

RESOLUTION
ISSUANCE OF GENERAL OBLIGATION CAPITAL FACILITIES BONDS,
SERIES 2017B

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 Statutes, Section 123B.62 (the “Act”), and Minnesota Statutes, Chapter 475, the District is authorized to issue general obligation bonds to provide funds to finance capital improvements, including improvements and repairs to school sites and buildings, as approved by the School Board and the Commissioner of Education.

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 Facilities Bonds, Series 2017B (the “Bonds”), in the maximum principal amount of \$615,000, pursuant to Minnesota Statutes, Section 123B.62, and Chapter 475, for the purpose of providing funds to (i) repair and renovate the Rockridge Elementary building and (ii) pay costs associated with issuance of the Bonds (the “Project”).

Section 3. Sale of the Bonds.

3.01 The District’s administrative staff is hereby authorized and directed to work with Northland Securities, Inc. (“Northland”), as underwriter for the Bonds. Northland will purchase the Bonds in an arms-length commercial transaction with the District. The Board has determined to retain PMA Securities, Inc. (“PMA”), 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 Subject to approval of the issuance of the Bonds by the Commissioner of Education and subject to no petition for referendum being filed, as described in Section 6.02, 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 Northland, provided the principal amount of the Bonds does not exceed \$615,000 and the TIC does not exceed 3.5% 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 PMA is authorized to prepare and Northland is authorized to 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 Northland and executed the related bond purchase agreement by August 15, 2017, 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 to Voters; Referendum.

6.01 The Clerk shall publish a notice of intent to issue the Bonds in substantially the form attached hereto as Exhibit A as soon as practicable in the official newspaper of the District.

6.02. If, within 30 days after May 30, 2017, a petition is filed with the Board calling for a vote on the proposition of issuing the Bonds, signed by more than 15% of the registered voters of the District, the Bonds shall not be issued until the question of their issuance has been authorized by a majority of the voters voting on the question at a general or special election called to decide the question. The percentage set forth above shall be determined with reference to the number of registered voters of the District on the last day before the petition is filed with the Board.

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.

EXHIBIT A

**NOTICE OF INTENT TO ISSUE CAPITAL FACILITIES BONDS
PURSUANT TO MINNESOTA STATUTES, SECTION 123B.62
INDEPENDENT SCHOOL DISTRICT NO. 709
(DULUTH)**

NOTICE IS HEREBY GIVEN that under and pursuant to the authority contained in Minnesota Statutes, Section 123B.62, and Minnesota Statutes, Chapter 475, the School Board (the "Board") of Independent School District No. 709 (Duluth) (the "District"), is authorized to issue general obligation capital facilities bonds to provide funds for capital improvements, including improvements and repairs to school sites and buildings. The Board by resolution adopted May 30, 2017, determined 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 facilities bonds (the "Bonds") in an amount not to exceed \$615,000 to provide funds to repair and renovate the Rockridge Elementary building (the "Project").

If, within 30 days after May 30, 2017, a petition is filed with the Board calling for a referendum on the question of whether the District should issue the Bonds for the Project, signed by more than 15% of the registered voters of the District, the Bonds shall not be issued until the question of their issuance has been authorized by a majority of the voters voting on the question at the next general or special election called to decide the question. The percentage is to be determined with reference to the number of registered voters of the District on the last day before the petition is filed with the Board.

Dated May 30, 2017

/s/ Annie Harala, Clerk
Independent School District No. 709