Resolution Regarding the Issuance of General Obligation Capital Appreciation Bonds, Series 2021C

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

Section 1. Authority. Under and pursuant to the authority contained in Minnesota Session Laws of 2020, 5th Special Session, Article 8, Section 4 (the "Act"), and Minnesota Statutes, Chapter 475, the District is authorized to issue general obligation bonds in an amount not to exceed $31,500,000 to provide funds to finance the elements of the facilities plan, as approved by the School Board on March 16, 2021 (the "Plan"). The Plan and the request for authorization to issue general obligation bonds to finance elements of the Plan has been submitted to the Commissioner of Education for approval and review and comment. The Commissioner of Education provided her approval and the review and comment on June 24th, 2021. The Plan is incorporated in this resolution as though fully specified herein.

Section 2. The Bonds. The Board hereby determines that it is necessary, expedient and in the best educational interest of the District's pupils and residents that the District issue, sell and deliver its General Obligation Capital Appreciation Bonds, Series 2021C (the "Bonds"), in the maximum principal amount of $31,500,000, pursuant to the Act and Minnesota Statutes, Chapter 475, for the purpose of providing funds to finance the elements of the Plan, including but not limited to (i) construction and equipping the District's Service Center and Transportation Facility; (ii) renovations to the existing Facilities Building; (iii) site development and off-site improvements; (iv) de-commission of existing facilities; (v) furniture, fixtures and equipment and technology for such facilities; and (vi) costs of issuance of the Bonds (the "Projects").

Section 3. Sale of the Bonds.

3.01 The District's administrative staff is hereby authorized and directed to work with Robert W. Baird & Co., Inc., in Milwaukee, Wisconsin ("Baird"), as Underwriter for the Bonds. Baird will purchase the Bonds in an arms-length commercial transaction with the District. The Board has determined to retain Blue Rose Capital Advisors to act as an independent financial advisor to provide bond pricing opinion services for the purposes set forth in Minnesota Statutes, Section 475.60, Subdivision 2(9), as amended. Fryberger, Buchanan, Smith & Frederick, P.A., will serve as bond counsel to arrange for the sale of the Bonds.

3.02 Any officer of the District and the Superintendent or CFO/Executive Director of Business Services (the "Pricing Committee"), are hereby authorized to approve the sale of the Bonds and to execute a bond purchase agreement for the purchase of the Bonds with Baird, provided the principal amount of the Bonds does not exceed $31,500,000 and the TIC does not exceed 3.25% on the Bonds.

3.03 Upon approval of the sale of the Bonds by the Pricing Committee, the School Board will take action at a regular or special meeting to adopt the necessary approving resolution prepared by the District's bond counsel.

3.04 Baird is authorized to prepare and distribute an Official Statement related to the sale of the Bonds.

3.05 If the Pricing Committee has not approved the sale of the Bonds to Baird and executed the related bond purchase agreement by December 31, 2021, this resolution shall expire.

Section 4. Repayment of Bonds. The form, specifications and provisions for repayment of the Bonds shall be set forth in a subsequent resolution of the School Board (the "Resolution").

Section 5. Minnesota School District Credit Enhancement Program.

5.01 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 and paying agent for the Bonds to be designated in the Resolution or any successor paying agent (the "Bond Registrar") three 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 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 shall be binding as long as any Bonds of this issue remain outstanding.

5.02 The District further covenants to comply with all procedures now or hereafter established pursuant to Minnesota Statutes, Section 126C.55, Subdivision 2(c) by the Minnesota Department of Management and Budget and the Minnesota Department of Education and otherwise to take such actions as necessary to comply with that section. The Chair, Clerk, Superintendent or CFO/Executive Director of Business Services is authorized to execute any applicable Minnesota Department of Education forms.

Section 6. Notice of Intent to Issue Bonds. Pursuant to the requirements of the Act, the CFO/Executive Director of Business Services shall cause the publication in the official newspaper of the District a notice of intent to issue the Bonds for the Projects and the total amount of the District's debt. Such notice shall be published at least 20 days before the issuance of the Bonds.

Section 7. Declaration of Official Intent. This resolution constitutes a declaration of official intent under Treasury Regulations Section 1.150-2. The District reasonably expects to construct all or a portion of the Project prior to the issuance of the Bonds and to reimburse expenditures incurred with respect to such Project with the proceeds of the Bonds.