 of the Act, the District is authorized to issue and sell its general obligation bonds to refund obligations and the interest thereon before the due date of the obligations, if consistent with covenants made with the holders thereof, when determined by the District to be necessary or desirable for the reduction of debt service costs to the District or for the extension or adjustment of maturities in relation to resources available for their payment.

1.03 The School Board hereby determines that in order to reduce debt service costs to the District, it is necessary, expedient and in the best educational interest of the District's pupils and citizens that the District authorize the issuance of general obligation bonds in the amount of \$48,235,899.65, consisting of the District's issuance of its \$44,320,000 General Obligation Refunding Bonds, Series 2015B (the "Bonds"), with net original issuance premium in the amount of \$3,915,899.65 for a total of \$48,235,899.65, to provide for the refunding of the outstanding 2008 Bonds maturing on and after February 1, 2019 (the "Refunded Bonds"), of which \$43,245,000 in principal amount is outstanding. The 2008 Bonds maturing on and after February 1, 2019 are subject to prepayment and redemption on February 1, 2018 (February 1, 2018 is herein referred to as the "Redemption Date"). The 2008 Bonds maturing in 2016 through 2018 shall remain outstanding.

1.04 PMA Securities, Inc., independent financial advisor to the District, has given notification as required by the Act to at least five firms determined by PMA Securities, Inc. to be prospective bidders on the Bonds at least two days (omitting Saturdays, Sundays, and legal holidays) before the date set for receipt of bids on the Bonds.

1.05 The District received proposals pursuant to such solicitation, but the best proposal received failed to satisfy the 3.0% savings test required by Section 475.67, Subd. 12 of the Act (the "Savings Test").

1.06 The School Board rejected all proposals received pursuant to such solicitation and negotiated with the provider of the best proposal to obtain an offer which complied with the terms of sale and met the Savings Test.

1.07 Pursuant to such negotiation for the sale of the Bonds, the School Board has received and considered the offer of Wells Fargo Bank, National Association of Minneapolis, Minnesota (the “Purchaser”), to purchase the Bonds at a cash price of \$47,781,619.65 plus accrued interest on the total principal amount from April 16, 2015, to the date of delivery and upon the terms and conditions hereafter specified in this Resolution and finds that the offer of the Purchaser is better than all prior proposals to purchase the Bonds and that the Purchaser’s revised proposal satisfies the Savings Test. The School Board, after due consideration, finds such offer reasonable and proper and is favorable to the District, and the offer of the Purchaser is hereby accepted. The School Board hereby ratifies the bond purchase agreement for the sale of the Bonds in accordance with the Purchaser’s proposal, and acknowledges receipt of the good faith deposit given as security for the proposal. All actions of the officers of the District, the Superintendent and the Chief Financial Officer/Executive Director of Business Services with regard to the sale of the Bonds are hereby ratified and approved.

Section 2. Terms of the Bonds.

2.01 The Bonds to be issued hereunder shall be dated April 16, 2015, as of the date of original issue, shall be issued in the denomination of \$5,000, or any integral multiple thereof, in fully registered form and lettered and numbered R-1 and upward. The Bonds shall bear interest at the annual rates indicated below and shall mature on February 1 in the following respective years and amounts:

Year	Amount	Interest Rate
2016	\$525,000	2.00%
2017	\$30,000	2.00%
2018	\$35,000	3.00%
2019	\$3,605,000	4.00%
2020	\$3,735,000	4.00%
2021	\$3,880,000	5.00%
2022	\$4,075,000	5.00%
2023	\$4,275,000	5.00%
2024	\$4,490,000	4.00%
2025	\$4,675,000	4.00%
2026	\$4,870,000	2.50%
2027	\$4,990,000	3.00%
2028	\$5,135,000	3.00%

2.02 Interest Payment Dates; Record Date.

A. The Bonds shall bear interest at the annual rates stated therefor in Section 2.01. The interest shall be payable semiannually on August 1 and February 1 in each year (each referred to herein as an “Interest Payment Date”) commencing on August 1, 2015. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

B. The Bond Registrar designated below shall make all interest payments with respect to the Bonds by check or draft mailed to the person in whose name each Bond is registered (the “Holder”) and in each case at the address shown on the bond registration records maintained by the Bond Registrar at the close of business on the 15th day (whether or not on a business day) of the calendar month next preceding the Interest Payment Date at the registered owners’ addresses shown on the registration records maintained by the Bond Registrar.

C. If the date for payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

2.03 Redemption. A. The Bonds maturing in the years 2016 through 2025 shall not be subject to redemption and prepayment before maturity, but those maturing in the year 2026 and in subsequent years shall each be subject to optional redemption on February 1, 2025, and on any date thereafter, in whole or in part, at the option of the District and in such manner as the District shall determine and by lot as to Bonds maturing in the same year, at a price of par plus accrued interest to the date of redemption.

B. In the event any of the Bonds are called for prepayment and redemption pursuant to Section 2.03A., notice thereof identifying the Bonds to be redeemed will be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) at least 30 days but not more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Bond Registrar; provided however, that so long as the Bonds are registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), notice of redemption shall be given in accordance with the terms of the Representation Letter hereinafter described. Failure to give notice by mail to any registered owner, or any defect therein, will not affect the validity of any proceeding for the redemption of Bonds not affected by such defect or failure. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

C. If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the District or the Bond Registrar designated below will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest.

2.04 A. The Bonds shall be prepared for execution in accordance with the approved form and shall be signed by the manual or facsimile signature of the Chair and attested by the manual or facsimile signature of the Clerk. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be an officer before delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

B. The Clerk is authorized and directed to obtain a copy of the proposed approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A. of Duluth, Minnesota, which is to be complete and cause the opinion to be attached to each Bond, together with a certificate to be signed by the manual signature of the Clerk in substantially the form set forth in Section 3.01, but only if the opinion is not manually executed. The Clerk is authorized and directed to execute the certificate in the name of the District upon receipt of the opinion, if required by the preceding sentence, and to file the opinion in the District offices.

2.05 A. The District hereby appoints U.S. Bank National Association in St. Paul, Minnesota, as registrar, authenticating agent, paying agent and transfer agent for the Bonds (such bank or its successors is herein referred to as the "Bond Registrar"). No Bond shall be valid or obligatory for any purpose unless or until the Bond Registrar's authentication certificate on such Bond, substantially set forth in Section 3.01 hereof, shall have been duly executed by an authorized representative of the Bond Registrar. Authentication certificates on different Bonds need not be signed by the same representative. The executed Authentication Certificate on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

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

2.06 Book-Entry System.

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

B. Notwithstanding any provision herein to the contrary, so long as the Bonds shall be in Book-Entry Form, the provisions of this Section 2.06 shall govern.

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

D. DTC (or its nominees) shall be and remain recorded on the Bond Register as the holder of all Bonds which are in Book-Entry Form. No transfer of any Bond in Book-Entry Form shall be made, except from DTC to another depository (or its nominee) or except to terminate the Book-Entry Form. All Bonds of such stated maturity of any Bonds in Book-Entry Form shall be issued and remain in a single Bond certificate registered in the name of DTC (or its nominee); provide, however, that upon termination of the Book-Entry Form pursuant to the Representation Letter, the District shall, upon delivery of all Bonds of such series from DTC, promptly execute, and the Bond Registrar shall thereupon authenticate and deliver, Bonds of such series to all persons who were beneficial owners thereof immediately prior to such termination; and the Bond Registrar shall register such beneficial owners as holders of the applicable Bonds.

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

No beneficial owner (other than DTC) shall be registered as the holder on the Bond Register for any Bond in Book-Entry Form or entitled to receive any bond certificate. The beneficial ownership

interest in any Bond in Book-Entry Form shall be recorded, evidenced and transferred solely in accordance with the Book-Entry System.

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

E. The District and the Bond Registrar shall each give notices to DTC of such matters and at such times as are required by the Representation letter, including the following:

- (i) with respect to notices of redemption; and
- (ii) with respect to any other notice required or permitted under this Bond Resolution to be given to any holder of a Bond.

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

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

2.07 Lost or Damaged Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Bond Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Bond Registrar and the District in connection therewith, including the cost of printing new Bonds; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Bond Registrar and the District of evidence satisfactory to them that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Bond Registrar and the District of an appropriate bond or indemnity in form, substance and amount satisfactory to them and as provided by law, in which both the District and the Bond Registrar must be named as obligees. Bonds so surrendered to the Bond Registrar will be canceled by the Bond Registrar and evidence of such cancellation must be given to the District. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Bond prior to payment.

2.08 Payment of Bonds.

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

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

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

Section 3. Form of the Bonds.

3.01 The Bonds shall be printed or typewritten in substantially the following form:

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

R-_____ \$_____

INDEPENDENT SCHOOL DISTRICT NO. 709
(DULUTH)
GENERAL OBLIGATION REFUNDING BOND, SERIES 2015B

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
____%	February 1, ____	April 16, 2015	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

Independent School District No. 709, St. Louis County, Minnesota (the "District"), for value received, promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above, and to pay interest on said principal amount to the registered owner hereof from the date of original issuance, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above. Interest is payable semiannually on February 1 and August 1 of each year (each referred to herein as an "Interest Payment Date") commencing on August 1, 2015. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at a designated office of U.S. Bank National Association, in St. Paul, Minnesota, as bond registrar, authenticating agent, paying agent and transfer agent (the "Bond Registrar"), or at the office of such successor Bond Registrar as may be designated by District. The Bond Registrar shall make all interest payments with respect to this Bond directly to the registered owner hereof shown on the bond registration records maintained on behalf of the District by the Bond Registrar at the close of business on the 15th day of the month next preceding the Interest Payment Date (whether or not a business day) at such owner's address shown on said bond registration records, without, except for payment of principal of the Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligation of the District to the extent of the payments so made. Payment of principal shall be made upon presentation and surrender of this Bond to the Bond Registrar when due. For the prompt and full payment of such principal and interest as

they become due, the full faith and credit and taxing power of the District are irrevocably pledged.

This Bond is one of a series issued by the District in the aggregate amount of \$44,320,000, all of like date and tenor, except as to number, maturity date, denomination, redemption privilege and interest rate, pursuant to the authority contained in Minnesota Statutes, Chapter 475, Section 475.67, subdivisions 1 through 12, and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the District on March 24, 2015 (the "Resolution"), for the purpose of providing money to refund, on an advance refunding basis, on February 1, 2018 the outstanding principal amount of the District's \$59,235,000 General Obligation Alternative Facilities Bonds, Series 2008A, dated February 15, 2008, maturing in the years 2019 through 2028 (the "Refunded Bonds"). The Bonds are payable from a direct ad valorem tax levied upon all of the taxable property within the territory of the District, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The principal and interest on the Bonds will be payable from an account in a special fund of the District entitled "2015B General Obligation Refunding Bonds Debt Service Fund."

The Bonds maturing in the years 2016 through 2025 shall not be subject to redemption before maturity, but those maturing in the year 2026 and subsequent years are each subject to redemption and prepayment at the option of the District on February 1, 2025, and on any date thereafter, in whole or in part, and if in part at the option of the District and in such manner as the District shall determine and by lot as to Bonds maturing in the same year, at a price of par plus accrued interest to the date of redemption.

Not more than 60 days and no fewer than 30 days prior to the date fixed for redemption and prepayment of any Bonds, notice of redemption shall be mailed to each registered owner of a Bond to be redeemed; provided, however, that so long as the Bonds are registered in the name of Cede & Co., as nominee for The Depository Trust Company, Jersey City, New Jersey ("DTC"), notice of redemption shall be given in accordance with the terms of the Blanket Issuer Letter of Representations executed by the District and DTC.

If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the District or the Bond Registrar designated below will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest. If any Bond is redeemed in part, upon surrender of the Bond being redeemed, the District shall deliver or cause to be delivered to the registered owner of such Bond, a Bond in like form in the principal amount equal to that portion of the Bond so surrendered not being redeemed.

The District has qualified the Bonds for participation in the State of Minnesota program to preclude default of school district debt, pursuant to Minnesota Statutes,

Section 126C.55. If the District is unable to make any portion of the principal or interest payments on the Bonds as they become due, the State of Minnesota has agreed to make such payment in the District's place.

The Bonds of this series are issued as fully registered bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof. Subject to the limitations set forth in the Resolution, the District will, at the request of the registered owner, issue one or more new fully registered bonds in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Bond, all of like tenor except as to number and principal amount. Subject to the limitations set forth in the Resolution, this Bond is transferable by the registered owner hereof upon surrender of this Bond for transfer at a designated office of the Bond Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar and executed by the registered owner hereof or the owner's attorney duly authorized in writing. Thereupon the District shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered bonds in the name of the transferee of an authorized denomination, an aggregate principal amount equal to the unpaid principal amount of this Bond, of the same maturity, and bearing interest at the same rate. No service charge shall be made for any transfer or exchange hereinbefore referred to, but the District may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the laws and the Constitution of the State of Minnesota to be done and to exist precedent 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 and do exist in form, time and manner as so required; that all taxable property within the limits of the District is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest hereon when due, without limitation as to rate or amount and that the issuance of this Bond does not cause the indebtedness of the District to exceed any constitutional or statutory limitation.

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 Bond Registrar's Authentication Certificate hereon shall have been executed by the Bond Registrar by one of its authorized representatives.

IN WITNESS WHEREOF, Independent School District No. 709, St. Louis County, Minnesota, by its governing body, has caused this Bond to be executed in its name by the manual or facsimile signature of the Chair and attested by the manual or facsimile signature of the Clerk.

ATTEST:

(Form-no signature required)
Clerk

(Form-no signature required)
Chair

Date of Authentication: _____

BOND REGISTRAR'S AUTHENTICATION CERTIFICATE

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

U.S. BANK NATIONAL ASSOCIATION
St. Paul, Minnesota
Bond Registrar

By _____
Authorized Representative

(Certificate as to Legal Opinion)

I certify that attached hereto is a full, true, and correct copy of the legal opinion rendered by Bond Counsel on the issuance of the \$44,320,000 General Obligation Refunding Bonds, Series 2015B, of Independent School District No. 709, which includes the within Bond, dated as of the original date of delivery of and payment for the Bonds.

(Form-no signature required)
Clerk

REGISTRATION CERTIFICATE

This Bond must be registered as to both principal and interest in the name of the owner on the books to be kept by U.S. Bank National Association of St. Paul, Minnesota, as Bond Registrar. No transfer of this Bond shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Bond and the interest accruing thereon is registered on the books of U.S. Bank National Association in the name of the registered owner last noted below.

Date	Registered Owner	Signature of Bond Registrar
//2015	Cede & Co. c/o The Depository Trust Company 570 Washington Blvd. Jersey City, New Jersey 07310 Federal Taxpayer I.D. No.: 13-2555119	_____

ASSIGNMENT

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

(Name and Address of Assignee)

Social Security or Other
Identifying Number of Assignee

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

Dated: _____

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

Signature Guaranteed:

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

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the District or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR

OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Section 4. Escrow Agreement; Escrow Agent.

4.01 U.S. Bank National Association of St. Paul, Minnesota, which is a suitable financial institution within the State of Minnesota whose deposits are insured by the Federal Deposit Insurance Corporation whose combined capital and surplus is not less than \$500,000, is hereby designated escrow agent (the "Escrow Agent") with respect to the Refunded Bonds.

4.02 On or prior to the delivery of the Bonds, the Chair and the Clerk are hereby authorized and directed to execute on behalf of the District an escrow agreement (the "Escrow Agreement") with the Escrow Agent in substantially the form now on file with the Clerk. The execution and delivery of the Escrow Agreement by the Chair and the Clerk, in the form presented to the School Board with such changes, omissions, insertions and revisions as the Chair and the Clerk deem advisable is hereby approved, and the execution by such officers shall be conclusive evidence of such approval. All essential terms and conditions of the Escrow Agreement, including payment by the District of reasonable charges for the services of the Escrow Agent, are hereby approved and adopted and made a part of this Resolution, and the District covenants that it will promptly enforce all provisions thereof in the event of default thereunder by the Escrow Agent.

Section 5. Covenants, Accounts and Tax Levies.

5.01 *Debt Service Fund.* A. For the convenience and proper administration of the monies to be borrowed and repaid on the Bonds and to provide adequate and specific security for the Purchaser and holders from time to time of the Bonds, there is hereby created a special account to be designated the 2015B General Obligation Refunding Bonds Debt Service Fund (the "Debt Service Fund") within the District's Debt Service Fund to be administered and maintained by the Treasurer as a bookkeeping fund separate and apart from all other funds maintained in the official financial records of the District. The Debt Service Fund shall be maintained in the manner herein specified until all of the Bonds and interest thereon have been fully paid. There shall be maintained in the Debt Service Fund two separate accounts, to be designated the Escrow Account and the Debt Service Account.

B. *Debt Service Account.* To the Debt Service Account there is hereby pledged and irrevocably appropriated and there shall be credited: (i) \$1,972,147.19 of the 2014 levy year/2015 collection year debt service levy for the 2008 Bonds for payment of the August 1, 2015 interest and February 1, 2016 principal and interest due on the Bonds; (ii) any balance remitted to the District upon termination of the Escrow Agreement; (iii) any balance remaining on the Redemption Date in the debt service account created in the District's resolution authorizing the issuance and sale of the 2008 Bonds (the "Prior Resolution") after payment of the 2008 Bonds, including the Refunded Bonds on the Redemption Date; (iv) any collections of ad valorem taxes hereafter levied for the payment of the Bonds and interest thereon; (v) all investment earnings on funds in the Debt Service Account; (vi) accrued interest, if any, received from the Purchaser upon delivery of the Bonds to the extent not required to fund the Escrow Account (the "Accrued Interest"); (vii) any amount of additional interest permitted by Section 475.56 of the Act paid by the Purchaser (the "Additional Interest"), to the extent not required to fund the Escrow Account; (viii) all taxes pledged to repayment of the 2008 Bonds in the Prior Resolution, and as amended by this Resolution, collected after the Redemption Date pursuant to levies made in the Prior Resolution, which levies shall not be cancelled except as permitted by Section 475.61, Subdivision 3 of the Act; (ix) the rounding amount of \$2.24; and (x) any and all other monies which are properly available and are appropriated by the District to the Debt Service Account including taxes levied in Section 5.02

hereof. The amount of any surplus remaining in the Debt Service Account when the Bonds and interest thereon are paid shall be used as provided in Section 475.61, Subdivision 4 of the Act.

C. Escrow Account.

(i) To the Escrow Account there is hereby pledged and irrevocably appropriated and there shall be credited: (a) the proceeds of the Bonds received from the Purchaser which are not appropriated to the Debt Service Account or are not to be used for payment of costs of issuance of the Bonds; (b) Accrued Interest; (c) Additional Interest [amounts referenced in clauses (a), (b) and (c) are herein referred to as the "Proceeds"]; (d) funds of the District in an amount sufficient to meet the requirements of the Escrow Account (the "Funds"); and (e) investment earnings on such monies referenced in clauses (a), (b), (c) and (d), for the payment of interest due on the Refunded Bonds through the Redemption Date and the principal of the Refunded Bonds called for prepayment and redemption on the Redemption Date.

(ii) The Escrow Account shall be maintained with the Escrow Agent pursuant to the Escrow Agreement and this Resolution. The Escrow Account shall be invested in accordance with the Act, the Escrow Agreement and this Section, in securities specified in Section 475.67, Subdivision 8 of the Act or in an investment contract or similar agreement with a bank or insurance company meeting the requirements of Minnesota Statutes, Section 118A.05, Subdivision 5, which investments will provide sufficient funds together with any cash or other funds retained in the Escrow Account for payment of interest due on the Refunded Bonds through the Redemption Date and the principal of the Refunded Bonds called for prepayment and redemption on the Redemption Date.

(iii) From the Escrow Account there shall be paid: (a) all interest due on the Refunded Bonds through the Redemption Date; and (b) the principal of the Refunded Bonds called for prepayment and redemption on the Redemption Date.

(iv) The Escrow Account is irrevocably appropriated to the payment of the interest due on the Refunded Bonds through the Redemption Date and the principal of the Refunded Bonds called for prepayment and redemption on the Redemption Date. The monies in the Escrow Account shall be used solely for the purposes herein set forth and for no other purpose, except that any surplus in the Escrow Account may be remitted to the District, all in accordance with the Escrow Agreement. Any monies remitted to the District upon termination of the Escrow Agreement shall be deposited in the Debt Service Account.

(v) Securities purchased for the Escrow Account shall be purchased simultaneously with the delivery of and payment for the Bonds. The Chair and the Clerk or their designee are authorized and directed to purchase such securities.

5.02 To provide monies for payment of principal and interest on the Bonds when due, there is hereby levied a direct annual irrevocable ad valorem tax upon all taxable property in the territory of the District as direct, annual ad valorem taxes to be spread upon the tax rolls and collected with and as part of other general property taxes in the territory of the District. Said levies are for the years and in the amounts set forth in Attachment A hereto, which is incorporated by reference as though fully set forth herein. The tax levies are such that if collected in full they will produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levies shall be irrevocable so long as any of the Bonds are outstanding and unpaid; provided, however, that on or about November 30 of each year, while any Bonds remain outstanding, the District shall reduce or cancel the above levies to the extent of funds available in the Debt Service Account to pay principal and interest due during the ensuing year, and shall direct the County Auditor to reduce the levy for such calendar year by that amount.

5.03 A. The District has submitted a Minnesota School District Credit Enhancement Program Application for Default Preclusion to the Minnesota Department of Education, as provided by Minnesota Statutes, Section 126.55.

B. The District hereby covenants and obligates itself to notify the Commissioner of Education of a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the Bonds when due. The District further covenants to deposit with the Bond Registrar or any successor paying agent three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner of Education that it will be unable to make all or a portion of that payment. The Bond Registrar for the Bonds is authorized and directed to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal or interest on the bonds, or if, on the day two (2) business days prior to the date a payment is due on the Bonds, there are insufficient funds to make that payment on deposit with the Bond Registrar. The District understands that as a result of its covenant to be bound by the provisions of Minnesota Statutes, Section 126C.55, the provisions of that section will be binding so long as any Bonds of this issue remain outstanding.

C. The District further covenant to comply with all procedures now or hereafter established by the Department of Management and Budget and the Department of Education of the State of Minnesota pursuant to Minnesota Statutes, Section 126C.55, subdivision 2(c) and otherwise to take such actions as necessary to comply with that section. The Chair, Clerk, Superintendent or Chief Financial Officer/Executive Director of Business Services are authorized to execute any applicable Department forms regarding such program.

5.04 The Clerk is directed to file a certified copy of this resolution with the County Auditor and to obtain the certificate required by Section 475.63 of the Act.

5.05 It is hereby determined that upon the receipt of the proceeds of the Bonds (the "Proceeds") for payment of the Refunded Bonds that an irrevocable appropriation to the Escrow Account shall have been made within the meaning of Section 475.61, Subdivision 3 of the Act and the Clerk is hereby authorized and directed to certify such fact to and request the County Auditor to amend the tax levy set forth in the 2008 Resolution so that the tax levies for the remaining outstanding 2008 Bonds maturing in the years 2016 through 2018 are as set forth in Attachment B.

Section 6. Refunding; Findings; Redemption of Refunded Bonds.

6.01 A. It is hereby found and determined, based upon information presently available from the District's financial advisors, that as of the date of the issuance of the Bonds, the issuance of the Bonds will result in a reduction of debt service cost to the District on the Refunded Bonds. In accordance with Section 475.67 of the Act, as of the date of issuance of the Bonds, the present value of the dollar amount of the debt service on the Bonds, computed to their stated maturity dates, after deducting any premium, is lower by at least three percent than the present value of the dollar amount of debt service on the Refunded Bonds, exclusive of any premium, computed to their stated maturity dates. (Present value of the dollar amount of debt service means the dollar amount of debt service to be paid, discounted to the nominal date of the Bonds at a rate equal to the yield on the Bonds.)

6.02 It is hereby found and determined that the Proceeds and Funds available and appropriated to the Escrow Account will be sufficient, together with the permitted earnings on the investment of the Escrow Account, to pay the interest on the Refunded Bonds to and including the Redemption Date and to prepayment of the Refunded Bonds due by reason of redemption on the Redemption Date.

6.03 The Refunded Bonds shall be redeemed and prepaid in accordance with their terms and in accordance with the terms and conditions set forth in the form of Notice of Call for Redemption attached to the Escrow Agreement, which terms and conditions are hereby approved and incorporated herein by reference. The Escrow Agent is hereby authorized and directed to forthwith, no later than 30 days prior to the Redemption Date, to send written notice of call to the registered owners, paying agent, and bond insurance company, if any, of the Refunded Bonds in accordance with their terms and the Escrow Agreement. The District shall send or cause to be sent a notice of call for redemption to DTC within 30 days of issuance of the Bonds and shall post a material event notice in accordance with the Continuing Disclosure Certificate entered into in connection with the 2008 Bonds.

6.04 When the principal of the Refunded Bonds and all interest thereon have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution to the holders of the Refunded Bonds shall cease, except that the pledge of the full faith and credit of the District for the prompt and full payment of the principal and interest on the Refunded Bonds shall remain in full force and effect.

Section 7. Tax Covenants.

7.01 The District covenants and agrees with the holders of the Bonds that the District will (i) take all action on its part necessary to cause the interest on the Bonds to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Bonds to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes.

7.02 A. No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued, and (ii) in addition to the above, in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Debt Service Fund (or any other District account which will be used to pay principal and interest to become due on the Bonds) in excess of amounts which will be used to pay principal and interest to become due on the bonds) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable temporary periods of minor portion made available under the federal arbitrage regulations.

B. The District hereby covenants not to use the proceeds of the Bonds, or to cause or permit them to be used, in such a manner as to cause the Bonds to be “private activity bonds” within the meaning of Sections 103 and 141 through 150 of the Code.

7.03 A. The School Board covenants and certifies to and for the benefit of the owners of the Bonds that no use will be made of the proceeds of the Bonds, which will cause the Bonds to be arbitrage bonds within the meaning of Section 148(a) of the Code and the Treasury Regulations promulgated thereunder. Pursuant to such covenant, the School Board hereby agrees to comply throughout the term of the issue of the Bonds with the requirements of Section 148 of the Code and any Treasury Regulations promulgated thereunder; to this end, the Board shall:

(1) maintain records identifying all “gross proceeds” (as defined in Section 148(f)(6)(B) of the Code) attributable to the Bonds, the yield at which such gross proceeds are invested, any arbitrage profit derived therefrom (earnings in excess of the yield on the Bonds) and any earnings derived from the investment of such arbitrage profit;

(2) make, or cause to be made as of the end of each Bond Year, the annual determinations of the amount, if any, of excess arbitrage required to be paid to the United States by the District (hereinafter, the “Rebate Amount”);

(3) pay, or cause to be paid, to the United States at least once every five Bond Years the amount, if any, which is required to be paid to the United States, including the last installment which shall be made no later than 60 days after the day on which the Bonds are paid in full;

(4) not invest, or permit to be invested, “gross proceeds” in any acquired non-purpose obligations so as to deflect arbitrage otherwise payable to the United States as a “prohibited payment” to a third party;

(5) retain all records of the annual determinations of the foregoing amounts until six years after the Bonds have been fully paid; and

(6) in order to comply with the foregoing paragraph, the School Board shall determine the Rebate Amount within 30 days after the close of each Bond Year and upon payment in full of the Bonds; upon each such determination, the School Board shall deposit in the Rebate Fund the Rebate Amount so determined; the School Board shall separately account for the earnings from the investment of the Rebate Amount and such earnings shall become part of the Rebate Amount.

B. For purposes of this Section, “Bond Year” shall mean the 12-month period beginning on the date of issuance of the Bonds or such other 12-month period designated by the School Board which is permitted by the Code or any Treasury Regulation promulgated thereunder.

Section 8. Defeasance.

8.01 When all Bonds and all interest thereon have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this Resolution to the holders of the Bonds shall cease, except that the pledge of the full faith and credit of the District for the prompt and full payment of the principal of and interest on the Bonds shall remain in full force and effect. The District may discharge all Bonds which are due on any date by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar designated in Section 2.05 hereof a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The District may also at any time discharge and cause defeasance of the Bonds in their entirety by complying with the provisions of Section 475.67 of the Act, except that the funds deposited in escrow in accordance with said provisions may (to the extent permitted by law) but need not be, in whole or in part, proceeds of bonds as therein provided, without the consent of any bondholders.

Section 9. Certificate of Proceedings.

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

9.02 The officers of the District are authorized and directed to prepare and furnish to the Purchaser of the Bonds and to bond counsel certified copies of all proceedings and records of the District relating to the authorization and issuance of the Bonds and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Bonds as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the District as to the correctness of facts recited therein and the actions stated therein to have been taken.

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

9.04 In the event of the absence or disability of the Chair or the Clerk, such officers or members of the School Board as in the opinion of the District's attorney, may act in their behalf, shall without further act or authorization, execute and deliver the Bonds, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

Section 10. Continuing Disclosure. The District acknowledges that the Bonds are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule"). The Rule governs the obligations of certain underwriters to require that issuers of municipal bonds enter into agreements for the benefit of the bondholders to provide continuing disclosure with respect to the bonds. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit underwriters of the Bonds to comply with the Rule, which will enhance the marketability of the Bonds, the Chair and the Clerk are hereby authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the District.

Section 11. Post-Issuance Compliance Policy and Procedures. The School Board has previously approved a Post-Issuance Debt Compliance Policy and Post-Issuance Debt Compliance Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the "Policy and Procedures"). The School Board hereby approves the Policy and procedures for the Bonds. The Chief Financial Officer/Executive Director of Business Services continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

Adopted: March 24, 2015

Motion made by Member _____, seconded by Member _____, to approve Resolution #B-3-15-3249, as presented. Upon a vote taken, the same was approved as follows:

Yeah:

Nay:

Clerk

Chair

M:\DOCS\05953\000061\ROL\131813102.DOCX

ATTACHMENT A

\$44,320,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015B
INDEPENDENT SCHOOL DISTRICT NO. 709

<i>Levy Year</i>	<i>Collection Year</i>	<i>Tax Levy</i>
2014	2015	\$1,972,147.19*
2015	2016	\$1,815,293.00
2016	2017	\$1,819,913.00
2017	2018	\$5,567,310.00
2018	2019	\$5,552,400.00
2019	2020	\$5,547,780.00
2020	2021	\$5,548,830.00
2021	2022	\$5,544,893.00
2022	2023	\$5,546,205.00
2023	2024	\$5,551,875.00
2024	2025	\$5,560,275.00
2025	2026	\$5,558,438.00
2026	2027	\$5,553,503.00

* To be paid from 2008 Bonds Tax Levy

ATTACHMENT B

Amended Tax Levy Schedule

For
\$59,235,000 General Obligation Alternative Facilities Bonds, Series 2008A,
dated February 15, 2008

Levy Year	Collect Year	Tax Levy
2014	2015	\$5,540,063*
2015	2016	\$3,741,413
2016	2017	\$3,751,020

* \$1,972,147.19 of the 2014/2015 levy to be deposited in the 2015B Bonds Debt Service Account and \$3,567,915.81 of the levy to be deposited in the 2008 Bonds Debt Service Fund

