

# SHAKOPEE PUBLIC SCHOOLS



SCHOOL BOARD AGENDA





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April 25, 2016  
5:00 PM

1. CALL TO ORDER BOARD BUSINESS MEETING AND ROLL CALL - CHAIR BOWERMAN.
2. WE ARE SHAKOPEE SCHOOLS - GOOD NEWS ITEMS.
  2. 1. Recognition of Student Achievements  
State Speech Tournament Qualifiers
3. RECOGNITION OF VISITORS TO BOARD MEETING.
4. CONSIDERATION OF AGENDA AS PRESENTED AND ADDITIONS.
5. CONSENT ITEMS
  5. 1. Personnel Items

**5.1.1 Acceptance of Retirements**

Last Name, First Name, Position, Location, Effective Date

Bierstedt, Linda, Teacher, School Readiness, Central Family Center, 6/10/2016

Meyer, Jacqueline, Teacher, Stepping Stones Preschool, Central Family Center,  
6/10/2016

**Recommended Action**

Accept the retirements and thank them for their service to the District as presented.

**5.1.2 Acceptance of Resignations**

Last Name, First Name, Position, Location, Effective Date

Berg, Melissa, School Psychologist, Eagle Creek Elementary School, 6/10/2016

Colby, Kristi, Teacher, Art, High School, 6/10/2016

Collins, Michelle, Teacher, Special Services, Tokata Learning Center, 6/10/2015

Koivisto, Sara, Teacher, Special Services, Sweeney Elementary School, 6/10/2016

Nelson, Whitney, Technology Assistant, District Office, 4/22/2016

Priggen, Christine, Teacher, Special Services, District Wide, 6/10/2016

Thul, Matthew, Teacher, Special Services, Sweeney Elementary School, 6/10/2016

**Recommended Action**

Accept the resignations and thank them for their service to the District as

presented.

### **5.1.3 Approval of Certified Contracts**

Bauder, Cynthia, Teacher, Building Substitute , Jackson Elementary School, N/A,  
N/A, 1.0, 3/17/2016, \$125.00/day

McCarty, Erin, Teacher, Building Substitute, Eagle Creek Elementary School, N/A,  
N/A, 1.0, 3/7/2016, \$125.00/day

Ocwieja, Stephanie, School Psychologist, Sun Path & Jackson Elementary School,  
MA, 3, 1.0, 7/1/2016, \$53,132.00

Satoh, Naomi, Teacher, Japanese , High School, MA, 24, 1.0, 7/1/2016, \$72,700.00

#### **Recommended Action**

Approve the certified contracts as presented.

### **5.1.4 Approval of Non-Certified Contracts**

Last Name, First Name, Position, Location, Salary, Effective

Edgar, Jennifer, Health Assistant, Pearson 6th Grade Center,  
\$19.73/hr, 4/11/2016

Johnson, Lavern, Custodian, High School, \$15.77/hr, 4/11/2016

Lambrecht, Krystal, Program Support Assistant, Central Family Center, \$14.02/hr,  
4/11/2016

Mehrhoff, Lindsay, Program Support Assistant, Sweeney Elementary School,  
\$14.57/hr, 5/02/2016

Schlueter, Mackenzie, Custodian, Red Oak Elementary School, \$15.77/hr,  
4/13/2016

Worms, Angela, Program Support Assistant, Eagle Creek Elementary School,  
\$14.02/hr, 4/25/2016

Ryan, David, Technology System Administrator, District Office, \$64,000,  
4/18/2016

#### **Recommended Action**

Approve non-certified contracts as presented.

### **5.1.5 Approval of Long Term Substitute Contracts**

Name LTS, Replacing, Position, Location, Approx. Dates, Grade/Step,

Approx. Days, FTE, Salary

Corfits, Ryan, Gestner, Julie, Teacher, Art, West Junior High School, 3/31/2016  
through approx. 6/10/2016, BA Step 3, 55, 1.0, \$206.88/day

Klecker, Jennifer, Garvin, Rebecca, Teacher, Kindergarten, Eagle Creek Elementary  
School, 4/29/2016 through approx. 6/10/2016, BA Step 4, 30, 1.0, \$207.53/day

Long, Karli, Chamberlain, Erin, Teacher, Kindergarten, Eagle Creek Elementary  
School, 4/29/2016 through approx. 6/10/2016, BA Step 4, 34, 1.0, \$207.53/day

Mack, Tanya, Keller, Rebecca, Teacher, Grade1, Jackson Elementary School,  
5/06/2016 through approx. 6/10/2016, BA Step 3, 29, 1.0, \$206.88/day

Sovine, Robin, Schenck, Myrlene, Teacher, ESL, District Wide, 2/18/2016 through approx. 6/10/2016, Ed Spec Step 6, 76, 1.0, \$313.48/day

Stripling, Heather, Triest, Eryn, Teacher, Kindergarten, Sweeney Elementary School, 4/11/2016 through approx. 6/10/2016, BA Step 3, 45, 1.0, \$206.88/day

Wills, Alexandria, Tocko, Kristine, Teacher, Grade 2, Red Oak Elementary School, 2/25/2016 through approx. 6/10/2016, BA Step 3, 105, 1.0, \$206.88/day

**Recommended Action**

Approve long term substitute contracts as presented.

**5.1.6 Approval of 2015-16 Spring Co-curricular Assignments**

Last Name, First Name, Position

Allen, Susan, Co-Head Coach Boys Tennis

Amundsen, Thomas, Play Director

Anderson, Nathan, Junior High Baseball

Anderson, Nicholas, Assistant Boys Golf

Anderson, Todd, Head Coach Robotics

Arnfelt, Jennifer, Co-Head Coach Boys Tennis

Barkley, Owen, Assistant Boys Lacrosse

Benz, Jonathan, Junior High Track/Field

Bets, Emily, Head Girls Track/Field

Brown, Andrew, Junior High Golf

Butler, Gary, JH Musical Director

Carter, Jason, Assistant Boys Tennis

Casey, Jeffery, Junior High Softball

Christenson, Eric, Assistant Play Director

Chukuske, Ryan, Junior High Track/Field

Courteau, Donnat, Co-Assistant Girls Golf

Courteau, Donnat, Co-Head Girls Golf

DeMars, Stephanie, Junior High Track/Field

Duehr, Elizabeth, HOSA Advisor

Fish, Joshua, Junior High Golf

Fleming, Kristi, Assistant Coach Robotics

Gardner, Matthew, Junior High Baseball

Gaugler, Miranda, Junior High Track/Field

Gerleman, Alex, Junior High Boys Tennis

Grosskurth, Dereck, Assistant Softball

Hildebrandt, Sean, Assistant Coach Robotics

Honza, George, Assistant Track/Field

Irvin, Katie, JH Musical Director

Javner, Cassidy, Prom Advisor

Johnson, Neil, Head Coach Softball

Koenig, Daniel, Junior High Track/Field

Kristensen, Stephanie, Assistant Track/Field

Krmpotich, Colleen, Assistant Girls Lacrosse

Laughlin, Wade, Assistant Track/Field  
Laursen, David, Technical Director  
Loonan, Benjamin, Assistant Track/Field  
Loonan, John, Assistant Track/Field  
Lundberg, Phillip, Junior High Baseball  
McDonald, Emily, Assistant Track/Field  
McGinnis, Rodney, Head Boys Track/Field  
Menden, Courtney, Assistant Boys Tennis  
Miller, Jon, Co-Assistant Girls Golf  
Miller, Jon, Co-Head Girls Golf  
Morales, Lauren, Assistant Track/Field  
Niedfeldt, Ryan, Assistant Baseball  
Pierce, Katherine, Assistant Girls Lacrosse  
Pollock, Sean, Head Boys Lacrosse  
Puch, Timothy, Assistant Boys Lacrosse  
Rangel, John, Junior High Track/Field  
Rosholt, Kirk, Junior High Softball  
Sage, Joseph, Head Boys Golf  
Schleper, Thomas, Head Baseball  
Schmidt, Sarah, Assistant Softball  
Schmitz, Eric, Assistant Baseball  
Schneider, Tara, Head Girls Lacrosse  
Sunday, Mara, Junior High Boys Tennis  
Sonnenberg, Samantha, Assistant Track/Field  
Stromgren, Kenneth, Junior High Baseball  
Thom, Josh, Assistant Baseball  
Tyson, Joshua, Junior High Track/Field  
Ungar, James, Assistant Baseball/9th Grade  
Van Sickle, Karen, JH Musical Director  
Vaupel, Kari, JH Musical Director  
Wachter, Jeffery, Assistant Track/Field  
Wagener, Robert, Assistant Baseball  
Walker, Robert, Assistant Softball

**Recommended Action**

Approve 2015-16 Spring co-curricular assignments as presented.

**5.1.7 Request for Unpaid Leave of Absence**

Betsy Saine, a Reading Intervention Teacher at Pearson 6th Grade Center, is requesting a one year unpaid childcare leave of absence for the 2016-17 school year.

**Recommended Action**

Approve the unpaid leave of absence for the 2016-17 school year as presented.

5. 2. Approval of minutes of the Board Business Meeting and Board Learning Session held March 28, 2016. 9

|  |     |
|--|-----|
| 5. 3. Consideration of bills and authorization to pay same.  |     |
| 5. 4. Buildings & Grounds Tractor<br>Approve the purchase of a Kubota B3350 tractor from Lano Equipment of Shakopee at a cost of \$34,200 as presented.  |     |
| 5. 5. Indian Education Federal Grant<br>Accept the Indian Education Federal Grant information as presented.  | 12  |
| 5. 6. Approval of the 2016-17 YMCA School Age Child Care Contract<br>Approve the 2016-17 YMCA School Age Child Care Contract as presented.   | 14  |
| 5. 7. Education Forward Strategic Directions Communications Document<br>Accept the Education Forward Strategic Directions Communications document as presented.  | 19  |
| <b>6. OLD BUSINESS DISCUSSION ITEMS</b>  |     |
| 6. 1. Update on the Elementary and Middle School Core Planning Groups<br>Director of Teaching & Learning Nancy Thul will provide an update to the Board on the work of the Elementary and Middle School Core Planning Groups.<br>Presenter: Director of Teaching & Learning Nancy Thul<br>Time: 10 minutes   |     |
| <b>7. OLD BUSINESS ACTION ITEMS</b>  |     |
| 7. 1. Refunding Bonds - \$1,895,525 Savings to Local Property Taxpayers<br>At the March 14, 2016 meeting, the Board adopted a resolution to approve the sale of bonds over the remaining life of the 2008 bonds. The bond sale was held on April 6, 2016 and the savings will be \$1,895,525 over the remaining life of the bond starting in the property tax cycle beginning in the fall of 2017.<br><b>Recommend Action</b><br>Adopt the resolution ratifying the award of the sale, determining the form and details, authorizing the execution, delivery, and registration, and providing for the payment of General Obligation Crossover Refunding Bonds, Series 2016A as presented.<br>Presenter: Director of Finance Mike Burlager<br>Time: 5 minutes | 20  |
| 7. 2. 2016-17 Capitol Projects<br>Finance Director Mike Burlager will present the list of 2016-17 Capitol Projects for Board review and approval.<br><b>Recommended Action</b><br>Approve the 2016-17 Capitol Projects as presented.<br>Presenter: Director of Finance Mike Burlager<br>Time: 10 minutes   | 171 |
| 7. 3. Approval of the Move from Odd to Even Election Years<br>The Board previously discussed aligning to the City of Shakopee odd-even election year schedule previously and at their last meeting. This action would save election costs that would otherwise be incurred by the district.  | 176 |

**Recommended Action**

Approve the change of election year cycle as presented.

Presenter: Board Chair Reggie Bowerman

Time: 5 minutes

7. 4. Approval of Additional Special Education FTE for 2016-17 School Year 179

Director of Special Education Julie Menden will present a request for an additional 7.5 FTE Special Education for the 2016-17 School Year. Background and supporting information will be presented to provide additional for information for the Board. Approval of these additional FTE will be sought at this meeting.

**Recommended Action**

Approve the additional 7.5 Special Education FTE for the 2016-17 School Year as presented.

Presenter: Director of Special Services Julie Menden

Time: 10 minutes

8. NEW BUSINESS DISCUSSION ITEMS

9. NEW BUSINESS ACTION ITEMS

9. 1. Early Childhood Pyramid Model 180

Director of Special Services Julie Menden and Early Childhood Supervisor Heidi Nistler will present information the Early Childhood Pyramid grant and request approval from the Board to proceed.

**Recommended Action**

Approve the Early Childhood Pyramid Model as presented.

Presenter: Director of Special Services Julie Menden and Early Childhood Supervisor Heidi Nistler

Time: 5 minutes

9. 2. Approval of Contract of Kevin Bjerken as the Pearson 6th Grade Center Principal

Last Name, First Name , Position, Location, Effective, Salary

Bjerken, Kevin, Principal, Pearson 6th Grade Center, 7/01/2016, \$121,620.00

**Recommended Action**

Approve the contract of Kevin Bjerken as the Pearson 6th Grade Center Principal as presented.

Presenter: Director of Human Resources Scott Hare

Time: 5 minutes

9. 3. Approval of Supervisor Contract for Heidi Nistler as the Early Childhood Supervisor

Last Name, First Name , Position, Location, Effective, Salary

Nistler, Heidi, Early Childhood Supervisor, Central Family Center, 7/01/2016, \*\$105,254

**Recommended Action**

Approve Heidi Nistler at the Early Childhood Supervisor as presented.

\*no change in salary; position change only.

Presenter: Director of Human Resources Scott Hare

Time: 5 minutes

10. ADJOURNMENT OF BUSINESS MEETING

11. BREAK

12. CALL TO ORDER BOARD LEARNING SESSION AND ROLL CALL - CHAIR BOWERMAN.

13. CONSIDERATION OF AGENDA AS PRESENTED AND ADDITIONS.

13. 1. High School Project Update

Presenter: Scott McQueen, Wold Architects and Engineers

13. 2. Professional Development Calendar Options

Presenter: Director of Teaching & Learning Nancy Thul and SEA President Dale Anderson

13. 3. Update on the Academies of Shakopee Staffing Model

Presenter: Superintendent Rod Thompson and Director of Human Resources Scott Hare

13. 4. Budget

Presenter: Director of Finance Mike Burlager

13. 5. Joint Powers Update

Presenter: Superintendent Rod Thompson

14. OTHER

15. COMMITTEE REPORTS

16. UPCOMING MEETINGS AND IMPORTANT DATES

April 27, 2106 School Board Business Meeting 5:00PM

Topic: Early Site Package Bid Award

May 9, 2016 School Board Business Meeting 6:00PM

May 12, 2016 Elementary Core Planning Group 4:15PM

June 3, 2016 Annual Recognition & Retirement Celebration beginning at 3:30PM

Canterbury Park

June 13, 2016 Board Business Meeting 6:00PM

June 16, 2016 Elementary Core Planning Group 4:00PM

June 27, 2016 Board Learning Session 5:00PM

July 11, 2016 Board Business Meeting 6:00PM

July 25, 2016 Summer School Board Retreat 5:00PM

17. ADJOURNMENT OF BOARD LEARNING SESSION

# Minutes of School Board Learning Session and Business Meeting

## School Board Shakopee Public Schools

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A School Board Learning Session and Business Meeting of the School Board of Shakopee Public Schools was held Monday, March 28, 2016, beginning at 5:00 PM in the Shakopee Public Schools District Office Board Room, 1200 Town Square, Shakopee, MN 55379.

1. CALL TO ORDER BOARD BUSINESS MEETING AND ROLL CALL - CHAIR BOWERMAN.

PRESENT: Hallett, Pass, McKeand, Romansky, Swanson, Tucker and Bowerman

ABSENT:

2. WE ARE SHAKOPEE SCHOOLS - GOOD NEWS ITEMS.

2. 1. Recognized Student Achievements

State Wrestling Qualifiers

State Boys' Swimming & Diving Qualifiers

Basketball Recognition

National Spelling Bee Qualifier

Wind Ensemble Officers

MBDA Statewide 9-10 Honor Band Member

3. RECOGNITION OF VISITORS TO BOARD MEETING.

4. CONSIDERATION OF AGENDA AS PRESENTED AND ADDITIONS.

Hallett/Romansky moved to approve the agenda as presented; motion passed unanimously.

5. CONSENT ITEMS

Romansky/Tucker moved to approve the consent agenda as presented; motion pass unanimously.

5. 1. Personnel Items

**5.1.1 Acceptance of Retirements**

The following employees have submitted a letter of retirement from their position.

Last Name, First Name, Position, Location, Effective

Dorn, Pamela, Program Support Assistant, Central Family Center, 6/09/2016

Paulak, Phyllis, Food Service Worker, Pearson 6th Grade Center, 3/31/2016

**Recommended Action**

Accepted the retirements and thanked them for their service to the district.

**5.1.2 Acceptance of Resignations**

Last Name, First Name, Position, Location, Effective Date

Bowman, Lynn, Food Service Worker, West Junior High School, 3/31/2016

Henning, Gerald, Custodian, High School, 4/01/2016

Jimenez, Cassandra, Teacher, ESL, Eagle Creek Elementary School, 6/10/2016

Kosak, Kaleb, Teacher, Science, West Junior High School, 6/10/2016

Walz, Lindsey, Food Service Worker, Sun Path Elementary School, 6/09/2016

Wittenberg, Stacy, Teacher, Grade 4, Sun Path Elementary School, 6/10/2016

**Recommended Action**

Accepted the resignations as presented.

### 5.1.3 Approval of Non-Certified Contract

Last Name, First Name, Position, Location, Salary, Effective

Anderson, Patricia, Program Support Assistant, High School, \$14.02/hr, 3/22/2016

#### Recommended Action

Approved non-certified contract as presented.

### 5.1.4 Approval of Long Term Substitute Contracts

Name LTS, Replacing, Position, Location, Approx. Dates, Grade/Step, Approx. Days, FTE, Salary

Givens, Carolyn, Severson, Jennifer, Guidance Counselor, High School, 4/05/2016 through approx.

6/10/2016, MA Step 8, 44, 1.0, \$282.98/day

Hames, Amelia, Unger, Rebecca, Teacher, Special Services, Sun Path Elementary School, 3/15/2016 through approx. 5/06/2016, BA Step 3, 35, 1.0, \$206.88/day

Krause, Denise, Masters, Elizabeth, Teacher, Grade 1, Eagle Creek Elementary School, 1/18/2016 through approx. 4/01/2016, MA Step 5, 55, 1.0, \$261.95/day

#### Recommended Action

Approved long term substitute contracts as presented.

5. 2. Approved the minutes of the Board Business Meeting and Learning Session held on March 14, 2016.

5. 3. Considered the bills and authorized to pay same.

5. 4. Approved of FY17 Achievement and Integration Budget as presented.

## 6. OLD BUSINESS DISCUSSION ITEMS

### 6. 1. Ford Next Generation Learning Update

Updates were provided by members of the Board and administration on the recent Phase II Ford NGL visit.

Reggie Bowerman - Ford NGL Steering Committee

Rod Thompson - Chamber of Commerce Convening Organization request

Shawn Hallett - District Communications Committee update

Rod Thompson - Phase III

## 7. OLD BUSINESS ACTION ITEMS

### 7. 1. Approval of the Student Learning Device Deployment Plan

Director of Instructional Technology Bryan Drozd presented the 2nd reading of the Student Learning Device Deployment Plan as presented.

#### Recommended Action

McKeand/Hallett moved to approve the Student Learning Device Deployment Plan as presented; motion passed unanimously.

### 7. 2. Approval of 2017-18 and 2018-19 School Year Calendars

The district received public comment on the 2017-18 and 2018-19 School Year Calendars. Final version of these calendars was presented for Board approval.

#### Recommended Action

Tucker/Swanson moved to approve the 2017-18 and 2018-19 School Year Calendars as presented; motion passed unanimously.

### 7. 3. Staffing Request for 2015-16

Due to an increase of 15 resource students and 3 center based students at Eagle Creek Elementary, the Board was presented with a request for an additional paraprofessional to support student needs and also a request for an additional paraprofessional at Sweeney Elementary due to an increase of 4 center based students with one to one adult support needed in order for them to participate in the school day. Total cost for these additions is \$12,800 through the end of the 2015-16 school year which will be covered 100% Special Education Federal Funds.

#### Recommended Action

Romansky/Hallett moved to approve the additional staff based upon student needs as presented; motion passed unanimously.

7. 4. Move from Odd to Even Election Years

The Board previously discussed aligning to the City of Shakopee odd-even election year schedule. This action would save election costs that would otherwise be incurred by the district.

**Recommended Action**

By consensus, the board approved the 1<sup>st</sup> reading of the change election year cycle as presented.

8. NEW BUSINESS DISCUSSION ITEMS

9. NEW BUSINESS ACTION ITEMS

10. ADJOURNMENT OF BUSINESS MEETING

At 5:45PM, Romansky/McKeand moved the adjournment from the School Board Business Meeting; motion passed unanimously.

11. At 5:55PM, CALL TO ORDER BOARD LEARNING SESSION AND ROLL CALL - CHAIR BOWERMAN.

PRESENT: Hallett, Pass, McKeand, Romansky, Swanson, Tucker and Bowerman

ABSENT:

12. CONSIDERATION OF AGENDA AS PRESENTED AND ADDITIONS.

McKeand/Pass moved to approve the agenda of the School Board Learning Session as presented; motion passed unanimously.

12. 1. Program Updates

12. 2. Pearson 6th Grade Center and Central Family Central Internal Postings and Process Sheets

12. 3. Update on Self-Insured District Program

12. 4. Excellence with Equity

13. OTHER

14. COMMITTEE REPORTS

15. UPCOMING MEETINGS AND IMPORTANT DATES

|                |                                   |             |
|----------------|-----------------------------------|-------------|
| April 21, 2016 | Middle School Core Planning Group | 4:00-6:00PM |
|----------------|-----------------------------------|-------------|

|                |  |        |
|----------------|--|--------|
| April 25, 2016 | School Board Learning Session & Business Meeting | 5:00PM |
|----------------|--|--------|

|             |                               |        |
|-------------|-------------------------------|--------|
| May 9, 2016 | School Board Business Meeting | 6:00PM |
|-------------|-------------------------------|--------|

16. ADJOURNMENT OF BOARD LEARNING SESSION

At 7:38PM, Swanson/McKeand moved to adjourn the School Board Learning Session as presented; motion passed unanimously.

The following information fulfills the public hearing requirements for the **Indian Education Federal Grant** in Shakopee Schools.

**The Indian Education Federal Grant** works in collaboration with the Indian Education State Grant to meet the following objectives:

- 1. Increase integration of Indian specific content into curriculum**
- 2. Increase school attendance**
- 3. Increase student achievement**
  - Shakopee Schools currently has 4 Indian specific learning trunks (meeting state standards) at each elementary school and 1 trunk at the secondary level.
  - Teachers at the secondary level have access to Indian specific curriculum in grade levels with a state standard related to America Indians.
  - Secondary teachers have invited Shakopee American Indian students to come into classrooms to demonstrate and share cultural aspects of their lives using the Talking Circle. (including the drum, sage, and other artifacts relevant to various tribes in Minnesota)
  - All non-Indian students are invited to participate in the annual Native Pride Performance and the annual Pow Wow.
  - American Indian students (grade 6-12) are members of Native Group. A Dakota elder and an Annishinaabe elder lead groups with topics such as Dakota Language, US History, traditions of various Minnesota tribes, and current events. Native group is also a place of encouragement to achieve academically, and a respect of self.
  - Small group and individual students meet with the Indian Education Coordinator who monitors, problem solves, and teaches strategies to encourages daily attendance and academic achievement. Indian Education Coordinator collaborates with other Equity Team members to provide this service.
  - In collaboration with the entire Equity team, students visit several colleges throughout the year, and provide college nights to support families in their journey to find appropriate schools, scholarships, and funding.

- Professional Development for teachers continues with components of Indian Education, the unique status of American Indian students according to federal government guidelines, and history of the difficulties in achievement with strategies to address them. This also includes professional development of all new teachers to the district.

The following is the budget for the Indian Education Federal Grant.

|             |  |
|-------------|--|
| Personnel   | \$31,901   |
| Travel      | \$1713   |
| Supplies    | \$1200 (State Grant provides additional funding) |
| Contractual | funds covered by State Grant                     |
| Summer prg. | \$2700 (State Grant provides additional funding) |

**Total: \$37,514**

**Budget of the Indian Education State Grant is due in September and will be reported at that time.**

Please direct any question to Dee Buros, Indian Education Coordinator  
[dburos@shakopee.k12.mn.us](mailto:dburos@shakopee.k12.mn.us)  
 952-496-5790

\* Recently, several surrounding districts (Jordon and Chaska) have requested time with Shakopee’s Indian Education Coordinator to obtain assistance in the development of their Indian Education Programming.

**2015-2016** AGREEMENT BETWEEN  
THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE GREATER TWIN CITIES, THE  
RIVER VALLEY BRANCH, AND THE INDEPENDENT SCHOOL DISTRICT 720  
SHAKOPEE

TERM: One-year minimum beginning **September 1, 2015 through August 31, 2016** with review by the Director of Community Education and the Director of Community Programs, The Young Men's Christian Association of The Greater Twin Cities, The River Valley Branch.(YMCA)

It is agreed the Shakopee School District shall provide space for School Age Care (SAC) activities to the YMCA.

The YMCA:

1. It is the intent of the YMCA to provide SAC for grades K-5 on days when school is in session and K-6 on school release days. The YMCA will also provide care during summer months for grades entering K-8. School year locations are Jackson, Red Oak, Sweeney, Sun Path, and Eagle Creek. Summer programs will be operated in a minimum of two schools. Summer location may rotate each year as agreed upon by School District and YMCA. Appropriate public school location in the Shakopee School District may be provided as alternatives to these locations as the School District sees fit.
2. The School District shall provide appropriate space as may be determined between the Community Education Director and the YMCA for a period starting on **September 1, 2015 through August 31, 2016**. Program Hours will be as follows:

Grades K-5

6:15 AM-until school starts

After school- until 6:15 PM

6:15 AM-6:15 PM on release days (grades K-6)

Care will be provided for grades K-5 at Jackson, Red Oak, Sun Path, Sweeney, and Eagle Creek schools or appropriate public school location.

District 720 will offer one school location for the YMCA to run a release day program in the event of a school closing due to severe/cold day temperatures.

Summer grades entering K-8

6:15am-6:15pm

2 or more school buildings to be announced

3.

A non-refundable one-time registration fee of \$50.00 per child will be charged to all participants.

School Year Grades K-5

A non-refundable one-time registration fee of \$50.00 per child will be charged to all participants.

|                 |  |
|-----------------|--|
| AM              | \$11.50  |
| PM              | \$11.50  |
| Non-school days | (includes field trip and bussing costs)<br>\$40.00 |

Summer

A non-refundable one-time registration fee of \$50.00 per child will be charged to all Summer Power, Summer Uproar, and Summer Power Kindergarten participants.

Weekly fees for Summer Power

|        |       |
|--------|-------|
| 3 days | \$135 |
| 4 days | \$162 |
| 5 days | \$196 |

Uproar will be as follows:

|        |       |
|--------|-------|
| 3 days | \$138 |
| 4 days | \$164 |
| 5 Days | \$198 |

\*A minimum of 3 days per week will be required for Uproar, Summer Power and Kindergarten.

4. The total payment by the YMCA to ISD 720 under this agreement will be the following:

Fee \$102,000 for annual rental space.

Monthly payments, due to ISD 720 the first of each month will be:

\$8,500.00 September 2015-August 2016.

Totalling 12 payments distributed monthly throughout the length of the contract.

5. The school district shall provide the normal custodial and maintenance services. Additional requested services should be paid for the YMCA after first receiving written permission from the school district. Custodial charges incurred by the SAC program will be billed to the YMCA three times per year in November, February, and May.
6. The YMCA shall make arrangements directly with the respective lead custodian and Community Education Director for the storage of any materials.

7. The YMCA agrees to reimburse the school district for the cost of repairing any damages caused by the SAC program.
8. The Community Education Director will serve as the district liaison to SAC.
9. Shakopee parents will be kept informed about the program through a parent handbook and other parent communications.
10. Parent evaluations will be conducted at least once a school year. A summary of the parent evaluations will be provided to the Director of Community Education as a representative of the school district.
11. Jackson, Eagle Creek, Red Oak, Sun Path, and Sweeney or other public school location, will provide use of a TV/DVD and access to computers and technology for the YMCA program. An annual training will occur at the expense of the YMCA.
12. The kitchen will be provided for use for occasional cooking projects and will be supervised by YMCA staff. The YMCA Site Coordinators will have a training session provided by the appropriate staff on the kitchen equipment including the stove and ovens prior to the beginning of the summer program. The YMCA will be responsible for all clean up and condition of equipment with a final inspection at the end of the summer program in August.
13. All staff members involved in the operation of the program will be employees of the YMCA of The Greater Twin Cities. The YMCA agrees to comply with all applicable laws, including insurance liability and workers compensation laws.
14. The YMCA agrees to release, hold harmless and indemnify Shakopee Schools, its individual Board of Education members, all employees, demands, action or causes of action, of any kind; arising from the operation of the program. To the extent authorized by law, statutes, and constitution of the State of Minnesota, this does not extend to any personal injuries caused by Shakopee Schools as a result of any defect in, condition of, or failure by Shakopee Schools to provide physical maintenance of its school facilities.  
  
The Shakopee Schools, its individual Board of Education members, all employees, agrees to release, hold harmless and indemnify the YMCA, its directors, officers, employees demands, actions or causes if action, of any kind; arising from the operation of the program including, but not limited to, transportation to and from the program.
15. The YMCA agrees to provide its own public and automotive liability insurance coverage's at an amount deemed appropriate by the YMCA and the YMCA shall name Independent School District 720 as an "additional insured" on its insurance policies and, furthermore, shall provide the school district with a Certificate of Insurance delineating this contractual provision.

16. The school district agrees to provide its own public liability insurance coverage at an amount deemed appropriate by the school district and the school district shall name The Young Men's Christian Association of Metropolitan Minneapolis and The River Valley Branch as an "additional insured" on its insurance policy and, furthermore shall provide the YMCA with a certificate of Insurance delineating this contractual provision.
17. An annual report of the program will be presented to the Community Education Advisory Council and Board of Education in the spring of each year.
18. The YMCA agrees to comply with all applicable State and Federal laws and regulations, including those of the State of Minnesota governing child and day care program operations. The YMCA will obtain and maintain all necessary (if any) licenses from the State of Minnesota and any other applicable authority in order to operate a child and day care program in the State of Minnesota. The YMCA agrees at all times to operate the program in accordance with these licensing requirements.
19. Any changes in the School Age Care Agreement and fee structure must be reviewed and approved by the Shakopee School District Board of Education prior to student registration for the upcoming program.
20. The Young Men's Christian Association of The Greater Twin Cities, The River Valley Branch will have access to existing Extended Day Disabled dollars through District 720 as allowed by the state statute. The Young Men's Christian Association of Metropolitan Minneapolis, The River Valley Branch will submit quarterly statements to receive appropriate reimbursement. Such service may include: Children with disabilities or children experiencing family or related problems of a temporary nature that participate in the extended day program.
21. The YMCA has agreed to provide School Age Care in our existing morning programs for students in District 720 that become displaced from their homes and are considered "homeless" by state guidelines. The YMCA will provide care at no charge to these families for up to twelve weeks while the family is in transition.
22. The YMCA will provide emergency care to children who participate in after school community education programs. Care would be provided by the YMCA if an instructor cancels programs before parents can make appropriate arrangements to pick up their child. Community Education will inform parents of this procedure when parents sign up for classes. Community Education will provide emergency contact information to the YMCA for all participants who may need emergency care.

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Reggie Bowerman  
Board of Education Chair

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David Grote  
District Childcare Supervisor  
The Young Men's Christian Association of The  
Greater Twin Cities, The River Valley Branch

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Robert Greeley  
Community Education Director

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Mary Erickson Executive Director  
The Young Men's Christian Association of the  
Greater Twin Cities, The River Valley Branch

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Dr. Rod Thompson  
Superintendent of Schools

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Greg Waibel  
Chief Financial Officer  
The Young Men's Christian Association of The  
Greater Twin Cities



# EDUCATION FORWARD



## MISSION

*In partnership with our community, we will educate lifelong learners to succeed in a diverse world.*

## VISION

*To ensure ALL students are college and career ready.*

## STRATEGIC DIRECTIONS

*Six areas of focus to accomplish our mission & vision.*

### QUALITY INSTRUCTION & STUDENT ENGAGEMENT

Teachers will possess a common set of instructional practices and beliefs to ensure all students are engaged and achieve at high levels.

### WHOLE STUDENT DEVELOPMENT

Emphasis on the District's 6 C's of Character, Collaboration, Communication, Creativity, Critical Thinking, and Cultural Competence to improve college and career readiness.

### PERSONALIZED LEARNING

With student interests and passions in mind, teachers will use a personalized approach to maximize students' educational experience.

### A CULTURE OF EXCELLENCE

Staff are committed to high expectations and continuous improvement, while the District Office and its departments will operate as a service center in support of staff and students.

### 21ST CENTURY LEARNING ENVIRONMENT

Students will learn in flexible and technology-rich spaces that allow them to easily collaborate with each other and their teachers for a full range of experiences.

### EXCELLENCE WITH EQUITY

Staff, students, and families will develop a raised awareness and capacity to engage, inspire, and communicate on issues of excellence with equity.

CERTIFICATION OF MINUTES

RELATING TO  
GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A

ISSUER: INDEPENDENT SCHOOL DISTRICT NO. 720 (SHAKOPEE)  
STATE OF MINNESOTA

BODY: SCHOOL BOARD

KIND, DATE, TIME AND PLACE OF MEETING: A regular meeting held on April 25, 2016, at \_\_\_\_\_ o'clock p.m., in the School District.

MEMBERS PRESENT:

MEMBERS ABSENT:

Documents Attached: Extract of Minutes of said meeting.

**RESOLUTION RATIFYING THE AWARD OF THE SALE, DETERMINING THE FORM AND DETAILS, AUTHORIZING THE EXECUTION, DELIVERY, AND REGISTRATION, AND PROVIDING FOR THE PAYMENT OF GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A**

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 given as required by law.

WITNESS MY HAND officially as such recording officer this \_\_\_\_ day of April, 2016.

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School District Clerk

EXTRACT OF MINUTES OF A MEETING  
OF THE SCHOOL BOARD  
OF INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)  
STATE OF MINNESOTA

HELD: APRIL 25, 2016

Pursuant to due call and notice thereof, a regular meeting of the School Board of Independent School District No. 720, State of Minnesota, was duly held on April 25, 2016, at \_\_\_\_\_ o'clock p.m., for the purpose, in part, of ratifying the award of the sale of the General Obligation Crossover Refunding Bonds, Series 2016A of the District.

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

**RESOLUTION RATIFYING THE AWARD OF THE SALE, DETERMINING THE FORM AND DETAILS, AUTHORIZING THE EXECUTION, DELIVERY, AND REGISTRATION, AND PROVIDING FOR THE PAYMENT OF GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A**

BE IT RESOLVED by the School Board of Independent School District No. 720,

State of Minnesota, as follows:

**Section 1. Authorization and Sale.**

**1.01 Authorization.** At a meeting held March 14, 2016, this Board determined to sell and issue approximately \$17,575,000\* principal amount of general obligation refunding bonds of Independent School District No. 720 (the "Issuer" or the "District"). Said Bonds shall hereinafter be referred to as the "Bonds" or the "Refunding Bonds." The Refunding Bonds, together with other available funds of the Issuer, shall provide funds to refund in advance of their stated maturities, through a crossover refunding, all of the bonds maturing in the years 2019 to 2026, aggregating \$17,020,000 in principal amount, of the Issuer's General Obligation School Building Bonds, Series 2008A, bearing a date of original issue of March 5, 2008 (the "Refunded Bonds"), and shall provide funds to pay the interest when due on the Bonds of this issue to and including February 1, 2018. The Refunded Bonds were originally issued to provide funds for the acquisition and betterment of school sites and facilities and have not previously been refunded.

**1.02 Sale.** The Board has determined that this issue shall be privately sold after direct negotiation, as authorized pursuant to Minnesota Statutes, Section 475.60, Subdivision 2(5). The proposal of Robert W. Baird & Co. (the "Purchaser"), to purchase the Bonds at a price of \$18,020,471.60, plus interest accrued to settlement, and upon the further terms and conditions contained in the Official Statement was accepted April 6, 2016, by the Superintendent or Director of Finance and a School Board officer pursuant to the March 14, 2016 resolution of the Board, and the award of the sale of the Bonds to said Purchaser is hereby ratified by the Board.

**1.03 Execution of Documents.** The endorsement of the acceptance on both copies of the proposal and the execution of a Bond Purchase Agreement by the Superintendent or Director of Finance and a School Board officer is ratified in all respects and they are directed to send one copy of each to the Purchaser.

**1.04 Debt Service Savings.** Minnesota Statutes Section 475.67, authorizes the issuance of refunding bonds for the purpose of saving debt service costs. Minnesota Statutes Section 475.67, Subd. 13, authorizes the issuance of crossover refunding bonds whereby the

proceeds of the crossover refunding bonds, less any proceeds applied to the costs of issuance, are deposited in an escrow account appropriated to the payment of debt service on the refunding bonds until applied to the payment of the obligations to be refunded. Section 475.67, Subd. 13 permits the Issuer to pledge to the Bonds any source of payment of the Refunded Bonds. It is hereby found and determined that the issuance of the Refunding Bonds and the crossover refunding of the Refunded Bonds as contemplated by this Resolution and the Escrow Agreement will result in substantial debt service savings to the Issuer. The present value of the dollar amount of debt service for the Refunding Bonds is lower by at least three percent (3%) 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 and 13.

**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, it is necessary for this Board to establish the form and terms of the Bonds, to provide for the security thereof, and to provide for the issuance of the Bonds forthwith.

**1.06 Minnesota School District Credit Enhancement Program.** (a) 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 shall be binding as long as any Bonds of this issue remain outstanding.

(b) The District further covenants to comply with all procedures now or hereafter established by the Departments of Management and Budget and 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.

## Section 2. Bond Terms.

**2.01 Designation; Registration; Denomination; Maturities.** The \$15,025,000 aggregate principal amount of general obligation bonds sold on this date shall be designated General Obligation Crossover Refunding Bonds, Series 2016A, shall be dated May 4, 2016, as the date of original issue, and shall be issued forthwith on or after such date using a global book-entry system. The Bonds shall be issued as fully registered bonds and shall be numbered R-1 upward, in the denomination of \$5,000 each or any integral multiple thereof of a single maturity. The Bonds shall mature on February 1 in the years and amounts set forth below, and shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue until paid or duly called for mandatory redemption, if herein provided, at the rates per annum set forth below opposite such years and amounts, as follows:

| Maturity Date | Amount    | Rate   |
|---------------|-----------|--------|
| 02/01/2019    | 705,000   | 3.000% |
| 02/01/2020    | 760,000   | 3.000% |
| 02/01/2021    | 800,000   | 3.000% |
| 02/01/2022    | 830,000   | 3.000% |
| 02/01/2023    | 2,060,000 | 5.000% |
| 02/01/2024    | 2,175,000 | 5.000% |
| 02/01/2025    | 1,000,000 | 3.000% |
| 02/01/2025    | 1,285,000 | 5.000% |
| 02/01/2026    | 5,410,000 | 5.000% |

*Note: The 2025 maturity was bifurcated with \$1,000,000 at a 3.00% coupon and \$1,285,000 at a 5.00% coupon.*

These maturities, together with the maturities of all other outstanding general obligation bonds of the Issuer, meet the requirements of Minnesota Statutes, Section 475.54.

**2.02 Interest Payments.** Interest shall be payable semiannually on each February 1 and August 1 to maturity (each an "Interest Payment Date"), commencing February 1, 2017. Interest will be calculated on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the MSRB. Interest will be payable in the manner set forth in the form of Global Certificate or Replacement Bond and Paragraph 4.06 of this resolution.

### **2.03 Use of Global Book-Entry System.**

(a) **Description of System.** In order to issue obligations in "global book-entry form", the obligations are issued in certificated form in large denominations, are registered on the books of the Issuer in the name of a depository or its nominee, and are immobilized and held in safekeeping by the depository. The depository, as part of the computerized

National Securities Clearance and Settlement System (the "National System"), registers transfers of ownership interests in the obligations by making computerized book entries on its own books and distributing payments on the obligations to its participants shown on its books as the owners of such interests. These participants, which include financial institutions for whom the depository effects book-entry transfers of securities deposited and immobilized with the depository, and other banks, brokers and dealers participating in the National System will do likewise if not the beneficial owners of the obligations.

**(b) Designation of Depository; Approval of Blanket Issuer Letter of Representations.** The Depository Trust Company ("DTC") of New York, New York, a Securities and Exchange Commission designated depository, a limited purpose New York trust company, a member of the Federal Reserve System, and a "clearing corporation" within the meaning of the New York Uniform Commercial Code, is hereby designated as the depository (the "Depository") with respect to the Bonds issued hereunder in global book-entry form. There has been submitted to this Board a form of letter of representations (the "Blanket Issuer Letter of Representations") between the Issuer and the Depository setting forth various matters relating to the Depository and its role with respect to the Bonds. This Blanket Issuer Letter of Representations is hereby approved. The Chair or the Clerk is hereby authorized and directed to execute the Blanket Issuer Letter of Representations in substantially the form attached hereto as EXHIBIT C, if such a letter of representations has not already been executed, with only such variations therein as may be required to complete the Blanket Issuer Letter of Representations, or which are not, in the opinion of Bond Counsel, materially adverse to the interests of the Issuer. Execution of the Blanket Issuer Letter of Representations by such official shall be conclusive evidence as to the necessity and propriety of such changes and their approval by Bond Counsel. So long as DTC is the Depository or it or its nominee is the Holder of any Global Certificate, the District shall comply with the provisions of the Blanket Issuer Letter of Representations, as it may be amended or supplemented by the District from time to time with the agreement or consent of DTC.

**(c) Global Certificates.** Upon their original issuance, the Bonds will be issued in the form of a single Global Certificate for each maturity which shall represent the aggregate principal amount of the Bonds due on a particular maturity date (the "Global Certificates"). The Global Certificates will be originally issued and fully registered as to principal and interest in the name of Cede & Co., as nominee of DTC. The Global Certificates will be deposited with the Depository by the Purchaser and will be immobilized as further provided herein. No beneficial owners of interest in the Bonds will receive certificates representing their respective interests in the Bonds except as provided below in clause (e) of this Paragraph 2.03. Except as so provided, during the term of the Bonds, beneficial ownership (and subsequent transfers of beneficial ownership) of interests in the Global Certificates will be reflected by book entries made on the records of the Depository and its participants and other banks, brokers, and dealers participating in the National System. The Depository's book entries of beneficial ownership interest are authorized to be in integral increments of

\$5,000, despite the larger authorized denominations of the Global Certificates. Payment of principal of, premium, if any, and interest on the Global Certificates will be made to the Bond Registrar as paying agent, and in turn by the Bond Registrar to the Depository or its nominee as registered owner of the Global Certificates. The Depository, according to the laws and rules governing it, will receive and forward such payments on behalf of the beneficial owners of the Global Certificates.

**(d) Immobilization of Global Certificates by the Depository.** Pursuant to the request of the Purchaser to the Depository, immediately upon the original delivery of the Bonds the Purchaser will deposit the Global Certificates representing all of the Bonds with the Depository. The Global Certificates shall be in typewritten form or otherwise as acceptable to the Depository, shall be registered in the name of the Depository or its nominee and shall be held immobilized from circulation at the offices of the Depository on behalf of the Purchaser and subsequent Bondholders. The Depository or its nominee will be the sole Holder of record of the Global Certificates and no investor or other party purchasing, selling or otherwise transferring ownership of interests in any Bond is to receive, hold or deliver any Global Certificates so long as the Depository holds the Global Certificates immobilized from circulation, except as provided below in clause (e) of this Paragraph 2.03.

**(e) Transfer or Exchange of Global Certificates; Substitute Depository; Replacement Bonds.**

Global Certificates evidencing the Bonds may not, after their original delivery, be transferred or exchanged except:

(i) Upon exchange of a Global Certificate after a partial redemption, if authorized in Paragraph 2.04 of this resolution;

(ii) To any successor of the Depository (or its nominee) or any substitute depository (a "Substitute Depository") designated pursuant to subclause (iii) of this clause (e); provided that any successor of the Depository or any Substitute Depository must be both a "clearing corporation" as defined in the Minnesota Uniform Commercial Code, Minnesota Statutes, Section 336.8-102, and a qualified and registered "clearing agency" as provided in Section 17A of the Securities Exchange Act of 1934, as amended;

(iii) To a Substitute Depository designated by and acceptable to the Issuer upon (a) the determination by the Depository that the Bonds shall no longer be eligible for its depository services or (b) a determination by the Issuer that the Depository is no longer able to carry out its functions; provided that any Substitute Depository must be qualified to act as such, as provided in subclause (ii) of this clause (e); or

(iv) In the event that (a) the Depository shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to

locate a Substitute Depository within two (2) months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described herein might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, then the Issuer shall notify the Holders of its determination and of the availability of Replacement Bonds to Holders. The Issuer, the Bond Registrar and the Depository shall cooperate in providing Replacement Bonds to Holders requesting the same and the registration, transfer and exchange of such Bonds shall thereafter be conducted as provided in Paragraph 4.04 of this resolution.

In the event of the designation of a Substitute Depository as authorized by this clause (e), the Bond Registrar, upon presentation of the Global Certificates, shall register their transfer to the Substitute Depository, and the Substitute Depository shall be treated as the Depository for all purposes and functions under this resolution. The Blanket Issuer Letter of Representations shall not apply to the Substitute Depository unless the Issuer and the Substitute Depository so agree, and the execution of a similar agreement is hereby authorized.

**2.04 Redemption. (a) Optional Redemption.** The Bonds of this Issue are not subject to optional redemption or prepayment prior to maturity.

**(b) Mandatory Redemption. NOT APPLICABLE** (1) The Bonds maturing in the year \_\_\_\_ shall be subject to mandatory redemption at a redemption price equal to the principal amount of the Bonds to be so redeemed plus interest accrued thereon to the date fixed for redemption, on February 1 in the years and principal amounts set forth below:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
|             | \$            |

(2) The Bonds maturing in the year \_\_\_\_ shall be subject to mandatory redemption at a redemption price equal to the principal amount of the Bonds to be so redeemed plus interest accrued thereon to the date fixed for redemption, on February 1 in the years and principal amounts set forth below:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
|             | \$            |

(3) Mandatory redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the Issuer shall determine the order of redemption of Bonds; and if only part of the Bonds having a common maturity date are called for prepayment, the Global Certificates to be prepaid may be prepaid in \$5,000 increments of principal and, if applicable, the specific Replacement Bonds to be prepaid shall be chosen by lot by the Bond Registrar as provided below. Bonds or portions thereof called for redemption shall be due and payable on the designated redemption date, and interest thereon shall cease to accrue from and after the redemption date.

**(c) Mandatory Redemption of Global Certificates.** Upon a partial redemption in the aggregate principal amount of a Global Certificate which results in the stated amount thereof being reduced, the Holder may in its discretion make a notation of such redemption on the panel provided on the Global Certificate stating the amount so redeemed, or may return the Global Certificate to the Bond Registrar in exchange for a new Global Certificate authenticated by the Bond Registrar, in proper principal amount. Such notation of redemption, if made by the Holder, shall be for reference only, and may not be relied upon by any other person as being in any way determinative of the principal amount of such Global Certificate outstanding, unless the Bond Registrar has signed the appropriate column of the panel.

**(d) Mandatory Redemption of Replacement Bonds.** To effect a partial redemption of Replacement Bonds having a common maturity date, the Bond Registrar, prior to giving a notice of redemption, shall assign to each Replacement Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Replacement Bond. The Bond Registrar shall then select by lot from the numbers so assigned to such Replacement Bonds, using such method of selection as it shall deem proper in its discretion, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Replacement Bonds to be redeemed. The Replacement Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Replacement Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 of principal amount for each number assigned to it and so selected. If a Replacement Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or the Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and the Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of such Replacement Bond, without service charge, a new Replacement Bond or Bonds of the same series having the same stated maturity and interest rate and of any authorized denomination or denominations, as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Replacement Bond so surrendered.

(e) **Notice of Mandatory Redemption of Global Certificates and Replacement Bonds.** The Bond Registrar shall call Bonds for redemption and payment as herein provided upon receipt by the Bond Registrar of a request of the Issuer. The request shall be in written form. The request shall specify the principal amount of Bonds to be called for redemption, the redemption date and the redemption price.

Published notice of redemption shall in each case be given in accordance with law, and mailed notice of redemption shall be given to the paying agent and to each affected Holder. If and when the Issuer shall call any of the Bonds for redemption and payment prior to the stated maturity thereof, the Bond Registrar shall give written notice in the name of the Issuer of its intention to redeem and pay such Bonds at the office of the Bond Registrar. The Notice of Redemption shall be given by first class mail, postage prepaid, mailed not less than thirty (30) days prior to the redemption date, to each Holder of Bonds to be redeemed, at the address appearing in the records of the Bond Registrar. For the purpose of giving notice of the redemption of Global Certificates, the Holder of the Global Certificates shall be the Depository or its nominee. In connection with any such notice, the "CUSIP" numbers assigned to the Bonds shall be used. All notices of redemption shall state:

- (i) The redemption date;
- (ii) The redemption price;
- (iii) If less than all outstanding Bonds are to be redeemed, the identification (and, if the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (iv) That on the redemption date, the redemption price will become due and payable upon each such Bond, and that interest thereon shall cease to accrue from and after said date; and
- (v) The place where such Bonds are to be surrendered for payment of the redemption price (which shall be the office of the Bond Registrar).

### **Section 3. Form of Bonds.**

The Bonds to be issued hereunder shall be in the form of Global Certificates unless and until Replacement Bonds are made available as provided herein.

**3.01 Global Certificates.** The Global Certificates to be issued hereunder, together with the Bond Registrar's Certificate of Authentication, the Register of Partial Payments, the form of Assignment, and the registration information thereon, shall be in substantially the form set forth in EXHIBIT A hereto, which exhibit is incorporated herein by reference as though fully specified in this paragraph, and may be typewritten rather than printed.

**3.02 Replacement Bonds.** If the Issuer has notified Holders that Replacement Bonds have been made available as provided in Paragraph 2.03(e) of this resolution, then for every Bond thereafter transferred or exchanged (including an exchange to reflect the mandatory redemption of a Global Certificate not previously exchanged for Replacement Bonds), the Bond Registrar shall deliver a bond in the form of a Replacement Bond rather than a Global Certificate, but the Holder of a Global Certificate shall not otherwise be required to exchange the Global Certificate for one or more Replacement Bonds since the Issuer recognizes that some Holders may prefer the convenience of the Depository's registered ownership of the Bonds even though the entire issue is no longer required to be in global book-entry form. The Replacement Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereto, shall be in substantially the form set forth in EXHIBIT B hereto, which exhibit is incorporated herein by reference as though fully specified in this paragraph.

#### **Section 4. Execution; Delivery; Registration.**

**4.01 Appointment of Registrar.** U.S. Bank National Association in St. Paul, Minnesota, is appointed to act as the bond registrar and transfer agent (the "Bond Registrar") and shall do so until a successor Bond Registrar is duly appointed, all pursuant to a contract the Issuer and the Bond Registrar shall execute which is consistent herewith and which the chair and clerk are hereby authorized to execute and deliver. A successor Bond Registrar shall be a bank or trust company eligible for designation as bond registrar pursuant to Minnesota Statutes, Chapter 475. The terms of the appointment of the successor Bond Registrar and its duties shall be specified in a contract between the Issuer and such successor Bond Registrar that is consistent herewith and that the Chair and Clerk are hereby authorized to execute and deliver. The Bond Registrar, which may act through an agent, shall also serve as paying agent until and unless a successor paying agent is duly appointed. The Bond Registrar shall pay principal and interest on the Bonds to the registered Holders (or record Holder) of the Bonds in the manner set forth in the form of Global Certificate or Replacement Bond, as applicable, and Paragraph 4.06 of this resolution. The Issuer agrees to pay the reasonable and customary charges for the services of such Bond Registrar.

**4.02 Execution of Bonds.** The Bonds shall be executed on behalf of the Issuer by the manual signatures of the Chair and Clerk of the School Board; provided, however that both of such signatures may be printed facsimiles, in which event the Bonds shall also be executed manually by the authenticating agent as provided in Minnesota Statutes, Section 475.55. In the event of disability or resignation or other absence of either such officer, the Bonds may be signed by the manual or facsimile signature of that officer who may act on behalf of such absent or disabled officer. In case either such officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if that officer had remained in office until delivery. If the Issuer has adopted a corporate seal, it shall be omitted on the Bonds as permitted by law.

**4.03 Authentication; Date of Registration.** No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless and until a Certificate of Authentication on such Bond, substantially in the form set forth in the form of Global Certificate or Replacement Bond, shall have been duly executed by the manual signature of an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate each Bond by execution of the Certificate of Authentication on the Bond and shall date each Bond in the space provided as of the date on which the Bond is registered. For purposes of delivering the original Bonds (Global Certificates) to the Purchaser, the Bond Registrar shall insert as the date of registration the date of original issue; and the executed Certificate of Authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

**4.04 Transfer or Exchange.** The Issuer will cause to be kept at the principal office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond 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 as herein provided.

A Global Certificate shall be registered in the name of the payee on the books of the Bond Registrar by presenting the Global Certificate for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration on the Global Certificate. Thereafter a Global Certificate may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until a Global Certificate is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted thereon by the Bond Registrar, all subject to the terms and conditions provided in this resolution and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the Issuer shall execute (if necessary), and the Bond Registrar shall authenticate, date (in the space designated Date of Registration) and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any authorized denomination or denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

When any Bond is presented to the Bond Registrar for transfer, the Bond 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 Bond Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

At the option of the Holder of a Replacement Bond, Replacement Bonds may be exchanged for Replacement Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Replacement Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Replacement Bonds are so surrendered for exchange, the Issuer shall execute (if necessary), and the Bond Registrar shall authenticate, date (in the space designated Date of Registration) and deliver the Replacement Bonds which the Holder making the exchange is entitled to receive. Global Certificates may not be exchanged for Global Certificates of smaller denominations.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the Issuer.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the Issuer evidencing the same debt, shall be entitled to the same benefits under this resolution as the Bonds surrendered for such exchange or transfer, and shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bonds.

Transfer of a Bond may be made on the Issuer's books by the registered owner in person or by the registered owner's attorney duly authorized in writing. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the registered owner thereof, with signature guaranteed, or by the registered owner's attorney duly authorized in writing, and shall include written instructions as to the details of the transfer of the Bond.

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost bonds.

Transfers shall also be subject to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates.

**4.05 Mutilated, Lost, Stolen or Destroyed Bonds.** In case any Bond shall become mutilated or be lost, stolen or destroyed, the Bond 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 lost, stolen or destroyed, upon payment of the reasonable expenses and charges of the Bond Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Bond Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the Issuer and the Bond Registrar shall be named as obligees. All Bonds so surrendered to the Bond Registrar shall be canceled by it and evidence of such cancellation shall be given to the District. If the mutilated, lost, stolen or destroyed Bond has already matured, it shall not be necessary to issue a new Bond prior to payment.

**4.06 Interest Payments; Record Dates.** Interest on any Global Certificate shall be paid as provided in the first paragraph thereof and interest on any Replacement Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the Issuer maintained by the Bond Registrar and in each case at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The term "Holder" shall also include those lawfully entitled to take actions on behalf of the beneficial owners of the Bonds for purposes of any consent or approvals given by Holders.

If the date for payment of the principal of, premium, if any, or interest on this Bond 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.

**4.07 Persons Deemed Owners.** The Issuer 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 premium, if any, and interest (subject to the payment provisions in Paragraph 4.06 above), on such Bond and for all other purposes whatsoever, whether or not such Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

For the purposes of all actions, consents and other matters affecting Holders of Bonds issued under this Resolution as from time to time supplemented, other than payments, redemptions, and purchases, the Issuer may (but shall not be obligated to) treat as the Holder of a Bond the beneficial owner of the Bond instead of the person in whose name the Bond is registered. For that purpose, the Issuer may ascertain the identity of the beneficial owner of the Bond by such means as the Bond Registrar in its sole discretion deems appropriate, including but not limited to a certificate from the Depository or other person in whose name the Bond is registered identifying such beneficial owner.

**4.08 Delivery.** The Bonds when so prepared and executed shall be delivered by the Treasurer of the Issuer to the Purchaser thereof upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

## **Section 5. Creation of Fund and Tax Levies.**

**5.01 Fund.** There is hereby created within the Debt Redemption Fund of the Issuer a special fund to be designated "General Obligation Crossover Refunding Bonds, Series 2016A Fund" (the "Fund") to be held and administered by the Treasurer separate and apart from all other funds of the Issuer. The Fund shall be maintained in the manner herein specified until all of the Refunded Bonds and the Bonds herein authorized and the interest thereon have been fully paid. There shall be maintained in the Fund two separate accounts to be designated the "Escrow Account" and the "Debt Service Account," respectively.

**(a) Escrow Account.** The proceeds of the sale of the Bonds herein authorized, less any accrued interest received thereon and any premium or unused discount (unless used to help fund the Escrow Account), plus other available funds of the Issuer (estimated at \$0) as may be required to adequately fund the Escrow Account for the purposes set forth in this subparagraph are hereby pledged and appropriated and shall be credited to the Escrow Account. The Escrow Account shall be maintained as an escrow account with U.S. Bank National Association in St. Paul, Minnesota (the "Escrow Agent"), a suitable banking institution within the State, whose deposits are insured by the Federal Deposit Insurance Corporation and whose combined capital and surplus is not less than \$500,000. The Escrow Agent shall pay the issuance expenses on the Refunding Bonds from the proceeds deposited

in the Escrow Account. The Escrow Account shall be invested in securities maturing or callable at the option of the Holder on such dates and bearing interest at such rates as shall be required to provide sufficient funds, together with any cash or other funds retained in the Escrow Account, to pay the outstanding principal amount on the Refunded Bonds when called for redemption and prior payment on February 1, 2018 and to pay any premium required for redemption on such date, and to pay when due the interest to accrue on each Refunding Bond to and including February 1, 2018. The moneys in said Escrow Account shall be used solely for the purposes herein set forth and for no other purpose, except that any surplus in said Escrow Account may be remitted to the Issuer, all in accordance with an agreement (the "Escrow Agreement"), between the Issuer and Escrow Agent, a form of which agreement is on file in the office of the Clerk. Any moneys remitted to the Issuer upon termination of the Escrow Agreement shall be deposited in the Debt Service Account.

The firm of Barthe & Warhman, Bloomington, Minnesota, independent public accountants, is hereby authorized and directed to verify that the deposits in the Escrow Account for the Refunding Bonds and the Refunded Bonds will be sufficient to meet the payments of interest on the Refunding Bonds to and including February 1, 2018, and the redemption on February 1, 2018 of the outstanding principal of all Refunded Bonds having stated maturities on or after February 1, 2019, and to make such calculations as may be necessary for the purpose of determining compliance with Section 148 of the Code.

**(b) Debt Service Account.** There is hereby pledged and appropriated and there shall be credited to the Debt Service Account upon issuance of the Refunding Bonds (i) any uncollected taxes heretofore levied and pledged to the Debt Redemption Fund of the Issuer for the payment of the Refunded Bonds; (ii) any other unexpended moneys pledged to the Debt Redemption Fund of the Issuer for payment of the Refunded Bonds pursuant to the Resolution of the School Board adopted February 11, 2008 authorizing the issuance of the Refunded Bonds (unless used to fund the Escrow Account); (iii) all taxes herein levied and extended or confirmed to be levied pursuant to Paragraph 5.04 of this Resolution; (iv) all accrued interest received upon delivery of the Refunding Bonds (unless used to fund the Escrow Account); and (v) any premium or unused discount (unless used to fund the Escrow Account). The Debt Service Account shall be used solely to pay the principal and interest on the Refunded Bonds through and including February 1, 2018 and the principal of and interest on the Refunding Bonds due after February 1, 2018, and the principal and interest on any bonds heretofore or hereafter authorized and made payable from said account as provided by law. If any payment of principal or interest on the Refunded Bonds shall become due on or prior to February 1, 2018 or any payment of principal and interest on the Refunding Bonds shall become due after February 1, 2018 and there is not sufficient money in the Debt Service Account or the Debt Redemption Fund generally to make such payment, the Treasurer shall pay the same from the General Fund of the Issuer and the General Fund shall be reimbursed for such advances out of the proceeds of the taxes levied for the payment of such Bonds.

**5.02 Escrow Agreement.** The School Board has investigated the facts and hereby finds and determines that the Escrow Agent is a suitable bank to act as escrow agent, and is qualified within the meaning of the provisions of Minnesota Statutes, Section 475.67, Subdivision 5. On or prior to the delivery of the Refunding Bonds, the Chair and the Clerk are hereby authorized and directed to execute on behalf of the Issuer an Escrow Agreement in substantially the form presented to this Board. All essential terms and conditions of such Escrow Agreement are hereby approved and adopted and made a part of this resolution, and the Issuer covenants that it will promptly enforce all provisions thereof in the event of default thereunder by the Escrow Agent. The Escrow Agreement is irrevocable and the Issuer hereby covenants to perform the terms and conditions thereof as long as the Refunded Bonds are outstanding. The Issuer agrees to pay the reasonable fees of the Escrow Agent and the other issuance expenses specified in the Escrow Agreement.

**5.03 Purchase of Securities.** Securities purchased from the moneys in the Escrow Account shall be limited to securities set forth in Minnesota Statutes, Section 475.67, and any amendments or supplements thereto. Securities purchased from the Escrow Account shall be purchased simultaneously with the delivery of the Bonds. The Treasurer or anyone designated by him to act in the Treasurer's behalf, is hereby authorized and directed to purchase the appropriate securities from the proceeds of the Bonds in accordance with the provisions of this resolution and to execute all such documents (including the appropriate subscription form) required to effect the purchase of said securities. As used in paragraphs 5.01 to 5.03 of this resolution and in the escrow agreement, the term "securities" includes securities defined in Minnesota Statutes, Section 475.67, subdivision 8, and investment contracts or similar agreements with a bank or insurance company meeting the requirements of Minnesota Statutes, Section 118A.05, subdivision 5.

**5.04 Confirmation and Cancellation of Levies.**

**Confirmation.** The resolution of the School Board adopted February 11, 2008 levied upon all of the taxable property in the District a direct ad valorem tax to be paid into the General Obligation Bond Sinking Fund of the Issuer. The taxes levied in said resolution in the years 2007 payable 2008 through 2016 payable 2017 are hereby confirmed.

**Cancellation.** The School Board finds, determines and certifies that the proceeds of the sale of the Refunding Bonds, together with other funds available and appropriated to the Escrow Account for said purpose, will be sufficient to pay when called for redemption all of the outstanding principal of and premium, if any, due on the Refunded Bonds on and after February 1, 2018. Accordingly, upon Bond closing, the County Auditors of each county in which the Issuer is located in whole or in part are hereby authorized and directed, to the extent and in the manner permitted by law, to cancel forthwith or if necessary from year to year the taxes levied in said February 11, 2008 resolution in the years 2017 payable 2018 through 2024 payable 2025.

**5.05 Pledge of Full Faith and Credit; Tax Levies.** For the prompt and full payment of the principal of and interest on the Refunding Bonds as the same respectively become due, the full faith and credit and taxing powers of the Issuer shall be and are hereby irrevocably pledged. In order to provide the moneys for the payment thereof required by Minnesota Statutes, Section 475.61, there is hereby levied upon all of the taxable property in the Issuer a direct annual ad valorem tax which shall be spread upon the tax rolls, as a part of other general taxes of the Issuer, for collection in the years 2017 payable 2018 through 2024 payable 2025 and in the amounts as specified on the levy computation sheet to be attached hereto as EXHIBIT D and incorporated herein by reference as though fully specified in this paragraph.

The tax levies provided in this paragraph and those confirmed in Paragraph 5.04 are such that if collected in full they, together with amounts available under the Escrow Agreement and with estimated collections of other revenues herein pledged for the payment of the Refunding Bonds (other than cash on hand) will produce at least five percent (5%) in excess of the amounts needed to meet when due the principal and interest payments on the Refunding Bonds, except for interest payable hereunder from cash on hand on the date of Bond closing and pledged for such purpose. The tax levy does not include interest on the Refunding Bonds from their date of original issue of May 4, 2016 through February 1, 2018, as that amount will be paid from the Escrow Account.

Said tax levies shall be irrevocable as long as any of said Refunding Bonds are outstanding and unpaid, provided that the Issuer reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61.

**5.06 Investment Restrictions.** 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 (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent (5%) 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 Fund (or any other District account which will be used to pay principal or interest to become due on the Bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage restrictions may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in those funds shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

**5.07 Redemption of Refunded Bonds.** The Refunded Bonds which mature in 2019 and thereafter shall be redeemed and prepaid on February 1, 2018, in accordance with the terms and conditions of the Notice of Call For Redemption attached hereto as EXHIBIT E, which terms and conditions are hereby approved and incorporated herein by reference. The Notice of Call for Redemption shall be mailed to the Paying Agent for and the registered owners of the Refunded Bonds not less than thirty (30) days before the redemption date. The form of Notice of Call may contain such additional information or different provisions concerning the redemption as may be requested by the paying agent for the Refunded Bonds or the Escrow Agent.

The District shall also comply with all notice requirements of Assured Guaranty Corp., the bond insurer of the Refunded Bonds.

**5.08 Refunded Bonds; Security.** Until retirement of the Refunded Bonds, all provisions theretofore made for the security thereof shall be observed by the District and all of its officers and agents.

**5.09 Supplemental Resolution.** The resolutions of the School Board authorizing the issuance of the Refunded Bonds are hereby supplemented to the extent necessary to give effect to the provisions of this resolution.

## **Section 6. Rebate to the United States.**

**6.01 Calculation and Payment.** The Issuer acknowledges and confirms that maintenance of the tax exempt status of interest on the Bonds is dependent, among other things, on compliance with the arbitrage requirements set forth in Section 148 of the Code and regulations promulgated thereunder. The Issuer agrees to make such calculations and to make such rebate payments to the United States as and when required by said Section 148 and the regulations promulgated thereunder. In construing this Section 6, all terms used herein shall have the meanings provided in Section 148 of the Code and the regulations promulgated thereunder.

**6.02 Opinion of Counsel.** Notwithstanding any other provision of this Section 6, any requirement imposed hereunder or under Paragraph 5.06 hereof may be deemed inapplicable and of no force or effect if an opinion of Counsel is rendered to the Issuer by nationally recognized Bond Counsel to the effect that the failure to impose such requirement will not adversely affect the tax exempt status of interest on the Bonds.

**6.03 Rebate Obligations; Refunded Bonds.** The District's obligations relating to rebate calculations and payments on the Refunded Bonds shall continue in full force and effect.

## **Section 7. Certifications, Designations, Defeasance, Arbitrage Reporting.**

**7.01 Filing of Resolution; County Auditor Certificate.** The Clerk is hereby authorized and directed to file with the County Auditor of each county in which the Issuer is located in whole or in part a certified copy of this resolution, together with such other information as said County Auditor shall require, and to obtain from said County Auditor a certificate that the tax required by law for the payment of said Bonds has been levied, and that said Bonds have been entered upon the County Auditor's Bond Register.

**7.02 Defeasance.** When all of the Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution shall cease. The Issuer may discharge its obligations with respect to any 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 with interest accrued from the due date to the date of such deposit. The Issuer may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with the Bond Registrar, for the purpose of paying all principal and interest due on such Bonds to maturity, or if prepayable, to an earlier date on which they may be called for mandatory redemption, a sum of cash or securities of the types described in Minnesota Statutes, Section 475.67, as amended, in such aggregate amount, bearing interest at such rates and maturing or callable at the Issuer's option on such dates as shall be required to provide funds sufficient for this purpose.

**7.03 Nondesignation as Qualified Tax-Exempt Obligations.** The Board finds that the reasonably anticipated amount of qualified tax-exempt obligations (other than private activity bonds) which will be issued by the Issuer during calendar year 2016 will exceed \$10,000,000. Thus, the Bonds of this issue are not designated as "Qualified Tax-Exempt Obligations" for the purposes of Section 265 of the Code relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

**7.04 Authentication of Transcript.** The officers of the Issuer and each said County Auditor are hereby authorized and requested to prepare and furnish to the Purchaser of said Bonds, and to the attorneys approving legality of the issuance thereof, certified copies of all proceedings and records of the Issuer relating to said Bonds and to the financial condition and affairs of the Issuer, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of said Bonds as they appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the Issuer as to the facts recited therein.

**7.05 Covenant to Continue Tax Exemption.** The Issuer covenants and agrees with the Holders from time to time of the Bonds herein authorized, that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause

the interest payable on the Bonds to become subject to taxation under the United States Internal Revenue Code, the regulations promulgated thereunder, or any other applicable federal tax law or regulation; and that it will take, or it will cause its officers, employees or agents to take, all affirmative actions within its powers which may be necessary to ensure that such interest will not become subject to taxation under the Internal Revenue Code. The term "Internal Revenue Code" or "Code" as used herein includes the Internal Revenue Code of 1986, as amended, and all regulations, amended regulations and proposed regulations issued thereunder, as now existing, or as hereafter amended or proposed.

**7.06 Arbitrage Certification.** The Chair and School District Clerk, being the officers of the Issuer charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser an arbitrage certification in order to satisfy the provisions of the Code and the regulations promulgated thereunder.

**7.07 Official Statement.** The Official Statement relating to the Bonds, on file with the Clerk and presented to this meeting, is hereby approved and deemed final, and the furnishing thereof to prospective purchasers of the Bonds is hereby ratified and confirmed, insofar as the same relates to the Bonds and the sale thereof.

**7.08 Information Reporting.** For purposes of compliance with the provisions of Section 149(e) of the Code, the Issuer shall submit to the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, a statement concerning the Bond issue which meets the requirements of Section 149(e) (2).

**7.09 Payment of Issuance Expenses.** The Issuer authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to the Escrow Agent on the closing date for further distribution as directed by the underwriter.

**7.10 Continuing Disclosure.** The Chair and the School District Clerk are authorized and directed to execute and deliver a Continuing Disclosure Certificate to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5) for full disclosure (The "Rule"). The Continuing Disclosure Certificate shall be entered into for the benefit of the Holders of the Bonds and shall constitute the written undertaking required by the Rule to provide or cause to be provided to the MSRB, in an electronic format through the use of the Electronic Municipal Market Access system ("EMMA"), the annual financial information specified therein and to give notice of the occurrence of the Listed Events specified therein, each in the manner specified therein, as required by the Rule. The provisions of the Continuing Disclosure Certificate are incorporated herein as though fully specified in this paragraph.

The motion for the adoption of the foregoing resolution was duly seconded by  
Member \_\_\_\_\_, and upon vote being taken

thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

**EXHIBIT A**

**(FORM OF GLOBAL CERTIFICATE)**

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
SCOTT COUNTY  
INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)

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

GENERAL OBLIGATION CROSSOVER REFUNDING BOND, SERIES 2016A

| <u>INTEREST RATE</u> | <u>MATURITY DATE</u> | <u>DATE OF ORIGINAL ISSUE</u> | <u>CUSIP</u> |
|----------------------|----------------------|-------------------------------|--------------|
|----------------------|----------------------|-------------------------------|--------------|

MAY 4, 2016

REGISTERED OWNER: CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

**KNOW ALL PERSONS BY THESE PRESENTS** that Independent School District No. 720, State of Minnesota, a duly organized and existing independent school district, whose administrative offices are located in Shakopee, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above or on the Certificate of Registration attached hereto, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above or, if this Bond is subject to mandatory redemption as stated below, on a date prior thereto on which it shall have been duly called for mandatory redemption, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date") commencing February 1, 2017, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable by wire transfer (or other agreed means of payment) on each payment date no later than 12:00 noon (New York, New York time) upon presentation and surrender hereof at the principal office of U.S. Bank National Association in St. Paul, Minnesota (the

"Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer; provided, however, that upon a mandatory redemption of this Bond which results in the stated amount hereof being reduced, the Holder may in its discretion be paid without presentation of this Bond, and may make a notation on the panel provided herein of such redemption, stating the amount so redeemed, or may return the Bond to the Bond Registrar in exchange for a new Bond in the proper principal amount. Such notation of redemption, if made by the Holder, shall be for reference only, and may not be relied upon by any other person as being in any way determinative of the principal amount of this Bond outstanding, unless the Bond Registrar has signed the appropriate column of the panel. Interest on this Bond will be paid on each Interest Payment Date (by 12:00 noon, New York, New York time) by wire transfer (or other agreed means of payment) to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

**Date of Payment Not Business Day.** If the date for payment of the principal of, premium, if any, or interest on this Bond 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.

**Optional Redemption.** The Bonds of this Issue are not subject to optional redemption or prepayment prior to maturity.

**Mandatory Redemption.** The Bonds maturing in the year \_\_\_\_ shall be subject to mandatory redemption, pursuant to the procedures specified herein and at a redemption price equal to the principal amount of the Bonds so redeemed plus interest accrued on the principal amount to be redeemed to the date fixed for mandatory redemption, on February 1 in the years and in the principal amounts set forth below:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
|             | \$            |

The Bonds maturing in the year \_\_\_\_ shall be subject to mandatory redemption, pursuant to the procedures specified herein and at a redemption price equal to the principal amount of the Bonds so redeemed plus interest accrued on the principal amount to be redeemed to the date fixed for mandatory redemption, on February 1 in the years and in the principal amounts set forth below :

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
|             | \$            |

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the Issuer shall determine the order of redemption of Bonds; and if only part of the Bonds having a common maturity date are called for prepayment, the Global Certificates to be prepaid may be prepaid in \$5,000 increments of principal and, if applicable, the specific Replacement Bonds to be prepaid shall be chosen by lot by the Bond Registrar as provided below. Bonds or portions thereof called for redemption shall be due and payable on the designated redemption date, and interest thereon shall cease to accrue from and after the redemption date.

**Notice of Mandatory Redemption.** Published notice of mandatory redemption shall in each case be given in accordance with law, and mailed notice of mandatory redemption shall be given to the paying agent and to each affected Holder of the Bonds. For this purpose, the Depository shall be the "Holder" as to Bonds registered in the name of the Depository or its nominee. In the event any of the Bonds are called for mandatory redemption, written notice thereof will be given by first class mail, postage prepaid, mailed not less than thirty (30) days prior to the redemption date to each Holder of Bonds to be redeemed, at the address appearing in the records of the Bond Registrar. In connection with any such notice, the "CUSIP" numbers assigned to the Bonds shall be used.

**Replacement or Notation of Bonds After Partial Redemption.** Upon a partial redemption of this Bond which results in the stated amount hereof being reduced, the Holder may in its discretion make a notation on the panel provided herein of such redemption, stating the amount so redeemed. Such notation of redemption, if made by the Holder, shall be for reference only, and may not be relied upon by any other person as being in any way determinative of the principal amount of this Bond outstanding, unless the Bond Registrar has signed the appropriate column of the panel. Otherwise, the Holder may surrender this Bond to the Bond Registrar (with, if the Issuer or the Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and the Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of this Bond, without service charge, a new Bond of the same Issue having the same stated maturity and interest rate and of the authorized denomination in aggregate principal amount

equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

**Issuance; Purpose.** This Bond is one of an issue in the total aggregate principal amount of \$\_\_\_\_\_. The Bonds are all of like date of original issue and tenor, except as to number, denomination, maturity, redemption privilege and interest rate. All are issued to provide funds to refund in advance of their stated maturities, through a crossover refunding, all of the Bonds maturing in the years 2019 to 2026, aggregating \$17,020,000 in principal amount, of the Issuer's General Obligation School Building Bonds, Series 2008A, bearing a date of original issue of March 5, 2008, and to provide funds to pay interest when due on the Bonds of this issue to and including February 1, 2018. All are issued pursuant to resolutions duly adopted by the School Board and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling. The Refunded Bonds were originally issued to provide funds for the acquisition and betterment of school sites and facilities and have not previously been refunded.

To and including February 1, 2018, interest on the Bonds of this issue is payable primarily from certain amounts on deposit in an irrevocable escrow account held by U.S. Bank National Association, St. Paul, Minnesota (the "Escrow Agent"), pursuant to an Escrow Agreement between the Issuer and the Escrow Agent dated the date of delivery thereof (the "Escrow Agreement"). The principal of Bonds of this issue and interest thereon subsequent to February 1, 2018 are payable from ad valorem taxes which have been levied upon all taxable property in the Issuer.

**General Obligation.** This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

**Minnesota School District Credit Enhancement Program.** The Issuer has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute to guarantee the payment of the principal and interest on the Bonds when due.

**Denominations; Exchange; Resolution.** The Bonds are issuable originally only as Global Certificates in the denomination of the entire principal amount of the issue maturing on a single date. Global Certificates are not exchangeable for fully registered Bonds of smaller denominations except in the event of a partial redemption as above provided or in exchange for Replacement Bonds if then available. Replacement Bonds, if made available as provided below, are issuable solely as fully registered Bonds in the denomination of \$5,000 and integral multiples thereof of a single maturity and are exchangeable for fully registered Bonds of other denominations in equal aggregate principal amounts and in authorized denominations at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

**Replacement Bonds.** Replacement Bonds may be issued by the Issuer in the event that (a) The Depository Trust Company ("DTC") of New York, New York (the "Depository") shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to locate a Substitute Depository within two (2) months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described in the Resolution might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds. The Issuer shall notify the Holders of its determination and of the availability of Replacement Bonds to Holders.

**Transfer.** This Bond shall be registered in the name of the payee on the books of the Issuer by presenting this Bond for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration attached hereto. Thereafter this Bond may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until this Bond is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar.

**Fees Upon Transfer or Loss.** The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

**Treatment of Registered Owner.** The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

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

**Not Qualified Tax-Exempt Obligations.** The Bonds of this issue have not been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.



**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 happen and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as so required; that the Issuer has appropriated the proceeds of the Bonds of this issue, other than the portion thereof appropriated for issuance expenses, together with such other legally available funds of the Issuer as may be required, and has held such proceeds as cash or invested such money in securities authorized for such investment pursuant to Minnesota Statutes, Section 475.67, in such amounts, maturing on such dates, and bearing interest at such rates as are required to provide funds sufficient to pay all interest due on the Bonds of this issue on or prior to February 1, 2018 and to pay all outstanding principal due on the Refunded Bonds when called for redemption and prior payment on February 1, 2018, and has irrevocably placed such funds and securities in escrow in a qualified bank for this purpose; that prior to the issuance hereof, a direct, annual irrevocable ad valorem tax has been duly levied upon all taxable property in the Issuer in the years and amounts required by law; that, if necessary for payment of principal of and interest on the Bonds of this issue, additional ad valorem taxes may be levied upon all taxable property in the Issuer without limitation as to rate or amount; and that the issuance of this Bond on the date of original issue hereof and the date of its actual original issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

**IN WITNESS WHEREOF**, Independent School District No. 720 (Shakopee), State of Minnesota, by its School Board, has caused this Bond to be executed in its behalf by the facsimile signatures of the Chair and Clerk, the Issuer having no seal or said seal having been intentionally omitted as permitted by law.

Date of Registration:  
May 4, 2016

Registrable by:  
U.S. BANK NATIONAL ASSOCIATION  
ST. PAUL, MINNESOTA

BOND REGISTRAR'S  
CERTIFICATE OF  
AUTHENTICATION

Payable at:  
U.S. BANK NATIONAL ASSOCIATION  
ST. PAUL, MINNESOTA

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

INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)  
SHAKOPEE, MINNESOTA

U.S. BANK NATIONAL ASSOCIATION  
Bond Registrar

/s/ (Facsimile)  
Chair

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

/s/ (Facsimile)  
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>May 4, 2016</u>          | 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 mandatorily 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.

## ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

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|         |   |   |
|---------|---|---|
| TEN COM | - | as tenants in common  |
| TEN ENT | - | as tenants by the entireties  |
| JT TEN  | - | as joint tenants with right of survivorship and<br>not as tenants in common |
| UTMA    | - | _____ CUSTODIAN _____<br>(Cust) (Minor)                                     |

Under Uniform Transfers to Minors Act

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(State)

Additional abbreviations may also be used though not in the above list.

**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**

**(FORM OF REPLACEMENT BOND)**

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
SCOTT COUNTY  
INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)

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

GENERAL OBLIGATION CROSSOVER REFUNDING BOND, SERIES 2016A

| <u>INTEREST<br/>RATE</u> | <u>MATURITY<br/>DATE</u> | <u>DATE OF<br/>ORIGINAL ISSUE</u> | <u>CUSIP</u> |
|--------------------------|--------------------------|-----------------------------------|--------------|
|                          |                          | MAY 4, 2016                       |              |

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT:  
DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that Independent School District No. 720, State of Minnesota, a duly organized and existing independent school district, whose administrative offices are located in Shakopee, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above or, if this Bond is subject to mandatory redemption as stated below, on a date prior thereto on which it shall have been duly called for mandatory redemption, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date") commencing February 1, 2017, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of U.S. Bank National Association in St. Paul, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of

the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

**REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF, WHICH PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.**

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

**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 happen and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as so required; that the Issuer has appropriated the proceeds of the Bonds of this issue, other than the portion thereof appropriated for issuance expenses, together with such other legally available funds of the Issuer as may be required, and has held such proceeds as cash or invested such money in securities authorized for such investment pursuant to Minnesota Statutes, Section 475.67, in such amounts, maturing on such dates, and bearing interest at such rates as are required to provide funds sufficient to pay all interest due on the Bonds of this issue on or prior to February 1, 2018 and to pay all outstanding principal due on the Refunded Bonds when called for redemption and prior payment on February 1, 2018, and has irrevocably placed such funds and securities in escrow in a qualified bank for this purpose; that prior to the issuance hereof, a direct, annual irrevocable ad valorem tax has been duly levied upon all taxable property in the Issuer in the years and amounts required by law; that, if necessary for payment of principal of and interest on the Bonds of this issue, additional ad valorem taxes may be levied upon all taxable property in the Issuer without limitation as to rate or amount; and that the issuance of this Bond on the date of original issue hereof and the date of its actual original issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

**IN WITNESS WHEREOF**, Independent School District No. 720 (Shakopee), State of Minnesota, by its School Board, has caused this Bond to be executed in its behalf by the facsimile signatures of the Chair and the Clerk, the Issuer having no seal or said seal having been intentionally omitted as permitted by law.

Date of Registration:

\_\_\_\_\_

BOND REGISTRAR'S  
CERTIFICATE OF  
AUTHENTICATION

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

U.S. BANK NATIONAL ASSOCIATION  
Bond Registrar

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

Registrable by:

U.S. BANK NATIONAL ASSOCIATION  
ST. PAUL, MINNESOTA

Payable at:

U.S. BANK NATIONAL ASSOCIATION  
ST. PAUL, MINNESOTA

INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)  
SHAKOPEE, MINNESOTA

/s/ (Facsimile) \_\_\_\_\_  
Chair

/s/ (Facsimile) \_\_\_\_\_  
Clerk

**ON REVERSE OF BOND**

**Date of Payment Not Business Day.** If the date for payment of the principal of, premium, if any, or interest on this Bond 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.

**Optional Redemption.** The Bonds of this Issue are not subject to optional redemption or prepayment prior to maturity.

**Mandatory Redemption.** The Bonds maturing in the year \_\_\_\_ shall be subject to mandatory redemption, pursuant to the procedures specified herein and at a redemption price equal to the principal amount of the Bonds so redeemed plus interest accrued on the principal amount to be redeemed to the date fixed for mandatory redemption, on February 1 in the years and in the principal amounts set forth below:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
|             | \$            |

The Bonds maturing in the year \_\_\_\_ shall be subject to mandatory redemption, pursuant to the procedures specified herein and at a redemption price equal to the principal amount of the Bonds so redeemed plus interest accrued on the principal amount to be redeemed to the date fixed for mandatory redemption, on February 1 in the years and in the principal amounts set forth below:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
|             | \$            |

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the Issuer shall determine the order of redemption of Bonds; and if only part of the Bonds having a common maturity date are called for prepayment, the Global Certificates to be prepaid may be prepaid in \$5,000 increments of principal and, if applicable, the specific Replacement Bonds to be prepaid shall be chosen by lot by the Bond Registrar as provided below. Bonds or portions thereof called for redemption shall be due and payable on the designated redemption date, and interest thereon shall cease to accrue from and after the redemption date.

**Issuance; Purpose.** This Bond is one of an issue in the total aggregate principal amount of \$\_\_\_\_\_. The Bonds are all of like date of original issue and tenor, except as to number, denomination, maturity, redemption privilege and interest rate. All are issued to provide funds to refund in advance of their stated maturities, through a crossover refunding, all of the Bonds maturing in the years 2019 to 2026, aggregating \$17,020,000 in principal amount, of the Issuer's General Obligation School Building Bonds, Series 2008A, bearing a date of original issue of March 5, 2008, and to provide funds to pay interest when due on the Bonds of this issue to and including February 1, 2018. All are issued pursuant to resolutions duly adopted by the School Board and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling. The Refunded Bonds were originally issued to provide funds for the acquisition and betterment of school sites and facilities and have not previously been refunded.

To and including February 1, 2018, interest on the Bonds of this issue is payable primarily from certain amounts on deposit in an irrevocable escrow account held by U.S. Bank National Association, St. Paul, Minnesota (the "Escrow Agent"), pursuant to an Escrow Agreement between the Issuer and the Escrow Agent dated the date of delivery thereof (the "Escrow Agreement"). The principal of Bonds of this issue and interest thereon subsequent to February 1, 2018 are payable from ad valorem taxes which have been levied upon all taxable property in the Issuer.

**General Obligation.** This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

**Minnesota School District Credit Enhancement Program.** The Issuer has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute to guarantee the payment of the principal and interest on the Bonds when due.

**Denominations; Exchange; Resolution.** The Bonds are issuable solely as fully registered Bonds in the denomination of \$5,000 and integral multiples thereof of a single maturity and are exchangeable for fully registered bonds of other denominations in equal aggregate principal amounts and in authorized denominations at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

**Transfer.** This Bond is transferable by the Holder in person or by the Holder's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in

any agreement with the Bond Registrar. Thereupon the Issuer shall execute (if necessary) 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 (but not registered in blank or to "bearer" or similar designation), of an authorized denomination, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity, and bearing interest at the same rate.

**Fees Upon Transfer or Loss.** The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

**Treatment of Registered Owner.** The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

**Not Qualified Tax-Exempt Obligations.** The Bonds of this issue have not been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

## ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

---

|         |   |   |
|---------|---|---|
| TEN COM | - | as tenants in common  |
| TEN ENT | - | as tenants by the entireties  |
| JT TEN  | - | as joint tenants with right of survivorship and<br>not as tenants in common |
| UTMA    | - | _____ CUSTODIAN _____<br>(Cust) (Minor)                                     |

Under Uniform Transfers to Minors Act

---

(State)

Additional abbreviations may also be used though not in the above list.

**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 C**

**The Depository Trust Company**

**Letter of Representations**

**EXHIBIT D**

**LEVY COMPUTATION SHEET**

| <u>Levy Year</u> | <u>Collection Year</u> | <u>Amount</u>  |
|------------------|------------------------|----------------|
| 2017             | 2018                   | \$1,443,067.50 |
| 2018             | 2019                   | \$1,478,610.00 |
| 2019             | 2020                   | \$1,496,670.00 |
| 2020             | 2021                   | \$1,502,970.00 |
| 2021             | 2022                   | \$2,768,325.00 |
| 2022             | 2023                   | \$2,780,925.00 |
| 2023             | 2024                   | \$2,782,237.50 |
| 2024             | 2025                   | \$5,964,525.00 |

**EXHIBIT E**

**NOTICE OF CALL FOR REDEMPTION  
\$17,020,000  
GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2008A  
DATED: MARCH 5, 2008**

**INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)  
SCOTT COUNTY, MINNESOTA**

NOTICE IS HEREBY GIVEN that, by order of the School Board of Independent School District No. 720 (Shakopee), Scott County, Minnesota, there have been called for redemption and prepayment on February 1, 2018 those outstanding bonds of the School District designated as General Obligation School Building Bonds, Series 2008A, dated March 5, 2008 as the date of original issue, totaling \$17,020,000 in principal amount, and having the following stated maturity dates and CUSIP numbers:

| <u>Maturity Date</u> | <u>Principal Amount</u> | <u>CUSIP Number</u> |
|----------------------|-------------------------|---------------------|
| February 1, 2019     | \$915,000               | 819190 RM3          |
| February 1, 2020     | \$985,000               | 819190 RN1          |
| February 1, 2021     | \$1,040,000             | 819190 RP6          |
| February 1, 2022     | \$1,090,000             | 819190 RQ4          |
| February 1, 2023     | \$2,335,000             | 819190 RR2          |
| February 1, 2024     | \$2,440,000             | 819190 RS0          |
| February 1, 2025     | \$2,540,000             | 819190 RT8          |
| February 1, 2026     | \$5,675,000             | 819190 RU5          |

The Bonds are being called at a price of par plus accrued interest to February 1, 2018, on which date all interest on said bonds will cease to accrue.

Holders of the Bonds hereby called for redemption are requested to present their Bonds for payment to Bond Trust Services Corporation, on or before February 1, 2018 by submitting said bonds along with a completed W-9 form to the following addresses:

|                           |                                 |
|---------------------------|---------------------------------|
| <b>BY MAIL, IN PERSON</b> | Bond Trust Services Corporation |
| <b>COURIER SERVICE OR</b> | 3060 Centre Pointe Drive        |
| <b>OVERNIGHT MAIL:</b>    | Roseville, MN 55113             |

If the Holder requests payment of principal and/or interest via wire transfer, please be advised there is a wire transfer fee which will be deducted from the payment.

Dated: April 25, 2016

BY ORDER OF THE SCHOOL BOARD

/s/ \_\_\_\_\_  
School District Clerk  
Independent School District No. 720  
(Shakopee)  
Shakopee, Minnesota

Important Notice: In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment by the redeeming institutions if they are not provided with your social security number or federal employer identification number, properly certified. This requirement is fulfilled by submitting a W-9 Form, which may be obtained at a bank or other financial institution.

\*The paying agent shall not be responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness as indicated in the Notice of Call for Redemption. It is included solely for the convenience of the holders.

Additional information may be obtained from: Robert W. Baird & Co., 777 E Wisconsin Avenue, Milwaukee, WI 53202, Telephone Number (800)-792-2473.

CERTIFICATION OF MINUTES

RELATING TO  
GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A

ISSUER: INDEPENDENT SCHOOL DISTRICT NO. 720 (SHAKOPEE)  
STATE OF MINNESOTA

BODY: SCHOOL BOARD

KIND, DATE, TIME AND PLACE OF MEETING: A regular meeting held on April 25, 2016, at \_\_\_\_\_ o'clock p.m., in the School District.

MEMBERS PRESENT:

MEMBERS ABSENT:

Documents Attached: Extract of Minutes of said meeting.

**RESOLUTION RATIFYING THE AWARD OF THE SALE, DETERMINING THE FORM AND DETAILS, AUTHORIZING THE EXECUTION, DELIVERY, AND REGISTRATION, AND PROVIDING FOR THE PAYMENT OF GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A**

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 given as required by law.

WITNESS MY HAND officially as such recording officer this \_\_\_\_ day of April, 2016.

---

School District Clerk

EXTRACT OF MINUTES OF A MEETING  
OF THE SCHOOL BOARD  
OF INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)  
STATE OF MINNESOTA

HELD: APRIL 25, 2016

Pursuant to due call and notice thereof, a regular meeting of the School Board of Independent School District No. 720, State of Minnesota, was duly held on April 25, 2016, at \_\_\_\_\_ o'clock p.m., for the purpose, in part, of ratifying the award of the sale of the General Obligation Crossover Refunding Bonds, Series 2016A of the District.

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

**RESOLUTION RATIFYING THE AWARD OF THE SALE, DETERMINING THE FORM AND DETAILS, AUTHORIZING THE EXECUTION, DELIVERY, AND REGISTRATION, AND PROVIDING FOR THE PAYMENT OF GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A**

BE IT RESOLVED by the School Board of Independent School District No. 720,

State of Minnesota, as follows:

**Section 1. Authorization and Sale.**

**1.01 Authorization.** At a meeting held March 14, 2016, this Board determined to sell and issue approximately \$17,575,000\* principal amount of general obligation refunding bonds of Independent School District No. 720 (the "Issuer" or the "District"). Said Bonds shall hereinafter be referred to as the "Bonds" or the "Refunding Bonds." The Refunding Bonds, together with other available funds of the Issuer, shall provide funds to refund in advance of their stated maturities, through a crossover refunding, all of the bonds maturing in the years 2019 to 2026, aggregating \$17,020,000 in principal amount, of the Issuer's General Obligation School Building Bonds, Series 2008A, bearing a date of original issue of March 5, 2008 (the "Refunded Bonds"), and shall provide funds to pay the interest when due on the Bonds of this issue to and including February 1, 2018. The Refunded Bonds were originally issued to provide funds for the acquisition and betterment of school sites and facilities and have not previously been refunded.

**1.02 Sale.** The Board has determined that this issue shall be privately sold after direct negotiation, as authorized pursuant to Minnesota Statutes, Section 475.60, Subdivision 2(5). The proposal of Robert W. Baird & Co. (the "Purchaser"), to purchase the Bonds at a price of \$18,020,471.60, plus interest accrued to settlement, and upon the further terms and conditions contained in the Official Statement was accepted April 6, 2016, by the Superintendent or Director of Finance and a School Board officer pursuant to the March 14, 2016 resolution of the Board, and the award of the sale of the Bonds to said Purchaser is hereby ratified by the Board.

**1.03 Execution of Documents.** The endorsement of the acceptance on both copies of the proposal and the execution of a Bond Purchase Agreement by the Superintendent or Director of Finance and a School Board officer is ratified in all respects and they are directed to send one copy of each to the Purchaser.

**1.04 Debt Service Savings.** Minnesota Statutes Section 475.67, authorizes the issuance of refunding bonds for the purpose of saving debt service costs. Minnesota Statutes Section 475.67, Subd. 13, authorizes the issuance of crossover refunding bonds whereby the

proceeds of the crossover refunding bonds, less any proceeds applied to the costs of issuance, are deposited in an escrow account appropriated to the payment of debt service on the refunding bonds until applied to the payment of the obligations to be refunded. Section 475.67, Subd. 13 permits the Issuer to pledge to the Bonds any source of payment of the Refunded Bonds. It is hereby found and determined that the issuance of the Refunding Bonds and the crossover refunding of the Refunded Bonds as contemplated by this Resolution and the Escrow Agreement will result in substantial debt service savings to the Issuer. The present value of the dollar amount of debt service for the Refunding Bonds is lower by at least three percent (3%) 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 and 13.

**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, it is necessary for this Board to establish the form and terms of the Bonds, to provide for the security thereof, and to provide for the issuance of the Bonds forthwith.

**1.06 Minnesota School District Credit Enhancement Program.** (a) 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 shall be binding as long as any Bonds of this issue remain outstanding.

(b) The District further covenants to comply with all procedures now or hereafter established by the Departments of Management and Budget and 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.

## Section 2. Bond Terms.

**2.01 Designation; Registration; Denomination; Maturities.** The \$15,025,000 aggregate principal amount of general obligation bonds sold on this date shall be designated General Obligation Crossover Refunding Bonds, Series 2016A, shall be dated May 4, 2016, as the date of original issue, and shall be issued forthwith on or after such date using a global book-entry system. The Bonds shall be issued as fully registered bonds and shall be numbered R-1 upward, in the denomination of \$5,000 each or any integral multiple thereof of a single maturity. The Bonds shall mature on February 1 in the years and amounts set forth below, and shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue until paid or duly called for mandatory redemption, if herein provided, at the rates per annum set forth below opposite such years and amounts, as follows:

| Maturity Date | Amount    | Rate   |
|---------------|-----------|--------|
| 02/01/2019    | 705,000   | 3.000% |
| 02/01/2020    | 760,000   | 3.000% |
| 02/01/2021    | 800,000   | 3.000% |
| 02/01/2022    | 830,000   | 3.000% |
| 02/01/2023    | 2,060,000 | 5.000% |
| 02/01/2024    | 2,175,000 | 5.000% |
| 02/01/2025    | 1,000,000 | 3.000% |
| 02/01/2025    | 1,285,000 | 5.000% |
| 02/01/2026    | 5,410,000 | 5.000% |

*Note: The 2025 maturity was bifurcated with \$1,000,000 at a 3.00% coupon and \$1,285,000 at a 5.00% coupon.*

These maturities, together with the maturities of all other outstanding general obligation bonds of the Issuer, meet the requirements of Minnesota Statutes, Section 475.54.

**2.02 Interest Payments.** Interest shall be payable semiannually on each February 1 and August 1 to maturity (each an "Interest Payment Date"), commencing February 1, 2017. Interest will be calculated on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the MSRB. Interest will be payable in the manner set forth in the form of Global Certificate or Replacement Bond and Paragraph 4.06 of this resolution.

### **2.03 Use of Global Book-Entry System.**

(a) **Description of System.** In order to issue obligations in "global book-entry form", the obligations are issued in certificated form in large denominations, are registered on the books of the Issuer in the name of a depository or its nominee, and are immobilized and held in safekeeping by the depository. The depository, as part of the computerized

National Securities Clearance and Settlement System (the "National System"), registers transfers of ownership interests in the obligations by making computerized book entries on its own books and distributing payments on the obligations to its participants shown on its books as the owners of such interests. These participants, which include financial institutions for whom the depository effects book-entry transfers of securities deposited and immobilized with the depository, and other banks, brokers and dealers participating in the National System will do likewise if not the beneficial owners of the obligations.

**(b) Designation of Depository; Approval of Blanket Issuer Letter of Representations.** The Depository Trust Company ("DTC") of New York, New York, a Securities and Exchange Commission designated depository, a limited purpose New York trust company, a member of the Federal Reserve System, and a "clearing corporation" within the meaning of the New York Uniform Commercial Code, is hereby designated as the depository (the "Depository") with respect to the Bonds issued hereunder in global book-entry form. There has been submitted to this Board a form of letter of representations (the "Blanket Issuer Letter of Representations") between the Issuer and the Depository setting forth various matters relating to the Depository and its role with respect to the Bonds. This Blanket Issuer Letter of Representations is hereby approved. The Chair or the Clerk is hereby authorized and directed to execute the Blanket Issuer Letter of Representations in substantially the form attached hereto as EXHIBIT C, if such a letter of representations has not already been executed, with only such variations therein as may be required to complete the Blanket Issuer Letter of Representations, or which are not, in the opinion of Bond Counsel, materially adverse to the interests of the Issuer. Execution of the Blanket Issuer Letter of Representations by such official shall be conclusive evidence as to the necessity and propriety of such changes and their approval by Bond Counsel. So long as DTC is the Depository or it or its nominee is the Holder of any Global Certificate, the District shall comply with the provisions of the Blanket Issuer Letter of Representations, as it may be amended or supplemented by the District from time to time with the agreement or consent of DTC.

**(c) Global Certificates.** Upon their original issuance, the Bonds will be issued in the form of a single Global Certificate for each maturity which shall represent the aggregate principal amount of the Bonds due on a particular maturity date (the "Global Certificates"). The Global Certificates will be originally issued and fully registered as to principal and interest in the name of Cede & Co., as nominee of DTC. The Global Certificates will be deposited with the Depository by the Purchaser and will be immobilized as further provided herein. No beneficial owners of interest in the Bonds will receive certificates representing their respective interests in the Bonds except as provided below in clause (e) of this Paragraph 2.03. Except as so provided, during the term of the Bonds, beneficial ownership (and subsequent transfers of beneficial ownership) of interests in the Global Certificates will be reflected by book entries made on the records of the Depository and its participants and other banks, brokers, and dealers participating in the National System. The Depository's book entries of beneficial ownership interest are authorized to be in integral increments of

\$5,000, despite the larger authorized denominations of the Global Certificates. Payment of principal of, premium, if any, and interest on the Global Certificates will be made to the Bond Registrar as paying agent, and in turn by the Bond Registrar to the Depository or its nominee as registered owner of the Global Certificates. The Depository, according to the laws and rules governing it, will receive and forward such payments on behalf of the beneficial owners of the Global Certificates.

**(d) Immobilization of Global Certificates by the Depository.** Pursuant to the request of the Purchaser to the Depository, immediately upon the original delivery of the Bonds the Purchaser will deposit the Global Certificates representing all of the Bonds with the Depository. The Global Certificates shall be in typewritten form or otherwise as acceptable to the Depository, shall be registered in the name of the Depository or its nominee and shall be held immobilized from circulation at the offices of the Depository on behalf of the Purchaser and subsequent Bondholders. The Depository or its nominee will be the sole Holder of record of the Global Certificates and no investor or other party purchasing, selling or otherwise transferring ownership of interests in any Bond is to receive, hold or deliver any Global Certificates so long as the Depository holds the Global Certificates immobilized from circulation, except as provided below in clause (e) of this Paragraph 2.03.

**(e) Transfer or Exchange of Global Certificates; Substitute Depository; Replacement Bonds.**

Global Certificates evidencing the Bonds may not, after their original delivery, be transferred or exchanged except:

(i) Upon exchange of a Global Certificate after a partial redemption, if authorized in Paragraph 2.04 of this resolution;

(ii) To any successor of the Depository (or its nominee) or any substitute depository (a "Substitute Depository") designated pursuant to subclause (iii) of this clause (e); provided that any successor of the Depository or any Substitute Depository must be both a "clearing corporation" as defined in the Minnesota Uniform Commercial Code, Minnesota Statutes, Section 336.8-102, and a qualified and registered "clearing agency" as provided in Section 17A of the Securities Exchange Act of 1934, as amended;

(iii) To a Substitute Depository designated by and acceptable to the Issuer upon (a) the determination by the Depository that the Bonds shall no longer be eligible for its depository services or (b) a determination by the Issuer that the Depository is no longer able to carry out its functions; provided that any Substitute Depository must be qualified to act as such, as provided in subclause (ii) of this clause (e); or

(iv) In the event that (a) the Depository shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to

locate a Substitute Depository within two (2) months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described herein might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, then the Issuer shall notify the Holders of its determination and of the availability of Replacement Bonds to Holders. The Issuer, the Bond Registrar and the Depository shall cooperate in providing Replacement Bonds to Holders requesting the same and the registration, transfer and exchange of such Bonds shall thereafter be conducted as provided in Paragraph 4.04 of this resolution.

In the event of the designation of a Substitute Depository as authorized by this clause (e), the Bond Registrar, upon presentation of the Global Certificates, shall register their transfer to the Substitute Depository, and the Substitute Depository shall be treated as the Depository for all purposes and functions under this resolution. The Blanket Issuer Letter of Representations shall not apply to the Substitute Depository unless the Issuer and the Substitute Depository so agree, and the execution of a similar agreement is hereby authorized.

**2.04 Redemption. (a) Optional Redemption.** The Bonds of this Issue are not subject to optional redemption or prepayment prior to maturity.

**(b) Mandatory Redemption. NOT APPLICABLE** (1) The Bonds maturing in the year \_\_\_\_ shall be subject to mandatory redemption at a redemption price equal to the principal amount of the Bonds to be so redeemed plus interest accrued thereon to the date fixed for redemption, on February 1 in the years and principal amounts set forth below:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
|             | \$            |

(2) The Bonds maturing in the year \_\_\_\_ shall be subject to mandatory redemption at a redemption price equal to the principal amount of the Bonds to be so redeemed plus interest accrued thereon to the date fixed for redemption, on February 1 in the years and principal amounts set forth below:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
|             | \$            |

(3) Mandatory redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the Issuer shall determine the order of redemption of Bonds; and if only part of the Bonds having a common maturity date are called for prepayment, the Global Certificates to be prepaid may be prepaid in \$5,000 increments of principal and, if applicable, the specific Replacement Bonds to be prepaid shall be chosen by lot by the Bond Registrar as provided below. Bonds or portions thereof called for redemption shall be due and payable on the designated redemption date, and interest thereon shall cease to accrue from and after the redemption date.

**(c) Mandatory Redemption of Global Certificates.** Upon a partial redemption in the aggregate principal amount of a Global Certificate which results in the stated amount thereof being reduced, the Holder may in its discretion make a notation of such redemption on the panel provided on the Global Certificate stating the amount so redeemed, or may return the Global Certificate to the Bond Registrar in exchange for a new Global Certificate authenticated by the Bond Registrar, in proper principal amount. Such notation of redemption, if made by the Holder, shall be for reference only, and may not be relied upon by any other person as being in any way determinative of the principal amount of such Global Certificate outstanding, unless the Bond Registrar has signed the appropriate column of the panel.

**(d) Mandatory Redemption of Replacement Bonds.** To effect a partial redemption of Replacement Bonds having a common maturity date, the Bond Registrar, prior to giving a notice of redemption, shall assign to each Replacement Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Replacement Bond. The Bond Registrar shall then select by lot from the numbers so assigned to such Replacement Bonds, using such method of selection as it shall deem proper in its discretion, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Replacement Bonds to be redeemed. The Replacement Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Replacement Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 of principal amount for each number assigned to it and so selected. If a Replacement Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or the Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and the Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of such Replacement Bond, without service charge, a new Replacement Bond or Bonds of the same series having the same stated maturity and interest rate and of any authorized denomination or denominations, as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Replacement Bond so surrendered.

(e) **Notice of Mandatory Redemption of Global Certificates and Replacement Bonds.** The Bond Registrar shall call Bonds for redemption and payment as herein provided upon receipt by the Bond Registrar of a request of the Issuer. The request shall be in written form. The request shall specify the principal amount of Bonds to be called for redemption, the redemption date and the redemption price.

Published notice of redemption shall in each case be given in accordance with law, and mailed notice of redemption shall be given to the paying agent and to each affected Holder. If and when the Issuer shall call any of the Bonds for redemption and payment prior to the stated maturity thereof, the Bond Registrar shall give written notice in the name of the Issuer of its intention to redeem and pay such Bonds at the office of the Bond Registrar. The Notice of Redemption shall be given by first class mail, postage prepaid, mailed not less than thirty (30) days prior to the redemption date, to each Holder of Bonds to be redeemed, at the address appearing in the records of the Bond Registrar. For the purpose of giving notice of the redemption of Global Certificates, the Holder of the Global Certificates shall be the Depository or its nominee. In connection with any such notice, the "CUSIP" numbers assigned to the Bonds shall be used. All notices of redemption shall state:

- (i) The redemption date;
- (ii) The redemption price;
- (iii) If less than all outstanding Bonds are to be redeemed, the identification (and, if the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (iv) That on the redemption date, the redemption price will become due and payable upon each such Bond, and that interest thereon shall cease to accrue from and after said date; and
- (v) The place where such Bonds are to be surrendered for payment of the redemption price (which shall be the office of the Bond Registrar).

### **Section 3. Form of Bonds.**

The Bonds to be issued hereunder shall be in the form of Global Certificates unless and until Replacement Bonds are made available as provided herein.

**3.01 Global Certificates.** The Global Certificates to be issued hereunder, together with the Bond Registrar's Certificate of Authentication, the Register of Partial Payments, the form of Assignment, and the registration information thereon, shall be in substantially the form set forth in EXHIBIT A hereto, which exhibit is incorporated herein by reference as though fully specified in this paragraph, and may be typewritten rather than printed.

**3.02 Replacement Bonds.** If the Issuer has notified Holders that Replacement Bonds have been made available as provided in Paragraph 2.03(e) of this resolution, then for every Bond thereafter transferred or exchanged (including an exchange to reflect the mandatory redemption of a Global Certificate not previously exchanged for Replacement Bonds), the Bond Registrar shall deliver a bond in the form of a Replacement Bond rather than a Global Certificate, but the Holder of a Global Certificate shall not otherwise be required to exchange the Global Certificate for one or more Replacement Bonds since the Issuer recognizes that some Holders may prefer the convenience of the Depository's registered ownership of the Bonds even though the entire issue is no longer required to be in global book-entry form. The Replacement Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereto, shall be in substantially the form set forth in EXHIBIT B hereto, which exhibit is incorporated herein by reference as though fully specified in this paragraph.

#### **Section 4. Execution; Delivery; Registration.**

**4.01 Appointment of Registrar.** U.S. Bank National Association in St. Paul, Minnesota, is appointed to act as the bond registrar and transfer agent (the "Bond Registrar") and shall do so until a successor Bond Registrar is duly appointed, all pursuant to a contract the Issuer and the Bond Registrar shall execute which is consistent herewith and which the chair and clerk are hereby authorized to execute and deliver. A successor Bond Registrar shall be a bank or trust company eligible for designation as bond registrar pursuant to Minnesota Statutes, Chapter 475. The terms of the appointment of the successor Bond Registrar and its duties shall be specified in a contract between the Issuer and such successor Bond Registrar that is consistent herewith and that the Chair and Clerk are hereby authorized to execute and deliver. The Bond Registrar, which may act through an agent, shall also serve as paying agent until and unless a successor paying agent is duly appointed. The Bond Registrar shall pay principal and interest on the Bonds to the registered Holders (or record Holder) of the Bonds in the manner set forth in the form of Global Certificate or Replacement Bond, as applicable, and Paragraph 4.06 of this resolution. The Issuer agrees to pay the reasonable and customary charges for the services of such Bond Registrar.

**4.02 Execution of Bonds.** The Bonds shall be executed on behalf of the Issuer by the manual signatures of the Chair and Clerk of the School Board; provided, however that both of such signatures may be printed facsimiles, in which event the Bonds shall also be executed manually by the authenticating agent as provided in Minnesota Statutes, Section 475.55. In the event of disability or resignation or other absence of either such officer, the Bonds may be signed by the manual or facsimile signature of that officer who may act on behalf of such absent or disabled officer. In case either such officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if that officer had remained in office until delivery. If the Issuer has adopted a corporate seal, it shall be omitted on the Bonds as permitted by law.

**4.03 Authentication; Date of Registration.** No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless and until a Certificate of Authentication on such Bond, substantially in the form set forth in the form of Global Certificate or Replacement Bond, shall have been duly executed by the manual signature of an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate each Bond by execution of the Certificate of Authentication on the Bond and shall date each Bond in the space provided as of the date on which the Bond is registered. For purposes of delivering the original Bonds (Global Certificates) to the Purchaser, the Bond Registrar shall insert as the date of registration the date of original issue; and the executed Certificate of Authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

**4.04 Transfer or Exchange.** The Issuer will cause to be kept at the principal office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond 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 as herein provided.

A Global Certificate shall be registered in the name of the payee on the books of the Bond Registrar by presenting the Global Certificate for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration on the Global Certificate. Thereafter a Global Certificate may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until a Global Certificate is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted thereon by the Bond Registrar, all subject to the terms and conditions provided in this resolution and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the Issuer shall execute (if necessary), and the Bond Registrar shall authenticate, date (in the space designated Date of Registration) and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any authorized denomination or denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

When any Bond is presented to the Bond Registrar for transfer, the Bond 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 Bond Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

At the option of the Holder of a Replacement Bond, Replacement Bonds may be exchanged for Replacement Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Replacement Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Replacement Bonds are so surrendered for exchange, the Issuer shall execute (if necessary), and the Bond Registrar shall authenticate, date (in the space designated Date of Registration) and deliver the Replacement Bonds which the Holder making the exchange is entitled to receive. Global Certificates may not be exchanged for Global Certificates of smaller denominations.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the Issuer.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the Issuer evidencing the same debt, shall be entitled to the same benefits under this resolution as the Bonds surrendered for such exchange or transfer, and shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bonds.

Transfer of a Bond may be made on the Issuer's books by the registered owner in person or by the registered owner's attorney duly authorized in writing. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the registered owner thereof, with signature guaranteed, or by the registered owner's attorney duly authorized in writing, and shall include written instructions as to the details of the transfer of the Bond.

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost bonds.

Transfers shall also be subject to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates.

**4.05 Mutilated, Lost, Stolen or Destroyed Bonds.** In case any Bond shall become mutilated or be lost, stolen or destroyed, the Bond 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 lost, stolen or destroyed, upon payment of the reasonable expenses and charges of the Bond Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Bond Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the Issuer and the Bond Registrar shall be named as obligees. All Bonds so surrendered to the Bond Registrar shall be canceled by it and evidence of such cancellation shall be given to the District. If the mutilated, lost, stolen or destroyed Bond has already matured, it shall not be necessary to issue a new Bond prior to payment.

**4.06 Interest Payments; Record Dates.** Interest on any Global Certificate shall be paid as provided in the first paragraph thereof and interest on any Replacement Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the Issuer maintained by the Bond Registrar and in each case at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The term "Holder" shall also include those lawfully entitled to take actions on behalf of the beneficial owners of the Bonds for purposes of any consent or approvals given by Holders.

If the date for payment of the principal of, premium, if any, or interest on this Bond 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.

**4.07 Persons Deemed Owners.** The Issuer 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 premium, if any, and interest (subject to the payment provisions in Paragraph 4.06 above), on such Bond and for all other purposes whatsoever, whether or not such Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

For the purposes of all actions, consents and other matters affecting Holders of Bonds issued under this Resolution as from time to time supplemented, other than payments, redemptions, and purchases, the Issuer may (but shall not be obligated to) treat as the Holder of a Bond the beneficial owner of the Bond instead of the person in whose name the Bond is registered. For that purpose, the Issuer may ascertain the identity of the beneficial owner of the Bond by such means as the Bond Registrar in its sole discretion deems appropriate, including but not limited to a certificate from the Depository or other person in whose name the Bond is registered identifying such beneficial owner.

**4.08 Delivery.** The Bonds when so prepared and executed shall be delivered by the Treasurer of the Issuer to the Purchaser thereof upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

## **Section 5. Creation of Fund and Tax Levies.**

**5.01 Fund.** There is hereby created within the Debt Redemption Fund of the Issuer a special fund to be designated "General Obligation Crossover Refunding Bonds, Series 2016A Fund" (the "Fund") to be held and administered by the Treasurer separate and apart from all other funds of the Issuer. The Fund shall be maintained in the manner herein specified until all of the Refunded Bonds and the Bonds herein authorized and the interest thereon have been fully paid. There shall be maintained in the Fund two separate accounts to be designated the "Escrow Account" and the "Debt Service Account," respectively.

**(a) Escrow Account.** The proceeds of the sale of the Bonds herein authorized, less any accrued interest received thereon and any premium or unused discount (unless used to help fund the Escrow Account), plus other available funds of the Issuer (estimated at \$0) as may be required to adequately fund the Escrow Account for the purposes set forth in this subparagraph are hereby pledged and appropriated and shall be credited to the Escrow Account. The Escrow Account shall be maintained as an escrow account with U.S. Bank National Association in St. Paul, Minnesota (the "Escrow Agent"), a suitable banking institution within the State, whose deposits are insured by the Federal Deposit Insurance Corporation and whose combined capital and surplus is not less than \$500,000. The Escrow Agent shall pay the issuance expenses on the Refunding Bonds from the proceeds deposited

in the Escrow Account. The Escrow Account shall be invested in securities maturing or callable at the option of the Holder on such dates and bearing interest at such rates as shall be required to provide sufficient funds, together with any cash or other funds retained in the Escrow Account, to pay the outstanding principal amount on the Refunded Bonds when called for redemption and prior payment on February 1, 2018 and to pay any premium required for redemption on such date, and to pay when due the interest to accrue on each Refunding Bond to and including February 1, 2018. The moneys in said Escrow Account shall be used solely for the purposes herein set forth and for no other purpose, except that any surplus in said Escrow Account may be remitted to the Issuer, all in accordance with an agreement (the "Escrow Agreement"), between the Issuer and Escrow Agent, a form of which agreement is on file in the office of the Clerk. Any moneys remitted to the Issuer upon termination of the Escrow Agreement shall be deposited in the Debt Service Account.

The firm of Barthe & Warhman, Bloomington, Minnesota, independent public accountants, is hereby authorized and directed to verify that the deposits in the Escrow Account for the Refunding Bonds and the Refunded Bonds will be sufficient to meet the payments of interest on the Refunding Bonds to and including February 1, 2018, and the redemption on February 1, 2018 of the outstanding principal of all Refunded Bonds having stated maturities on or after February 1, 2019, and to make such calculations as may be necessary for the purpose of determining compliance with Section 148 of the Code.

**(b) Debt Service Account.** There is hereby pledged and appropriated and there shall be credited to the Debt Service Account upon issuance of the Refunding Bonds (i) any uncollected taxes heretofore levied and pledged to the Debt Redemption Fund of the Issuer for the payment of the Refunded Bonds; (ii) any other unexpended moneys pledged to the Debt Redemption Fund of the Issuer for payment of the Refunded Bonds pursuant to the Resolution of the School Board adopted February 11, 2008 authorizing the issuance of the Refunded Bonds (unless used to fund the Escrow Account); (iii) all taxes herein levied and extended or confirmed to be levied pursuant to Paragraph 5.04 of this Resolution; (iv) all accrued interest received upon delivery of the Refunding Bonds (unless used to fund the Escrow Account); and (v) any premium or unused discount (unless used to fund the Escrow Account). The Debt Service Account shall be used solely to pay the principal and interest on the Refunded Bonds through and including February 1, 2018 and the principal of and interest on the Refunding Bonds due after February 1, 2018, and the principal and interest on any bonds heretofore or hereafter authorized and made payable from said account as provided by law. If any payment of principal or interest on the Refunded Bonds shall become due on or prior to February 1, 2018 or any payment of principal and interest on the Refunding Bonds shall become due after February 1, 2018 and there is not sufficient money in the Debt Service Account or the Debt Redemption Fund generally to make such payment, the Treasurer shall pay the same from the General Fund of the Issuer and the General Fund shall be reimbursed for such advances out of the proceeds of the taxes levied for the payment of such Bonds.

**5.02 Escrow Agreement.** The School Board has investigated the facts and hereby finds and determines that the Escrow Agent is a suitable bank to act as escrow agent, and is qualified within the meaning of the provisions of Minnesota Statutes, Section 475.67, Subdivision 5. On or prior to the delivery of the Refunding Bonds, the Chair and the Clerk are hereby authorized and directed to execute on behalf of the Issuer an Escrow Agreement in substantially the form presented to this Board. All essential terms and conditions of such Escrow Agreement are hereby approved and adopted and made a part of this resolution, and the Issuer covenants that it will promptly enforce all provisions thereof in the event of default thereunder by the Escrow Agent. The Escrow Agreement is irrevocable and the Issuer hereby covenants to perform the terms and conditions thereof as long as the Refunded Bonds are outstanding. The Issuer agrees to pay the reasonable fees of the Escrow Agent and the other issuance expenses specified in the Escrow Agreement.

**5.03 Purchase of Securities.** Securities purchased from the moneys in the Escrow Account shall be limited to securities set forth in Minnesota Statutes, Section 475.67, and any amendments or supplements thereto. Securities purchased from the Escrow Account shall be purchased simultaneously with the delivery of the Bonds. The Treasurer or anyone designated by him to act in the Treasurer's behalf, is hereby authorized and directed to purchase the appropriate securities from the proceeds of the Bonds in accordance with the provisions of this resolution and to execute all such documents (including the appropriate subscription form) required to effect the purchase of said securities. As used in paragraphs 5.01 to 5.03 of this resolution and in the escrow agreement, the term "securities" includes securities defined in Minnesota Statutes, Section 475.67, subdivision 8, and investment contracts or similar agreements with a bank or insurance company meeting the requirements of Minnesota Statutes, Section 118A.05, subdivision 5.

#### **5.04 Confirmation and Cancellation of Levies.**

**Confirmation.** The resolution of the School Board adopted February 11, 2008 levied upon all of the taxable property in the District a direct ad valorem tax to be paid into the General Obligation Bond Sinking Fund of the Issuer. The taxes levied in said resolution in the years 2007 payable 2008 through 2016 payable 2017 are hereby confirmed.

**Cancellation.** The School Board finds, determines and certifies that the proceeds of the sale of the Refunding Bonds, together with other funds available and appropriated to the Escrow Account for said purpose, will be sufficient to pay when called for redemption all of the outstanding principal of and premium, if any, due on the Refunded Bonds on and after February 1, 2018. Accordingly, upon Bond closing, the County Auditors of each county in which the Issuer is located in whole or in part are hereby authorized and directed, to the extent and in the manner permitted by law, to cancel forthwith or if necessary from year to year the taxes levied in said February 11, 2008 resolution in the years 2017 payable 2018 through 2024 payable 2025.

**5.05 Pledge of Full Faith and Credit; Tax Levies.** For the prompt and full payment of the principal of and interest on the Refunding Bonds as the same respectively become due, the full faith and credit and taxing powers of the Issuer shall be and are hereby irrevocably pledged. In order to provide the moneys for the payment thereof required by Minnesota Statutes, Section 475.61, there is hereby levied upon all of the taxable property in the Issuer a direct annual ad valorem tax which shall be spread upon the tax rolls, as a part of other general taxes of the Issuer, for collection in the years 2017 payable 2018 through 2024 payable 2025 and in the amounts as specified on the levy computation sheet to be attached hereto as EXHIBIT D and incorporated herein by reference as though fully specified in this paragraph.

The tax levies provided in this paragraph and those confirmed in Paragraph 5.04 are such that if collected in full they, together with amounts available under the Escrow Agreement and with estimated collections of other revenues herein pledged for the payment of the Refunding Bonds (other than cash on hand) will produce at least five percent (5%) in excess of the amounts needed to meet when due the principal and interest payments on the Refunding Bonds, except for interest payable hereunder from cash on hand on the date of Bond closing and pledged for such purpose. The tax levy does not include interest on the Refunding Bonds from their date of original issue of May 4, 2016 through February 1, 2018, as that amount will be paid from the Escrow Account.

Said tax levies shall be irrevocable as long as any of said Refunding Bonds are outstanding and unpaid, provided that the Issuer reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61.

**5.06 Investment Restrictions.** 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 (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent (5%) 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 Fund (or any other District account which will be used to pay principal or interest to become due on the Bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage restrictions may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in those funds shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

**5.07 Redemption of Refunded Bonds.** The Refunded Bonds which mature in 2019 and thereafter shall be redeemed and prepaid on February 1, 2018, in accordance with the terms and conditions of the Notice of Call For Redemption attached hereto as EXHIBIT E, which terms and conditions are hereby approved and incorporated herein by reference. The Notice of Call for Redemption shall be mailed to the Paying Agent for and the registered owners of the Refunded Bonds not less than thirty (30) days before the redemption date. The form of Notice of Call may contain such additional information or different provisions concerning the redemption as may be requested by the paying agent for the Refunded Bonds or the Escrow Agent.

The District shall also comply with all notice requirements of Assured Guaranty Corp., the bond insurer of the Refunded Bonds.

**5.08 Refunded Bonds; Security.** Until retirement of the Refunded Bonds, all provisions theretofore made for the security thereof shall be observed by the District and all of its officers and agents.

**5.09 Supplemental Resolution.** The resolutions of the School Board authorizing the issuance of the Refunded Bonds are hereby supplemented to the extent necessary to give effect to the provisions of this resolution.

## **Section 6. Rebate to the United States.**

**6.01 Calculation and Payment.** The Issuer acknowledges and confirms that maintenance of the tax exempt status of interest on the Bonds is dependent, among other things, on compliance with the arbitrage requirements set forth in Section 148 of the Code and regulations promulgated thereunder. The Issuer agrees to make such calculations and to make such rebate payments to the United States as and when required by said Section 148 and the regulations promulgated thereunder. In construing this Section 6, all terms used herein shall have the meanings provided in Section 148 of the Code and the regulations promulgated thereunder.

**6.02 Opinion of Counsel.** Notwithstanding any other provision of this Section 6, any requirement imposed hereunder or under Paragraph 5.06 hereof may be deemed inapplicable and of no force or effect if an opinion of Counsel is rendered to the Issuer by nationally recognized Bond Counsel to the effect that the failure to impose such requirement will not adversely affect the tax exempt status of interest on the Bonds.

**6.03 Rebate Obligations; Refunded Bonds.** The District's obligations relating to rebate calculations and payments on the Refunded Bonds shall continue in full force and effect.

## **Section 7. Certifications, Designations, Defeasance, Arbitrage Reporting.**

**7.01 Filing of Resolution; County Auditor Certificate.** The Clerk is hereby authorized and directed to file with the County Auditor of each county in which the Issuer is located in whole or in part a certified copy of this resolution, together with such other information as said County Auditor shall require, and to obtain from said County Auditor a certificate that the tax required by law for the payment of said Bonds has been levied, and that said Bonds have been entered upon the County Auditor's Bond Register.

**7.02 Defeasance.** When all of the Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution shall cease. The Issuer may discharge its obligations with respect to any 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 with interest accrued from the due date to the date of such deposit. The Issuer may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with the Bond Registrar, for the purpose of paying all principal and interest due on such Bonds to maturity, or if prepayable, to an earlier date on which they may be called for mandatory redemption, a sum of cash or securities of the types described in Minnesota Statutes, Section 475.67, as amended, in such aggregate amount, bearing interest at such rates and maturing or callable at the Issuer's option on such dates as shall be required to provide funds sufficient for this purpose.

**7.03 Nondesignation as Qualified Tax-Exempt Obligations.** The Board finds that the reasonably anticipated amount of qualified tax-exempt obligations (other than private activity bonds) which will be issued by the Issuer during calendar year 2016 will exceed \$10,000,000. Thus, the Bonds of this issue are not designated as "Qualified Tax-Exempt Obligations" for the purposes of Section 265 of the Code relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

**7.04 Authentication of Transcript.** The officers of the Issuer and each said County Auditor are hereby authorized and requested to prepare and furnish to the Purchaser of said Bonds, and to the attorneys approving legality of the issuance thereof, certified copies of all proceedings and records of the Issuer relating to said Bonds and to the financial condition and affairs of the Issuer, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of said Bonds as they appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the Issuer as to the facts recited therein.

**7.05 Covenant to Continue Tax Exemption.** The Issuer covenants and agrees with the Holders from time to time of the Bonds herein authorized, that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause

the interest payable on the Bonds to become subject to taxation under the United States Internal Revenue Code, the regulations promulgated thereunder, or any other applicable federal tax law or regulation; and that it will take, or it will cause its officers, employees or agents to take, all affirmative actions within its powers which may be necessary to ensure that such interest will not become subject to taxation under the Internal Revenue Code. The term "Internal Revenue Code" or "Code" as used herein includes the Internal Revenue Code of 1986, as amended, and all regulations, amended regulations and proposed regulations issued thereunder, as now existing, or as hereafter amended or proposed.

**7.06 Arbitrage Certification.** The Chair and School District Clerk, being the officers of the Issuer charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser an arbitrage certification in order to satisfy the provisions of the Code and the regulations promulgated thereunder.

**7.07 Official Statement.** The Official Statement relating to the Bonds, on file with the Clerk and presented to this meeting, is hereby approved and deemed final, and the furnishing thereof to prospective purchasers of the Bonds is hereby ratified and confirmed, insofar as the same relates to the Bonds and the sale thereof.

**7.08 Information Reporting.** For purposes of compliance with the provisions of Section 149(e) of the Code, the Issuer shall submit to the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, a statement concerning the Bond issue which meets the requirements of Section 149(e) (2).

**7.09 Payment of Issuance Expenses.** The Issuer authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to the Escrow Agent on the closing date for further distribution as directed by the underwriter.

**7.10 Continuing Disclosure.** The Chair and the School District Clerk are authorized and directed to execute and deliver a Continuing Disclosure Certificate to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5) for full disclosure (The "Rule"). The Continuing Disclosure Certificate shall be entered into for the benefit of the Holders of the Bonds and shall constitute the written undertaking required by the Rule to provide or cause to be provided to the MSRB, in an electronic format through the use of the Electronic Municipal Market Access system ("EMMA"), the annual financial information specified therein and to give notice of the occurrence of the Listed Events specified therein, each in the manner specified therein, as required by the Rule. The provisions of the Continuing Disclosure Certificate are incorporated herein as though fully specified in this paragraph.

The motion for the adoption of the foregoing resolution was duly seconded by  
Member \_\_\_\_\_, and upon vote being taken

thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

**EXHIBIT A**

**(FORM OF GLOBAL CERTIFICATE)**

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
SCOTT COUNTY  
INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)

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

GENERAL OBLIGATION CROSSOVER REFUNDING BOND, SERIES 2016A

| <u>INTEREST RATE</u> | <u>MATURITY DATE</u> | <u>DATE OF ORIGINAL ISSUE</u> | <u>CUSIP</u> |
|----------------------|----------------------|-------------------------------|--------------|
|                      |                      | MAY 4, 2016                   |              |

REGISTERED OWNER: CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

**KNOW ALL PERSONS BY THESE PRESENTS** that Independent School District No. 720, State of Minnesota, a duly organized and existing independent school district, whose administrative offices are located in Shakopee, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above or on the Certificate of Registration attached hereto, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above or, if this Bond is subject to mandatory redemption as stated below, on a date prior thereto on which it shall have been duly called for mandatory redemption, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date") commencing February 1, 2017, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable by wire transfer (or other agreed means of payment) on each payment date no later than 12:00 noon (New York, New York time) upon presentation and surrender hereof at the principal office of U.S. Bank National Association in St. Paul, Minnesota (the

"Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer; provided, however, that upon a mandatory redemption of this Bond which results in the stated amount hereof being reduced, the Holder may in its discretion be paid without presentation of this Bond, and may make a notation on the panel provided herein of such redemption, stating the amount so redeemed, or may return the Bond to the Bond Registrar in exchange for a new Bond in the proper principal amount. Such notation of redemption, if made by the Holder, shall be for reference only, and may not be relied upon by any other person as being in any way determinative of the principal amount of this Bond outstanding, unless the Bond Registrar has signed the appropriate column of the panel. Interest on this Bond will be paid on each Interest Payment Date (by 12:00 noon, New York, New York time) by wire transfer (or other agreed means of payment) to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

**Date of Payment Not Business Day.** If the date for payment of the principal of, premium, if any, or interest on this Bond 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.

**Optional Redemption.** The Bonds of this Issue are not subject to optional redemption or prepayment prior to maturity.

**Mandatory Redemption.** The Bonds maturing in the year \_\_\_\_ shall be subject to mandatory redemption, pursuant to the procedures specified herein and at a redemption price equal to the principal amount of the Bonds so redeemed plus interest accrued on the principal amount to be redeemed to the date fixed for mandatory redemption, on February 1 in the years and in the principal amounts set forth below:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
|             | \$            |

The Bonds maturing in the year \_\_\_\_ shall be subject to mandatory redemption, pursuant to the procedures specified herein and at a redemption price equal to the principal amount of the Bonds so redeemed plus interest accrued on the principal amount to be redeemed to the date fixed for mandatory redemption, on February 1 in the years and in the principal amounts set forth below :

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
|             | \$            |

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the Issuer shall determine the order of redemption of Bonds; and if only part of the Bonds having a common maturity date are called for prepayment, the Global Certificates to be prepaid may be prepaid in \$5,000 increments of principal and, if applicable, the specific Replacement Bonds to be prepaid shall be chosen by lot by the Bond Registrar as provided below. Bonds or portions thereof called for redemption shall be due and payable on the designated redemption date, and interest thereon shall cease to accrue from and after the redemption date.

**Notice of Mandatory Redemption.** Published notice of mandatory redemption shall in each case be given in accordance with law, and mailed notice of mandatory redemption shall be given to the paying agent and to each affected Holder of the Bonds. For this purpose, the Depository shall be the "Holder" as to Bonds registered in the name of the Depository or its nominee. In the event any of the Bonds are called for mandatory redemption, written notice thereof will be given by first class mail, postage prepaid, mailed not less than thirty (30) days prior to the redemption date to each Holder of Bonds to be redeemed, at the address appearing in the records of the Bond Registrar. In connection with any such notice, the "CUSIP" numbers assigned to the Bonds shall be used.

**Replacement or Notation of Bonds After Partial Redemption.** Upon a partial redemption of this Bond which results in the stated amount hereof being reduced, the Holder may in its discretion make a notation on the panel provided herein of such redemption, stating the amount so redeemed. Such notation of redemption, if made by the Holder, shall be for reference only, and may not be relied upon by any other person as being in any way determinative of the principal amount of this Bond outstanding, unless the Bond Registrar has signed the appropriate column of the panel. Otherwise, the Holder may surrender this Bond to the Bond Registrar (with, if the Issuer or the Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and the Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of this Bond, without service charge, a new Bond of the same Issue having the same stated maturity and interest rate and of the authorized denomination in aggregate principal amount

equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

**Issuance; Purpose.** This Bond is one of an issue in the total aggregate principal amount of \$\_\_\_\_\_. The Bonds are all of like date of original issue and tenor, except as to number, denomination, maturity, redemption privilege and interest rate. All are issued to provide funds to refund in advance of their stated maturities, through a crossover refunding, all of the Bonds maturing in the years 2019 to 2026, aggregating \$17,020,000 in principal amount, of the Issuer's General Obligation School Building Bonds, Series 2008A, bearing a date of original issue of March 5, 2008, and to provide funds to pay interest when due on the Bonds of this issue to and including February 1, 2018. All are issued pursuant to resolutions duly adopted by the School Board and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling. The Refunded Bonds were originally issued to provide funds for the acquisition and betterment of school sites and facilities and have not previously been refunded.

To and including February 1, 2018, interest on the Bonds of this issue is payable primarily from certain amounts on deposit in an irrevocable escrow account held by U.S. Bank National Association, St. Paul, Minnesota (the "Escrow Agent"), pursuant to an Escrow Agreement between the Issuer and the Escrow Agent dated the date of delivery thereof (the "Escrow Agreement"). The principal of Bonds of this issue and interest thereon subsequent to February 1, 2018 are payable from ad valorem taxes which have been levied upon all taxable property in the Issuer.

**General Obligation.** This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

**Minnesota School District Credit Enhancement Program.** The Issuer has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute to guarantee the payment of the principal and interest on the Bonds when due.

**Denominations; Exchange; Resolution.** The Bonds are issuable originally only as Global Certificates in the denomination of the entire principal amount of the issue maturing on a single date. Global Certificates are not exchangeable for fully registered Bonds of smaller denominations except in the event of a partial redemption as above provided or in exchange for Replacement Bonds if then available. Replacement Bonds, if made available as provided below, are issuable solely as fully registered Bonds in the denomination of \$5,000 and integral multiples thereof of a single maturity and are exchangeable for fully registered Bonds of other denominations in equal aggregate principal amounts and in authorized denominations at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

**Replacement Bonds.** Replacement Bonds may be issued by the Issuer in the event that (a) The Depository Trust Company ("DTC") of New York, New York (the "Depository") shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to locate a Substitute Depository within two (2) months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described in the Resolution might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds. The Issuer shall notify the Holders of its determination and of the availability of Replacement Bonds to Holders.

**Transfer.** This Bond shall be registered in the name of the payee on the books of the Issuer by presenting this Bond for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration attached hereto. Thereafter this Bond may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until this Bond is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar.

**Fees Upon Transfer or Loss.** The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

**Treatment of Registered Owner.** The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

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

**Not Qualified Tax-Exempt Obligations.** The Bonds of this issue have not been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.



**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 happen and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as so required; that the Issuer has appropriated the proceeds of the Bonds of this issue, other than the portion thereof appropriated for issuance expenses, together with such other legally available funds of the Issuer as may be required, and has held such proceeds as cash or invested such money in securities authorized for such investment pursuant to Minnesota Statutes, Section 475.67, in such amounts, maturing on such dates, and bearing interest at such rates as are required to provide funds sufficient to pay all interest due on the Bonds of this issue on or prior to February 1, 2018 and to pay all outstanding principal due on the Refunded Bonds when called for redemption and prior payment on February 1, 2018, and has irrevocably placed such funds and securities in escrow in a qualified bank for this purpose; that prior to the issuance hereof, a direct, annual irrevocable ad valorem tax has been duly levied upon all taxable property in the Issuer in the years and amounts required by law; that, if necessary for payment of principal of and interest on the Bonds of this issue, additional ad valorem taxes may be levied upon all taxable property in the Issuer without limitation as to rate or amount; and that the issuance of this Bond on the date of original issue hereof and the date of its actual original issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

**IN WITNESS WHEREOF**, Independent School District No. 720 (Shakopee), State of Minnesota, by its School Board, has caused this Bond to be executed in its behalf by the facsimile signatures of the Chair and Clerk, the Issuer having no seal or said seal having been intentionally omitted as permitted by law.

Date of Registration:  
May 4, 2016

Registrable by:  
U.S. BANK NATIONAL ASSOCIATION  
ST. PAUL, MINNESOTA

BOND REGISTRAR'S  
CERTIFICATE OF  
AUTHENTICATION

Payable at:  
U.S. BANK NATIONAL ASSOCIATION  
ST. PAUL, MINNESOTA

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

INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)  
SHAKOPEE, MINNESOTA

U.S. BANK NATIONAL ASSOCIATION  
Bond Registrar

/s/ (Facsimile)  
Chair

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

/s/ (Facsimile)  
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>May 4, 2016</u>          | 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 mandatorily 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.

## ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

---

|         |   |   |
|---------|---|---|
| TEN COM | - | as tenants in common  |
| TEN ENT | - | as tenants by the entireties  |
| JT TEN  | - | as joint tenants with right of survivorship and<br>not as tenants in common |
| UTMA    | - | _____ CUSTODIAN _____<br>(Cust) (Minor)                                     |

Under Uniform Transfers to Minors Act

---

(State)

Additional abbreviations may also be used though not in the above list.

**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**

**(FORM OF REPLACEMENT BOND)**

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
SCOTT COUNTY  
INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)

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

GENERAL OBLIGATION CROSSOVER REFUNDING BOND, SERIES 2016A

| <u>INTEREST<br/>RATE</u> | <u>MATURITY<br/>DATE</u> | <u>DATE OF<br/>ORIGINAL ISSUE</u> | <u>CUSIP</u> |
|--------------------------|--------------------------|-----------------------------------|--------------|
|                          |                          | MAY 4, 2016                       |              |

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT:  
DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that Independent School District No. 720, State of Minnesota, a duly organized and existing independent school district, whose administrative offices are located in Shakopee, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above or, if this Bond is subject to mandatory redemption as stated below, on a date prior thereto on which it shall have been duly called for mandatory redemption, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date") commencing February 1, 2017, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of U.S. Bank National Association in St. Paul, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of

the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

**REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF, WHICH PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.**

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

**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 happen and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as so required; that the Issuer has appropriated the proceeds of the Bonds of this issue, other than the portion thereof appropriated for issuance expenses, together with such other legally available funds of the Issuer as may be required, and has held such proceeds as cash or invested such money in securities authorized for such investment pursuant to Minnesota Statutes, Section 475.67, in such amounts, maturing on such dates, and bearing interest at such rates as are required to provide funds sufficient to pay all interest due on the Bonds of this issue on or prior to February 1, 2018 and to pay all outstanding principal due on the Refunded Bonds when called for redemption and prior payment on February 1, 2018, and has irrevocably placed such funds and securities in escrow in a qualified bank for this purpose; that prior to the issuance hereof, a direct, annual irrevocable ad valorem tax has been duly levied upon all taxable property in the Issuer in the years and amounts required by law; that, if necessary for payment of principal of and interest on the Bonds of this issue, additional ad valorem taxes may be levied upon all taxable property in the Issuer without limitation as to rate or amount; and that the issuance of this Bond on the date of original issue hereof and the date of its actual original issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

**IN WITNESS WHEREOF**, Independent School District No. 720 (Shakopee), State of Minnesota, by its School Board, has caused this Bond to be executed in its behalf by the facsimile signatures of the Chair and the Clerk, the Issuer having no seal or said seal having been intentionally omitted as permitted by law.

Date of Registration:

\_\_\_\_\_

BOND REGISTRAR'S  
CERTIFICATE OF  
AUTHENTICATION

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

U.S. BANK NATIONAL ASSOCIATION  
Bond Registrar

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

Registrable by:

U.S. BANK NATIONAL ASSOCIATION  
ST. PAUL, MINNESOTA

Payable at:

U.S. BANK NATIONAL ASSOCIATION  
ST. PAUL, MINNESOTA

INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)  
SHAKOPEE, MINNESOTA

/s/ (Facsimile) \_\_\_\_\_  
Chair

/s/ (Facsimile) \_\_\_\_\_  
Clerk

**ON REVERSE OF BOND**

**Date of Payment Not Business Day.** If the date for payment of the principal of, premium, if any, or interest on this Bond 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.

**Optional Redemption.** The Bonds of this Issue are not subject to optional redemption or prepayment prior to maturity.

**Mandatory Redemption.** The Bonds maturing in the year \_\_\_\_ shall be subject to mandatory redemption, pursuant to the procedures specified herein and at a redemption price equal to the principal amount of the Bonds so redeemed plus interest accrued on the principal amount to be redeemed to the date fixed for mandatory redemption, on February 1 in the years and in the principal amounts set forth below:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
|             | \$            |

The Bonds maturing in the year \_\_\_\_ shall be subject to mandatory redemption, pursuant to the procedures specified herein and at a redemption price equal to the principal amount of the Bonds so redeemed plus interest accrued on the principal amount to be redeemed to the date fixed for mandatory redemption, on February 1 in the years and in the principal amounts set forth below:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
|             | \$            |

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the Issuer shall determine the order of redemption of Bonds; and if only part of the Bonds having a common maturity date are called for prepayment, the Global Certificates to be prepaid may be prepaid in \$5,000 increments of principal and, if applicable, the specific Replacement Bonds to be prepaid shall be chosen by lot by the Bond Registrar as provided below. Bonds or portions thereof called for redemption shall be due and payable on the designated redemption date, and interest thereon shall cease to accrue from and after the redemption date.

**Issuance; Purpose.** This Bond is one of an issue in the total aggregate principal amount of \$\_\_\_\_\_. The Bonds are all of like date of original issue and tenor, except as to number, denomination, maturity, redemption privilege and interest rate. All are issued to provide funds to refund in advance of their stated maturities, through a crossover refunding, all of the Bonds maturing in the years 2019 to 2026, aggregating \$17,020,000 in principal amount, of the Issuer's General Obligation School Building Bonds, Series 2008A, bearing a date of original issue of March 5, 2008, and to provide funds to pay interest when due on the Bonds of this issue to and including February 1, 2018. All are issued pursuant to resolutions duly adopted by the School Board and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling. The Refunded Bonds were originally issued to provide funds for the acquisition and betterment of school sites and facilities and have not previously been refunded.

To and including February 1, 2018, interest on the Bonds of this issue is payable primarily from certain amounts on deposit in an irrevocable escrow account held by U.S. Bank National Association, St. Paul, Minnesota (the "Escrow Agent"), pursuant to an Escrow Agreement between the Issuer and the Escrow Agent dated the date of delivery thereof (the "Escrow Agreement"). The principal of Bonds of this issue and interest thereon subsequent to February 1, 2018 are payable from ad valorem taxes which have been levied upon all taxable property in the Issuer.

**General Obligation.** This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

**Minnesota School District Credit Enhancement Program.** The Issuer has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute to guarantee the payment of the principal and interest on the Bonds when due.

**Denominations; Exchange; Resolution.** The Bonds are issuable solely as fully registered Bonds in the denomination of \$5,000 and integral multiples thereof of a single maturity and are exchangeable for fully registered bonds of other denominations in equal aggregate principal amounts and in authorized denominations at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

**Transfer.** This Bond is transferable by the Holder in person or by the Holder's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in

any agreement with the Bond Registrar. Thereupon the Issuer shall execute (if necessary) 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 (but not registered in blank or to "bearer" or similar designation), of an authorized denomination, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity, and bearing interest at the same rate.

**Fees Upon Transfer or Loss.** The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

**Treatment of Registered Owner.** The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

**Not Qualified Tax-Exempt Obligations.** The Bonds of this issue have not been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

## ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

---

|         |   |   |
|---------|---|---|
| TEN COM | - | as tenants in common  |
| TEN ENT | - | as tenants by the entireties  |
| JT TEN  | - | as joint tenants with right of survivorship and<br>not as tenants in common |
| UTMA    | - | _____ CUSTODIAN _____<br>(Cust) (Minor)                                     |

Under Uniform Transfers to Minors Act

---

(State)

Additional abbreviations may also be used though not in the above list.

**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 C**

**The Depository Trust Company**

**Letter of Representations**

**EXHIBIT D**

**LEVY COMPUTATION SHEET**

| <u>Levy Year</u> | <u>Collection Year</u> | <u>Amount</u>  |
|------------------|------------------------|----------------|
| 2017             | 2018                   | \$1,443,067.50 |
| 2018             | 2019                   | \$1,478,610.00 |
| 2019             | 2020                   | \$1,496,670.00 |
| 2020             | 2021                   | \$1,502,970.00 |
| 2021             | 2022                   | \$2,768,325.00 |
| 2022             | 2023                   | \$2,780,925.00 |
| 2023             | 2024                   | \$2,782,237.50 |
| 2024             | 2025                   | \$5,964,525.00 |

**EXHIBIT E**

**NOTICE OF CALL FOR REDEMPTION  
\$17,020,000  
GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2008A  
DATED: MARCH 5, 2008**

**INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)  
SCOTT COUNTY, MINNESOTA**

NOTICE IS HEREBY GIVEN that, by order of the School Board of Independent School District No. 720 (Shakopee), Scott County, Minnesota, there have been called for redemption and prepayment on February 1, 2018 those outstanding bonds of the School District designated as General Obligation School Building Bonds, Series 2008A, dated March 5, 2008 as the date of original issue, totaling \$17,020,000 in principal amount, and having the following stated maturity dates and CUSIP numbers:

| <u>Maturity Date</u> | <u>Principal Amount</u> | <u>CUSIP Number</u> |
|----------------------|-------------------------|---------------------|
| February 1, 2019     | \$915,000               | 819190 RM3          |
| February 1, 2020     | \$985,000               | 819190 RN1          |
| February 1, 2021     | \$1,040,000             | 819190 RP6          |
| February 1, 2022     | \$1,090,000             | 819190 RQ4          |
| February 1, 2023     | \$2,335,000             | 819190 RR2          |
| February 1, 2024     | \$2,440,000             | 819190 RS0          |
| February 1, 2025     | \$2,540,000             | 819190 RT8          |
| February 1, 2026     | \$5,675,000             | 819190 RU5          |

The Bonds are being called at a price of par plus accrued interest to February 1, 2018, on which date all interest on said bonds will cease to accrue.

Holders of the Bonds hereby called for redemption are requested to present their Bonds for payment to Bond Trust Services Corporation, on or before February 1, 2018 by submitting said bonds along with a completed W-9 form to the following addresses:

|                           |                                 |
|---------------------------|---------------------------------|
| <b>BY MAIL, IN PERSON</b> | Bond Trust Services Corporation |
| <b>COURIER SERVICE OR</b> | 3060 Centre Pointe Drive        |
| <b>OVERNIGHT MAIL:</b>    | Roseville, MN 55113             |

If the Holder requests payment of principal and/or interest via wire transfer, please be advised there is a wire transfer fee which will be deducted from the payment.

Dated: April 25, 2016

BY ORDER OF THE SCHOOL BOARD

/s/ \_\_\_\_\_  
School District Clerk  
Independent School District No. 720  
(Shakopee)  
Shakopee, Minnesota

Important Notice: In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment by the redeeming institutions if they are not provided with your social security number or federal employer identification number, properly certified. This requirement is fulfilled by submitting a W-9 Form, which may be obtained at a bank or other financial institution.

\*The paying agent shall not be responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness as indicated in the Notice of Call for Redemption. It is included solely for the convenience of the holders.

Additional information may be obtained from: Robert W. Baird & Co., 777 E Wisconsin Avenue, Milwaukee, WI 53202, Telephone Number (800)-792-2473.

STATE OF MINNESOTA )  
 )SS  
COUNTY OF SCOTT )

**SIGNATURE AND NONLITIGATION  
CERTIFICATE**

We, the undersigned, being respectively the duly qualified and acting Chair and Clerk of Independent School District No. 720 (Shakopee), Scott County, Minnesota (the "District"), DO HEREBY CERTIFY that we did on the date of this certificate, in our official capacities as such officers, cause our signatures and the manual signature of a duly authorized representative of U.S. Bank National Association, St. Paul, Minnesota, as authenticating agent, to be affixed upon the General Obligation Crossover Refunding Bonds, Series 2016A of the District, dated May 4, 2016, as the date of original issue (the "Bonds"), said Bonds being numbered R-1 upward, each in the denomination of \$5,000, or any integral multiple thereof, and being originally issued using a global book-entry system. Said Bonds mature on February 1 in the years and amounts set forth below, and bear interest at the annual rate set forth opposite such years and amounts, as follows:

| <b>Maturity Date</b> | <b>Amount</b> | <b>Rate</b> |
|----------------------|---------------|-------------|
| 02/01/2019           | 705,000       | 3.000%      |
| 02/01/2020           | 760,000       | 3.000%      |
| 02/01/2021           | 800,000       | 3.000%      |
| 02/01/2022           | 830,000       | 3.000%      |
| 02/01/2023           | 2,060,000     | 5.000%      |
| 02/01/2024           | 2,175,000     | 5.000%      |
| 02/01/2025           | 1,000,000     | 3.000%      |
| 02/01/2025           | 1,285,000     | 5.000%      |
| 02/01/2026           | 5,410,000     | 5.000%      |

*Note: The 2025 maturity was bifurcated with \$1,000,000 at a 3.00% coupon and \$1,285,000 at a 5.00% coupon.*

The Bonds of this Issue are not subject to optional redemption or prepayment prior to maturity.

Interest is payable semiannually on each February 1 and August 1, commencing February 1, 2017. Principal and interest will be payable in the manner specified in the form of Global Certificate or Replacement Bond, as applicable, to the Registered Holder of the Bond at the Holder's address as it appears on the books of the Registrar on each Regular or Special Record Date.

We further certify that we are now and were on the date of executing such Bonds the duly qualified and acting officers indicated therein and duly authorized to execute the same; and we hereby ratify, confirm and adopt our facsimile signatures on such Bonds as the true and proper signatures for the execution thereof.

We further certify and confirm the signature hereunto subscribed as the true and correct signature of the Treasurer of said District.

We further certify that U.S. Bank National Association, has been authorized to execute and authenticate the Bonds on behalf of the District upon receipt of notification of Bond Counsel for the District that all procedures required to be taken to authorize the issuance of the Bonds have been completed and that upon execution thereof the Bonds will be valid and binding general obligations of the District enforceable in accordance with their terms.

We further certify that said Bonds have been in all respects duly executed pursuant to authority conferred upon us as such officers; that no Bonds other than those above-described have been issued pursuant to such authority; that none of the proceedings or records which

have been certified to the purchasers of said Bonds or to the attorneys approving said Bonds have been in any manner repealed, amended, or changed, except as shown by the proofs furnished; and that there has been no material change in the financial condition of the District or the facts affecting said Bonds except as shown by the proofs so furnished.

We further certify that the Official Statement relating to the Bonds, dated April 13, 2016, including any Addendum thereto, did not as of the date thereof and does not as of the date hereof, contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading under the circumstances.

We further certify that there is no litigation threatened or pending questioning the organization or boundaries of said District or the right of any of us to our respective offices, or in any manner questioning our right and power to execute and deliver said Bonds, or otherwise questioning the validity of said Bonds or the levy of any tax to pay the principal thereof and interest thereon.

[The remainder of this page has been left blank intentionally]

WITNESS our hands officially as such officers, this 4th day of May, 2016.

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Chair

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School District Clerk

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Treasurer

[Signature Page for Signature and Nonlitigation Certificate]

STATE OF MINNESOTA )  
  )SS  
COUNTY OF SCOTT        )

**TREASURER'S CERTIFICATE  
AND RECEIPT**

I, the undersigned, being the duly qualified and acting Treasurer of Independent School District No. 720 (Shakopee), Scott County, Minnesota, HEREBY CERTIFY and acknowledge that on the date of this instrument I received from Robert W. Baird & Co., of Milwaukee, Wisconsin, as Purchaser thereof, the purchase price of the General Obligation Crossover Refunding Bonds, Series 2016A of said District dated May 4, 2016 as the date of original issue, said purchase price being computed as follows:

|   |          |                        |
|---|----------|------------------------|
| Principal Amount  |          | \$15,025,000.00        |
| Premium   |          | \$3,145,721.60         |
| Discount  |          | (\$150,250.00)         |
|   | Subtotal | \$18,020,471.60        |
|   |          |                        |
| Accrued Interest on Bonds<br>from May 4, 2016 to the<br>date hereof |          | \$ 0.00                |
| Total   |          | <u>\$18,020,471.60</u> |

and that I thereupon delivered said Bonds to said Purchaser.

WITNESS my hand officially as Treasurer this 4th day of May, 2016.

\_\_\_\_\_  
Treasurer

**CERTIFICATE OF REGISTRAR  
AND AUTHENTICATING AGENT  
GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A  
INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)  
SCOTT COUNTY, MINNESOTA**

1. I, \_\_\_\_\_, do hereby certify that I am a \_\_\_\_\_  
\_\_\_\_\_ duly appointed and acting as such, of U.S. Bank National Association  
located in the City of St. Paul, Minnesota (the "Registrar").

2. Pursuant to authorization by, and direction of, Independent School District  
No. 720, certain of the authorized officers listed on the attached EXHIBIT "A" have this day  
authenticated each of the bonds of the above issue, being fully registered bonds in the  
denominations of \$5,000 or any integral multiple thereof and bearing the numbers of R-1 and  
upward and have caused each of said bonds to be registered in the name of a "person" as  
defined in Section 1-201 of the Uniform Commercial Code, all in accordance with the  
provisions of that certain resolution adopted April 25, 2016, by the School Board of  
Independent School District No. 720, Scott County, Minnesota (the "Resolution").

3. The authorized officers who have signed the bonds have been duly authorized  
to sign said bonds on behalf of the Registrar acting as authenticating agent.

4. The provisions of any bond registrar's agreement entered into between the  
Issuer and the Bond Registrar do not conflict with the provisions of the Resolution with  
respect to the duties and responsibilities of the Registrar set forth herein.

5. The CUSIP number for the final maturity is 819190UF4.

WITNESS my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

By \_\_\_\_\_

—

Authorized Officer





## CERTIFICATE OF PURCHASER

The undersigned officer of Robert W. Baird & Co. (the "Purchaser"), which has purchased the General Obligation Crossover Refunding Bonds, Series 2016A (the "Bonds"), of Independent School District No. 720 (Shakopee), Scott County, Minnesota, dated May 4, 2016 as the date of original issue, hereby certifies, based upon the information available to the Purchaser, that the obligations of said issue were either not reoffered to the public (excluding bond houses, brokers and similar persons acting in the capacity of underwriters or wholesalers) (hereinafter, the "Public"), or were initially reoffered to the Public at the following prices:

| Maturity Date | Amount    | Rate   | Yield  | Price   |
|---------------|-----------|--------|--------|---------|
| 02/01/2019    | 705,000   | 3.000% | 0.950% | 105.534 |
| 02/01/2020    | 760,000   | 3.000% | 1.100% | 106.945 |
| 02/01/2021    | 800,000   | 3.000% | 1.220% | 108.175 |
| 02/01/2022    | 830,000   | 3.000% | 1.360% | 109.027 |
| 02/01/2023    | 2,060,000 | 5.000% | 1.490% | 122.431 |
| 02/01/2024    | 2,175,000 | 5.000% | 1.640% | 124.332 |
| 02/01/2025    | 1,000,000 | 3.000% | 1.780% | 109.834 |
| 02/01/2025    | 1,285,000 | 5.000% | 1.780% | 125.958 |
| 02/01/2026    | 5,410,000 | 5.000% | 1.890% | 127.549 |

*Note: The 2025 maturity was bifurcated with \$1,000,000 at a 3.00% coupon and \$1,285,000 at a 5.00% coupon.*

I further certify that, as of the date hereof, based on our records and other information available to us which we have no reason to believe is not correct, all of the bonds reoffered to the Public have been the subject of a bona fide initial offering to the Public (excluding bond houses, brokers or other persons or organizations acting in the capacity as underwriters or wholesalers) at a price not greater than the price, or a yield not less than the yield, as shown above or on the exhibit attached hereto, with any exceptions as to the amounts sold provided in the attached EXHIBIT A hereto.

The School District may rely on the statements made herein in connection with its efforts to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended (the "Code"); provided, however, that nothing herein represents our interpretation of any laws, and in particular, regulations under section 148 of the Code. Bond Counsel may also rely on this Certificate for purposes of its opinion regarding the treatment of interest on the Bonds as excludable from gross income for federal income tax purposes. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose. Notwithstanding anything set forth herein, the Underwriter is not engaged in the practice of law. Accordingly, the Underwriter makes no representation as to the legal sufficiency of the factual matters set forth herein.

Dated: \_\_\_\_\_, 2016

ROBERT W. BAIRD & CO.  
Purchaser

By:

\_\_\_\_\_

Its:

\_\_\_\_\_

(SEAL)



STATE OF MINNESOTA )  
 )SS  
COUNTY OF SCOTT )

**NONARBITRAGE CERTIFICATE  
GENERAL OBLIGATION CROSSOVER  
REFUNDING BONDS, SERIES 2016A  
INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)  
SHAKOPEE, MINNESOTA**

The undersigned are the duly qualified and acting Chair and Clerk of Independent School District No. 720 (Shakopee), Scott County, Minnesota (the "District"), charged, either alone or with others, with the responsibility of issuing the District's \$15,025,000 General Obligation Crossover Refunding Bonds, Series 2016A, dated May 4, 2016, as the date of original issue (the "Refunding Bonds"). This Certificate is being executed in accordance with the income tax regulations relating to arbitrage bonds (the "Regulations") and may be relied upon as a certification under the Regulations now applicable to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The undersigned, having made an investigation of the facts, circumstances and estimates pertaining to and in connection with the Refunding Bonds, hereby certify and reasonably expect as follows with respect to the Refunding Bonds:

**1. Purpose.** The Refunding Bonds are issued pursuant to and in accordance with Minnesota Statutes, Section 475.67 for the purpose of refunding in advance of maturity, through a crossover refunding, that portion of the District's outstanding General Obligation School Building Bonds, Series 2008A, aggregating \$17,020,000 in principal amount and dated March 5, 2008 as the date of original issue, which mature on or after February 1, 2019 (the "Refunded Bonds"). The District has entered into an Escrow Agreement dated May 4, 2016 (the "Escrow Agreement"), with U.S. Bank National Association (the "Escrow Agent")

to provide for (1) the payment of the principal of the Refunded Bonds when called for redemption and prior payment on February 1, 2018 and (2) the payment when due of the interest to accrue on the Refunding Bonds to and including February 1, 2018. February 1, 2018 shall hereinafter be referred to as the "Crossover Date."

The purpose of refunding the Refunded Bonds is to enable the District to achieve a substantial debt service savings. By the issuance of the Refunding Bonds, the District will realize a gross savings of approximately \$1,895,525.00 and a present value savings (using the yield on the Refunding Bonds as the discount factor in accordance with Section 148 of the Code) of approximately \$1,707,134.39, and as of the Crossover Date, the present value of the debt service on the Refunding Bonds, computed to their stated maturity dates, after deducting any premium, is lower by 9.113% (not less than 3%) than the sum of the present value of the debt service on the Refunded Bonds, computed to their stated maturity dates, plus any expenses of the refunding payable from a source other than the proceeds of the Refunding Bonds or earnings thereon, using the yield on the Refunding Bonds as the discount rate.

The Refunded Bonds have not previously been refunded. No portion of the Refunding Bonds is issued solely for the purpose of investment of such portion at a materially higher yield. The stated purposes of the Refunding Bonds are governmental purposes within the meaning of applicable laws and regulations.

**2. Sale; Receipt of Proceeds.** The Refunding Bonds were issued pursuant to a resolution adopted on April 25, 2016, and will be delivered to and paid for by the purchaser thereof on May 4, 2016. On the date of issue of the Refunding Bonds, the District will

receive \$18,020,471.60 from the Purchaser of the Bonds. To the best of our knowledge, the price paid by the Purchaser for the Bonds is reasonable under customary standards applied in the market.

**3. Use of Proceeds.** The proceeds of the Refunding Bonds will be deposited in an Escrow Account and applied as follows:

(a) \$17,977,283.00 of the proceeds of the Refunding Bonds and \$0.00 of available funds of the District appropriated for this purpose will be used to purchase an equivalent amount of federal securities or investment agreements or contracts (the "Acquired Obligations");

(b) \$0.43 of the proceeds of the Refunding Bonds will be used to establish a beginning cash balance in the Escrow Account;

(c) \$41,556.49 of the proceeds of the Refunding Bonds will be used to pay the current costs of issuance incident to the issuance of the Refunding Bonds;

(d) \$1,631.68 of the proceeds of the Refunding Bonds, representing accrued interest, premium, unused bond discount and surplus funds not appropriated to fund the Escrow Account, will be returned to the District and deposited in the Debt Service Account of the District from which the Refunding Bonds are payable.

Any of the proceeds of the Refunding Bonds not used to purchase Acquired Obligations or to establish a beginning cash balance in the Escrow Account are expected to be disbursed within thirty (30) days of the issuance of the Refunding Bonds; however, to the extent such proceeds are not expended within such thirty (30) day period, they will not be invested at a yield in excess of the yield on the Refunding Bonds.

**4. Escrow Account.**

\$17,977,283.00 of the proceeds of the Refunding Bonds and \$0.00 of appropriated funds to be deposited with the Escrow Agent will be used to acquire the Acquired Obligations which bear interest and mature to provide the cash receipts set forth in EXHIBIT A hereto. \$0.43 will be held by the Escrow Agent as an initial cash balance. The total income received from the Acquired Obligations will be \$208,501.15. In accordance with the Escrow Agreement, the amounts received as principal of the Acquired Obligations are expected to be applied primarily to payment of principal of the Refunded Bonds on the Crossover Date and the remainder of the amount received as principal of the Acquired Obligations plus the amount received as interest on the Acquired Obligations are expected to be applied to payment when due of interest to accrue on the Refunding Bonds to and including the Crossover Date and are not expected to be invested or reinvested. Any amounts remaining after payment of principal on the Refunded Bonds and interest on the Refunding Bonds will be expended promptly by the District upon release of the escrow on the Crossover Date.

**5. Transferred Proceeds.** All original and investment proceeds of the District's outstanding General Obligation School Building Bonds, Series 2008A (the "Prior Issue") have been spent, except for the original and investment proceeds which will be expended prior to the discharge of the Refunded Bonds on the Crossover Date. No transferred proceeds adjustment is required for original and investment proceeds of the Prior Issue expended prior to the discharge of the Refunded Bonds.

**6. Actuarial Report.** The undersigned has read and studied the May 4, 2016, report of Barthe & Warhman, Bloomington, Minnesota, independent public accountants, which shows the mathematical calculation of the yield on the Refunding Bonds and the mathematical calculation of the yield on the Acquired Obligations in the Escrow Account. The report and accompanying schedules are included in the closing transcript of the Refunding Bonds.

**7. Yield on the Bonds.** The yield produced by the Refunding Bonds is 1.711% per annum. The yield calculation of the Refunding Bonds is set forth in EXHIBIT B hereto and reflects the methodology described in Paragraph 9 hereof.

**8. Yield on the Acquired Obligations.** The yield produced by the Acquired Obligations deposited in the Escrow Account, is not more than 0.677% per annum, and is not higher than the yield produced by the Refunding Bonds as set forth in Paragraph 7 hereof, after adjusting such yield as permitted by applicable Treasury Regulations.

**9. Yield Calculations.** For purposes of this Certificate, yield is, and shall be, calculated in the manner provided by applicable Treasury Regulations. Thus, generally, yield means the discount rate which when used in computing the present value of all payments of principal and interest on an obligation produces an amount equal to the issue price. For the purpose of computing the yield on the Refunding Bonds, the issue price is the initial offering price to the public. The issue price of the Refunding Bonds is \$18,170,721.60. In the calculation of yields stated in Paragraphs 7 and 8, the present worth of all payments of the principal of and interest on the Refunding Bonds and the Acquired Obligations, respectively, was computed by a method which is consistent with the principles

of the actuarial method of computing yield. The yield on the Refunding Bonds and the Acquired Obligations was calculated by use of the same frequency interval of compounding interest, i.e., interest was computed semiannually using a 360-day year. The Acquired Obligations constitute the same class of acquired obligations, since all of them are acquired non-purpose obligations, and, thus, the computation was made jointly for such Acquired Obligations as if all the Acquired Obligations comprised a single issue of acquired obligations.

**10. Temporary Period.** No "temporary period" will be relied upon by the District during which the District would be permitted to invest a major portion of the proceeds of the Refunding Bonds at a yield materially higher than the yield on the Refunding Bonds, except that the \$41,556.49 issuance expenses will be expended within thirty (30) days of the issuance of the Refunding Bonds.

**11. Excess Proceeds.** The excess proceeds requirements of Treas. Reg. §1.148-10 do not apply to the Refunding Bonds by reason of the exception set forth in Treas. Reg. §1.148-10(b)(4) because, (i) all of the excess proceeds of the Refunding Bonds will be used to pay interest that accrues on the Refunding Bonds before the Prior Issue is discharged and (ii) no proceeds of the Refunding Bonds will be used to pay interest on the Prior Issue or to replace funds that are used directly or indirectly to pay such interest. To the extent the proceeds of the Refunding Bonds constitute excess gross proceeds, such excess gross proceeds will not exceed one percent (1%) of the sale proceeds of the Refunding Bonds.

**12. Expenditure of Proceeds of Refunded Bonds.** All original and investment proceeds of the Refunded Bonds credited to the Construction Account and the Debt

Redemption Account established therefor have been or will be expended for the purposes for which they were issued in accordance with the resolution authorizing their issuance. The proceeds of the Refunded Bonds were or will be expended for the acquisition and betterment of school sites and facilities used by the District for its governmental activities. The Refunded Bonds would not be considered "private activity bonds" as defined in Section 141 of the Code, if the provisions of said Section 141 were applied to the Refunded Bonds and the District will not make use of the proceeds of the Refunded Bonds or of the project in a manner which would cause the Refunded Bonds to be "private activity bonds" pursuant to Section 141 of the Code. Property financed with the proceeds of the Refunded Bonds is not expected to be sold or disposed of, in whole or in part, prior to the last maturity date of the Refunding Bonds.

**13. Bond Covenants.** In the Escrow Agreement, the District covenanted and agreed that the Escrow Account will not be reinvested contrary to the yield restrictions of Section 148 of the Code and regulations thereunder. Accordingly, the District may be reasonably expected to limit the yield on investments of such funds to the yield on the Refunding Bonds (except when the investment is for a temporary period in accordance with Paragraph 10).

**14. Sinking Funds.** Except for the Debt Service Account referred to in the resolution, the District has not created, and does not expect to create or establish any sinking fund or similar fund with respect to the Refunding Bonds. The Debt Service Account is a bona fide debt service fund within the meaning of applicable Treasury Regulations because it will be used primarily to achieve a proper matching of revenue and debt service within each

bond year. It is expected that the Debt Service Account (other than a reasonable carryover amount within the limits prescribed by applicable Treasury Regulations) will be depleted at least once each year. If amounts in the Debt Service Account at any time exceed the maximum debt service amount plus the reasonable carryover, the excess shall not be invested at a yield exceeding the yield on the Refunding Bonds unless an opinion is obtained from Bond Counsel indicating that yield restriction is not required.

**15. Rebate.** The District will make such calculations and such rebate payments at such times and in such manner as required to comply with Section 148 of the Code and the applicable Treasury Regulations pertaining thereto. In addition, the District has covenanted in the resolution authorizing the Bonds to take all actions necessary to ensure that the interest on the Bonds will not become subject to taxation under the Code and the applicable Treasury regulations and to comply with such additional legislative and administrative requirements as may be imposed by law.

**16. Qualified Issuer.** The District has not been notified of any listings or any proposed listing of it by the Commissioner of Internal Revenue by publication in the Internal Revenue Bulletin, or otherwise, indicating that the certification of the Issuer may not be relied upon with respect to the issue of governmental obligations to be issued by it subsequent to the date of publication of such notice, and the Issuer has not been given any notice of similar import.

**17. Definition of Terms.** If not otherwise defined, the terms used in this certificate have the meanings given in the Code and applicable regulations pertaining thereto.

**18. No Other Facts.** To the best of our knowledge and belief, there are no other facts, estimates or circumstances that would materially change the foregoing expectations, and said expectations are reasonable. No matters have come to our attention which make unreasonable or incorrect the representations made in this Certificate.

**19. Conclusion.** On the basis of all the facts, estimates and circumstances now in existence and set forth in the actuarial opinion and the documents relating to the issuance of the Refunding Bonds, including without limitation this instrument, it is now expected that the proceeds of the Refunding Bonds will not be used in a manner that would cause the Refunding Bonds to be "arbitrage bonds" within the meaning of the Code and the Regulations.

(The remainder of this page has been left blank intentionally.)

**20. Employer Identification Number.** The District's employer identification number is 41-6003781.

WITNESS our hands officially as such officers, this 4th day of May, 2016.

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Chair

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Clerk

[Signature Page for Nonarbitrage Certificate]

**EXHIBIT A**  
**CASH RECEIPTS FROM ACQUIRED OBLIGATIONS**

| Date                              | Principal                    | Interest   | Net Escrow<br>Receipts | PV<br>Factor | Present Value<br>to 05/04/2016<br>@ 0.6774417% |
|-----------------------------------|------------------------------|------------|------------------------|--------------|--|
| 02/01/2017                        | 406,357.00                   | 90,077.83  | 496,434.83             | 0.994996690  | 493,951.01                                     |
| 08/01/2017                        | 275,057.00                   | 59,617.37  | 334,674.37             | 0.991637806  | 331,875.76                                     |
| 02/01/2018                        | 17,295,869.00                | 58,805.95  | 17,354,674.95          | 0.988290261  | 17,151,456.23                                  |
|                                   | 17,977,283.00                | 208,501.15 | 18,185,784.15          |              | 17,977,283.00                                  |
| <b><u>Escrow Cost Summary</u></b> |                              |            |                        |              |  |
|                                   | Purchase date                |            | 05/04/2016             |              |  |
|                                   | Purchase cost of securities  |            | 17,977,283.00          |              |  |
|                                   | Target for yield calculation |            | 17,977,283.00          |              |  |

**EXHIBIT B**  
**PROOF OF YIELD ON REFUNDING BONDS**

| <u>All restricted escrows funded by bond proceeds</u> |                   |               |   |
|---|-------------------|---------------|---|
| Date  | Security Receipts | PV Factor     | Present Value to 05/04/2016 @ 0.6774416700% |
| 02/01/2017  | 496,434.83        | 0.994996690   | 493,951.01                                  |
| 08/01/2017  | 334,674.37        | 0.991637806   | 331,875.76                                  |
| 02/01/2018  | 17,354,674.95     | 0.988290261   | 17,151,456.23                               |
|   | 18,185,784.15     |               | 17,977,283.00                               |
| <u>Escrow Cost Summary</u>                            |                   |               |   |
| Purchase date   |                   | 05/04/2016    |   |
| Purchase cost of securities                           |                   | 17,977,283.00 |   |
| Target for yield calculation                          |                   | 17,977,283.00 |   |

**CONTINUING DISCLOSURE CERTIFICATE**  
(Full Disclosure)

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Independent School District No. 720 (Shakopee), State of Minnesota (the "District"), in connection with the issuance of its General Obligation Crossover Refunding Bonds, Series 2016A (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted by the School Board on April 25, 2016 (the "Resolution"). The District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 (the "State Payment Law" described in the Official Statement for the Bonds) which provides for payment by the State of Minnesota in the event of a potential default of a District obligation. The District covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the District for the benefit of the Bondholders or beneficial owners, if different, and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5). This Disclosure Certificate constitutes the written Undertaking required by the Rule.

**SECTION 2. Definitions.** In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" shall mean the financial statements of the District audited annually by an independent certified public accounting firm and prepared in accordance with generally accepted accounting principles or as otherwise required by Minnesota law for the preceding Fiscal Year, including a balance sheet and statement of revenues, expenditures and changes in fund balances.

"Dissemination Agent" shall mean the District, or any successor Dissemination Agent which has been designated in writing by the District and which has filed with the District a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system: [www.emma.msrb.org](http://www.emma.msrb.org), established by the MSRB and which contains a component that includes a continuing disclosure service for the receipt and public availability of continuing disclosure documents and related information to be submitted by issuers, obligated persons, and their agents pursuant to continuing disclosure undertakings entered into consistent with the Rule.

"Fiscal Year" shall mean the fiscal year of the District.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure

Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the Securities and Exchange Commission.

### **SECTION 3. Provision of Annual Reports.**

(a) The District shall provide, or shall cause the Dissemination Agent to provide, as soon as available, but not later than June 30, 2016, and twelve (12) months after the end of each Fiscal Year during which the Bonds are outstanding, to the MSRB, in an electronic format through the use of EMMA, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the District may be submitted separately from the balance of the Annual Report and shall be submitted if and when available. If audited financial statements are not available by the date specified above, the District shall submit unaudited financial statements by that date to the MSRB and will submit the audited financial statements as soon as they are available.

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a) above, the District shall send a notice to the MSRB.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the required method of submission to the MSRB and (if the Dissemination Agent is other than the District)

(ii) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was provided.

**SECTION 4. Content of Annual Reports.** The District's Annual Report shall contain or incorporate by reference the following:

1. An annual Audited Financial Statement.
2. Updates of the operating and financial data included in the Official Statement under headings substantially similar to the following or containing financial information directly

relating to the following: (a) ECONOMIC AND FINANCIAL INFORMATION, (b) SUMMARY OF DEBT AND DEBT STATISTICS and (c) GENERAL INFORMATION.-  
."Major Employers".

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must also be available from the Municipal Securities Rulemaking Board (MSRB). The District shall clearly identify each such other document so incorporated by reference.

### **SECTION 5. Reporting of Significant Events.**

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events, with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities,  
if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the obligated person;

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever a Listed Event occurs, the District shall in a timely manner not in excess of ten business days after the occurrence of the Listed Event file a notice of such occurrence with the MSRB.

**SECTION 6. Termination of Reporting Obligation.** The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Bonds.

**SECTION 7. Dissemination Agent.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, including but not limited to its duties under Sections 3 and 5 hereof, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

**SECTION 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

If this Disclosure Certificate is amended, the District will disclose such amendment, together with a narrative explanation of that amendment, to the MSRB with its annual financial information disclosure.

**SECTION 9. Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**SECTION 10. Default.** In the event of a failure of the District to comply with any provision of this Disclosure Certificate, 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 Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution or with respect to the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

**SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

**SECTION 12. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders from time to time of the Bonds or the beneficial owners, if different, and shall create no rights in any other person or entity.

**SECTION 13. Reserved Rights.** The District reserves the right to discontinue providing any information required under the Rule if a final determination should be made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful or to modify the Undertaking under this Disclosure Certificate if the District determines that such modification is required by the Rule, or by a court of competent jurisdiction.

**SECTION 14. District Contact Information.**

|                   |  |
|-------------------|--|
| Title:            | Superintendent                                 |
| Name of District: | Independent School District No. 720 (Shakopee) |
| Address:          | 1200 Town Square, Shakopee, MN 55379           |
| Telephone No.     | 952-496-5000                                   |

Dated 4th day of May, 2016.

INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)  
SCOTT COUNTY, MINNESOTA

By: \_\_\_\_\_  
Chair

And: \_\_\_\_\_  
Clerk

(Signature page to Continuing Disclosure Certificate)

**INFORMATION REPORT FORM  
GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A  
INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)  
SCOTT COUNTY, MINNESOTA**

For purposes of completing the information return for tax exempt governmental obligations required under Section 149(e) of the Internal Revenue Code of 1986, as amended, for the above entitled transaction, we hereby certify as follows:

1. Description of Transaction. The final maturity for this issue is February 1, 2026. The issue price for this entire issue is \$18,170,721.60, the stated redemption price at maturity is \$15,025,000.00, the average weighted maturity is 7.8858 years and the yield is 1.7115%. The issue prices specified above are based on the reoffering costs to the public as certified by the Purchaser.

2. The Original Proceeds of the Transaction will be used as follows:

|     |   |                 |
|-----|---|-----------------|
| (a) | Proceeds used for accrued interest  | \$0.00          |
| (b) | Issue price of entire issue   | \$18,170,721.60 |
| (c) | Proceeds used for bond issuance costs<br>(including underwriter's discount) | \$191,806.49    |
| (d) | Proceeds used for credit enhancement  | \$0.00          |
| (e) | Proceeds allocated to reasonably required<br>reserve or replacement fund    | \$0.00          |
| (f) | Proceeds used to refund prior issues  | \$17,977,283.43 |
| (g) | Total (add lines c, d, e and f)   | \$18,169,089.92 |
| (h) | Nonrefunding proceeds of the issue<br>(line b minus line g)                 | \$1,631.68      |

3. Description of Refunded Bonds:

- (a) The remaining weighted average maturity of the bonds to be refunded is 7.587 years.
- (b) The last date on which the Refunded Bonds will be called is February 1, 2018.
- (c) The date the Refunded Bonds were issued was March 5, 2008.

4. The amount of bonds designated by the Issuer as qualified tax exempt obligations. \$0.00

5. **Written Procedures.** Has the District established written procedures to ensure that nonqualified bonds are remediated and to monitor the requirements of Section 148?

Yes \_\_\_ No X

**ROBERT W. BAIRD & CO.**

By:

\_\_\_\_\_  
Its: Managing Director



**KNUTSON, FLYNN & DEANS, P.A.**

1155 Centre Pointe Drive, Suite 10  
Mendota Heights, MN 55120

651.222.2811 fax 651.225.0600  
www.kfdmn.com

**\$15,025,000**  
**GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A**  
**INDEPENDENT SCHOOL DISTRICT NO. 720**  
**(SHAKOPEE)**  
**SCOTT COUNTY, MINNESOTA**

We have acted as Bond Counsel in connection with the issuance by Independent School District No. 720 (Shakopee), Scott County, Minnesota (the "District"), of its General Obligation Crossover Refunding Bonds, Series 2016A (the "Bonds"), in the aggregate principal amount of \$15,025,000, bearing a date of original issue of May 4, 2016. The Bonds are fully registered as to principal and interest and are originally issued using a global book-entry system.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

We have examined the law and such certified proceedings and other documents as we have deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other affidavits and certificates of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based upon our examination of these materials, assuming the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents, and based upon present Minnesota and federal laws, regulations, rulings and decisions, it is our opinion that:

(1) The Bonds are in due form and the proceedings show lawful authority for their issuance according to their terms under the Constitution and laws of the State of Minnesota now in force.

(2) The Bonds are valid and binding general obligations of the District enforceable in accordance with their terms except to the extent to which enforceability thereof may be limited by the exercise of judicial discretion in accordance with general principles of equity, by the constitutional powers of the United States of America and by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted. All of the taxable property in the District is subject to the levy of ad valorem taxes to pay the principal and interest on the Bonds, which taxes are without limitation as to rate or amount.

(3) Interest on the Bonds is not includable in gross income for federal income tax purposes or in taxable net income of individuals, estates or trusts for Minnesota income tax purposes. Interest on the Bonds is includable in taxable income of corporations and financial institutions for purposes of the Minnesota franchise tax measured by income. Interest on the Bonds is not an item of tax preference required to be included in the computation of "alternative minimum taxable income" for purposes of the federal alternative minimum tax applicable to individuals and other taxpayers under Section 55 of the Internal Revenue Code of 1986, as amended, (the "Code") or for purposes of the Minnesota alternative minimum tax applicable to individuals, trusts and estates. Interest on the Bonds is includable in adjusted current earnings of corporations in determining alternative minimum taxable income for purposes of the federal and Minnesota alternative minimum taxes applicable to corporations.

(4) The opinion set forth in paragraph (3) above is subject to the condition that the District comply with all the requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal and state income tax purposes. The District has covenanted in the resolution authorizing the issuance of the Bonds to comply with these continuing requirements. Noncompliance with these covenants by the District following the issuance of the Bonds may result in inclusion of interest on the Bonds in federal gross income and Minnesota taxable net income for federal and Minnesota income tax purposes retroactive to the date of issuance of the Bonds. Except as stated in this opinion, we express no opinion regarding federal, state or other tax consequences caused by the receipt or accrual of interest on or arising with respect to ownership of the Bonds.

(5) The Bonds have not been designated as "qualified tax-exempt obligations" for the purposes of Section 265 of the Code relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

DATED at Mendota Heights, Minnesota, this 4th day of May, 2016.

KNUTSON, FLYNN & DEANS  
Professional Association

## ESCROW AGREEMENT

**THIS AGREEMENT** is made this 4th day of May, 2016, by and between U.S. Bank National Association, in St. Paul, Minnesota (the "Escrow Agent"), and Independent School District No. 720 (Shakopee), Scott County, Minnesota (the "District").

### **WITNESSETH THAT WHEREAS:**

A. Pursuant to a resolution dated February 11, 2008 (the "Prior Resolution"), the District has heretofore issued and has outstanding on May 4, 2016, \$19,160,000 in principal amount of its \$25,000,000 General Obligation School Building Bonds, Series 2008A, dated March 5, 2008 as the date of original issue. The outstanding principal on those Bonds is payable on February 1 in the years and amounts as follows:

| <u>Year</u> | <u>Amount</u> | <u>Year</u> | <u>Amount</u> |
|-------------|---------------|-------------|---------------|
| 2017        | \$1,260,000   | 2022        | \$1,090,000   |
| 2018        | \$880,000     | 2023        | \$2,335,000   |
| 2019        | \$915,000     | 2024        | \$2,440,000   |
| 2020        | \$985,000     | 2025        | \$2,540,000   |
| 2021        | \$1,040,000   | 2026        | \$5,675,000   |

Those General Obligation School Building Bonds, Series 2008A, maturing on or after February 1, 2019 and totaling \$17,020,000 in principal amount are hereinafter referred to as the "Refunded Bonds."

**B.** In accordance with the terms of the Prior Resolution, the District has, pursuant to a resolution dated April 25, 2016 (the "Refunding Resolution"), called for redemption and prepayment on February 1, 2018 of \$17,020,000 in principal amount of the Refunded Bonds due in 2019 and thereafter, pursuant to the Notice of Call for Redemption attached hereto as

EXHIBIT A, to be mailed to the Registrar or Paying Agent and the registered owners of the Refunded Bonds.

C. To provide for (1) the refunding of said Refunded Bonds by the payment of the principal only thereof on February 1, 2018, and (2) the payment of interest due on the Refunding Bonds through and including February 1, 2018, the District has, in accordance with Minnesota Statutes, Section 475.67 and pursuant to said Refunding Resolution, authorized the issuance of its \$15,025,000 General Obligation Crossover Refunding Bonds, Series 2016A, dated May 4, 2016 as the date of original issue (hereinafter referred to as the "Refunding Bonds").

D. Under the terms of the Refunding Resolution, \$18,020,471.60 of the proceeds of the Refunding Bonds and certain other sums appropriated to the Escrow Account shall be held and invested in accordance with the terms and conditions of this Escrow Agreement as follows:

|   |                        |
|---|------------------------|
| Amount of Refunding Bond Proceeds             | \$18,020,471.60        |
| Amount of Other Available Funds of the Issuer | \$0.00                 |
| Total   | <u>\$18,020,471.60</u> |

\$17,977,283.00 of the foregoing sum shall simultaneously be invested in securities or investment agreements or contracts ("Escrowed Obligations") as described in the report of Barthe & Warhman, Bloomington, Minnesota, dated May 4, 2016, and attached hereto as EXHIBIT D, (the "Accountant's Report"), which Escrowed Obligations, together with the balance of cash in the amount of \$0.43, shall be used to pay the outstanding principal on the Refunded Bonds when called for redemption and prior payment on February 1, 2018 and to pay the interest due on the Refunding Bonds to and including February 1, 2018 as herein

provided, and \$1,631.68 shall be returned to the District for deposit in the Debt Service Account for the Refunding Bonds. The Escrowed Obligations (or evidence of the investment therein and constructive receipt thereof) and cash are herein called the "Escrow Deposit," provided that the term "Escrow Deposit" may include due bills reflecting Escrowed Obligations not received by delivery of and payment for the Refunding Bonds (the "Bond Closing") so long as such due bills are secured by the deposit of comparable securities identified as "Substitute Securities" in the Accountant's Report, or by a cashier's check in an amount equal to either the principal and interest due on the Escrowed Obligations so due or any deficiency in principal or interest due on the Substitute Securities. Any cash may remain uninvested.

**E.** It is desirable and appropriate that \$41,556.49 of the proceeds of the Refunding Bonds and \$0.00 of other available District funds to be used to pay issuance expenses be paid to the Escrow Agent for disbursement in accordance with the schedule of disbursements (the "Issuance Expenses") set forth in EXHIBIT B attached hereto and incorporated herein by reference.

**F.** The Escrow Agent is a national banking association organized under the laws of the United States, and its deposits are insured by the Federal Deposit Insurance Corporation, and its capital and surplus is not less than \$500,000.

**NOW, THEREFORE,** in consideration of the premises and of the respective agreements on the part of the Escrow Agent and the District herein contained, the parties hereto agree as follows:

**1. Deposit.** The District agrees upon delivery of and payment for the Refunding Bonds at the Bond Closing to forthwith irrevocably deposit in an Escrow Account with the Escrow Agent said Escrow Deposit for the security of the Holders and owners of the Refunded Bonds and the Refunding Bonds. The amount deposited with the Escrow Agent includes \$41,556.49 in Refunding Bond proceeds and \$0.00 in other available funds of the District to pay the Issuance Expenses; and the District authorizes the Escrow Agent and the Escrow Agent agrees to disburse said sums to pay Issuance Expenses, including Escrow Agent fees.

**2. Acknowledgment of Receipt.** Receipt of (1) the Escrow Deposit and (2) \$41,556.49 in Refunding Bond proceeds and \$0.00 of other available funds of the District to pay Issuance Expenses shall be acknowledged on behalf of the Escrow Agent at the Bond Closing by execution of an Acknowledgment in the form attached hereto as EXHIBIT C by a duly authorized officer of the Escrow Agent.

**3. Escrow Agent Fee.** From the funds received to pay issuance expenses, the Escrow Agent hereby acknowledges receipt of the sum of \$2,300.00 as and for the full compensation for services to be performed by it as Escrow Agent under this Escrow Agreement. The Escrow Agent expressly waives any lien upon or claim against the moneys and investments in said Escrow Account.

**4. Collection and Remittances; Payment of Principal on Refunded Bonds and Interest on Refunding Bonds; Substitute Securities.** The Escrow Agent will collect all remittances of interest on the Escrowed Obligations in said Escrow Account as and when such interest becomes due and payable and will cause such Escrowed Obligations to be presented for payment and converted into cash on their respective maturity or due dates in

accordance with the schedule of cash payments included in the Accountant's Report, and will remit from said Escrow Account to the Registrar or Paying Agent for the Refunding Bonds the funds required from time to time for the payment when due of the interest to accrue on the Refunding Bonds to and including February 1, 2018 and to the Registrar or Paying Agent for the Refunded Bonds the funds required for the payment of the outstanding principal on the Refunded Bonds when called for redemption and prior payment on February 1, 2018. If the delivery of any Escrowed Obligations is secured at the Bond Closing by Substitute Securities and/or a cashier's check as herein above provided and delivery of the Escrowed Obligations is not made within thirty (30) days after the Bond Closing, the Escrow Agent shall in accordance with the terms of such security arrangement substitute the Substitute Securities and/or cashier's check for the Escrowed Obligations to assure compliance with that schedule of cash payments.

**5. Sufficiency of Escrow Deposit; Further Deposits.** In reliance upon the Accountant's Report, the District represents that the Escrow Deposit, if the principal of and interest on the Escrowed Obligations are paid in accordance with their terms, is sufficient to produce cash in such amounts to enable the Escrow Agent to make full and timely payments as herein provided in Paragraph 4 above. If at any time it shall appear to the Escrow Agent that the money in the Escrow Account allocable for such use hereunder will not be sufficient to make any payment due to the Holders of any of the Refunded Bonds or the Refunding Bonds, the Escrow Agent shall immediately notify the District. The District thereupon shall forthwith deposit in the Escrow Account from funds on hand and legally available such additional funds as may be required to meet fully the amount to become due and payable and, if necessary, levy for such purpose an ad valorem property tax on all real property in the

District subject to taxation without limitation as to rate or amount. Included in the Accountant's Report is a statement that such cash and Escrowed Obligations are sufficient to comply with the requirements set forth in Paragraph 4 above.

**6. Irrevocable Agreement.** The District will not repeal, revoke or amend the Refunding Resolution in any manner which would materially and adversely affect the performance of this Escrow Agreement or the payment of interest due on the Refunding Bonds to and including February 1, 2018 or the payment of the outstanding principal of the Refunded Bonds when called for redemption and prior payment on February 1, 2018.

**7. Redemption of Certain Outstanding Bonds.** The Escrow Agent shall cause the Notice of Call for Redemption attached hereto as EXHIBIT A to be mailed to the Registrar or Paying Agent for the Refunded Bonds and direct the Registrar or Paying Agent to cause said Notice to be mailed to the registered owners of and the Registrar or Paying Agent for the Refunded Bonds not less than thirty (30) days before the redemption date therefor; but failure to give such notice shall not affect the validity of the call for redemption. The District shall also comply with all notice requirements of Assured Guaranty Corp., the bond insurer of the Refunded Bonds.

**8. Responsibility of Escrow Agent.** It is recognized that title to the Escrowed Obligations and money held in the Escrow Account from time to time shall remain vested in the District but subject always to the prior charge and lien thereon of this Escrow Agreement and the use thereof required to be made by the provisions of this Escrow Agreement. The Escrow Agent shall hold all such money and obligations in a special escrow account (herein the "Escrow Account") separate and wholly segregated from all other funds and securities of the Escrow Agent or deposited with the Escrow Agent and shall never commingle such

money or obligations with other money or obligations, provided that nothing herein contained shall be construed as requiring the Escrow Agent to keep on hand the identical money, or any part thereof, received for the Escrow Account, but moneys of an equal amount, except to the extent such are investments permitted under this Escrow Agreement, shall always be maintained on hand as funds held by the Escrow Agent, belonging to the District and a special account thereof evidencing such fact shall at all times be maintained on the books of the Escrow Agent, together with such investments. It is understood and agreed that the responsibility of the Escrow Agent under this Escrow Agreement is limited to the safekeeping and segregation of the funds and securities deposited with it in said Escrow Account, the collection of and accounting for the principal and interest payable with respect thereto, the reinvestment of certain funds which are not being held as uninvested cash and the remittance of the funds to the Registrar or Paying Agent as provided in this Escrow Agreement. All moneys remaining in the Escrow Account after payment therefrom of all sums required to be paid under this Escrow Agreement shall be promptly remitted to the District.

**9. Sale and/or Reinvestment.** The Escrow Agent may sell and/or reinvest all or a part of the proceeds of the Escrowed Obligations in securities set forth in Minnesota Statutes, Section 475.67, Subdivision 8 if and only if (a) such sales and/or reinvestments are approved by a duly authorized agent of the District and are otherwise permitted by Minnesota Statutes; and (b) an opinion of a certified public accounting firm is first obtained to the effect that such sale and/or reinvestment will not prevent the Escrow Agent from making all of the payments to the Registrar or Paying Agent for the Refunded Bonds as required in Paragraph 4 above; and (c) an opinion of nationally recognized bond counsel is

first obtained to the effect that such sale and/or reinvestments will not cause the Refunded Bonds or the Refunding Bonds to become includable in the gross income of the owners for federal income tax purposes.

Any excess funds created in the Escrow Account as a result of such sale and/or reinvestment (i.e. funds not required to pay when due, principal of and interest on, the respective series of Refunded Bonds, as shown on the certified public accountants' opinion required in subsection 9(b)) shall be withdrawn from the Escrow Fund and paid by the Escrow Agent to the District, free of any lien of this Escrow Account, within ten (10) business days of receipt of the District's written request to withdraw such excess funds.

**10. Annual Statement.** For as long as any of the Refunded Bonds are outstanding until termination of the Escrow Agreement, the Escrow Agent shall each year render a statement for the preceding year to the District, which statement shall set forth the cash and Escrowed Obligations on hand, the Escrowed Obligations which have matured and the amounts received by the Escrow Agent by reason of such maturity, the interest earned on any of such Escrowed Obligations, a list of any investments or reinvestments made by the Escrow Agent in other Escrowed Obligations and the interest and/or principal derived therefrom, the amounts of cash paid for the interest on the Refunding Bonds as said payments become due and payable, the amounts of cash paid for the outstanding principal on the Refunded Bonds when called for redemption and prior payment on February 1, 2018, and any other transactions of the Escrow Agent pertaining to its duties and obligations as set forth herein.

All Escrowed Obligations, money and investment income deposited with or received by the Escrow Agent pursuant to this Escrow Agreement shall be subject to the Escrow

Account created by this Escrow Agreement, and the Escrow Agent shall be liable for the preservation and safekeeping thereof; provided, however, it shall not be responsible for any depreciation in value of any of the Escrowed Obligations or for the reinvestment of the same except as herein provided.

**11. Limited Obligation of Escrow Agent.** The duties and obligations of the Escrow Agent shall be as prescribed by the provisions of this Escrow Agreement, and the Escrow Agent shall not be liable hereunder except for failure to perform its duties and obligations as specifically set forth herein or to act in good faith in the performance thereof, and no implied duties or obligations shall be incurred by the Escrow Agent other than those specified herein. The Escrow Agent may consult with counsel of its choice and, except as provided in Paragraphs 9 and 10 hereof, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or not taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

**12. Resignation; Appointment of Successor Agent.** The Escrow Agent may at any time resign and be discharged of its obligations hereunder by giving to the Clerk of the District written notice of such resignation and by refunding to the District a pro rata portion of the Escrow Agent Fee set forth in Paragraph 3 hereof not less than sixty (60) days before the date when the same is to take effect. Such resignation shall take effect upon the date specified in the notice, or upon the appointment and qualification of a successor Escrow Agent prior to that date. In the event of receipt of notice of such resignation, a successor Escrow Agent shall promptly be appointed by the District, and the Clerk shall immediately give written notice thereof to the predecessor Escrow Agent and to the Registrar or Paying Agent for the Refunded Bonds and the Registrar or Paying Agent for the Refunding Bonds.

If in a proper case no appointment of a successor Escrow Agent is made within forty-five (45) days after the receipt by the District of notice of such resignation, the Escrow Agent or the Holder of any Refunding Bond or the Holder of any Refunded Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent, which appointment may be made by the court after such notice, if any, as the court may prescribe. Any successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor Escrow Agent and to said Clerk a written acceptance of such appointment, and shall thereupon without any further act, deed or conveyance become fully vested with all money, properties, duties and obligations of its predecessor, but the predecessor Escrow Agent shall nevertheless pay over, transfer, assign and deliver all moneys, securities or other property held by it to the successor Escrow Agent, shall execute, acknowledge and deliver such instruments of conveyance and do such other things as may reasonably be required to vest and confirm more fully and certainly in the successor Escrow Agent all right, title and interest in and to the property held by it hereunder. Any bank into which the Escrow Agent may be merged or with which it may be consolidated or any bank resulting from any merger or consolidation to which it shall be a party or any bank to which it may sell or transfer all or substantially all of its corporate trust business shall, if the District approves, be the successor Escrow Agent without the execution of any document or the performance of any further act.

**13. Binding Agreement; Third-Party Beneficiaries.** This Escrow Agreement shall be irrevocable and binding upon and shall inure to the benefit of the District and the Escrow Agent and their respective successors and assigns. In addition, this Escrow Agreement shall constitute a third-party beneficiary contract for the benefit of the Holders at any time of the Refunded Bonds or the Holders at any time of the Refunding Bonds. Said

third-party beneficiaries shall be entitled to enforce performance and observance of the District and the Escrow Agent of the respective agreements and covenants herein contained as fully and completely as if said third-party beneficiaries were parties hereto.

**14. Amendments to Escrow Agreement.** This Escrow Agreement may be amended or supplemented for the purpose of: (a) curing any ambiguity or correcting or supplementing any provision herein which may be inconsistent with any other provision herein; or (b) making any other unintentionally omitted provisions with respect to matters or questions arising under this Escrow Agreement which shall not be inconsistent with the provisions hereof if the Escrow Agent shall determine that such provisions shall not adversely affect the owner(s) of the Refunding Bonds or the owner(s) of the Refunded Bonds. In determining that the owner(s) of the Refunding Bonds or the owner(s) of the Refunded Bonds would not be adversely affected by an amendment pursuant to clause (b) of this Paragraph 14, the Escrow Agent may rely on an opinion of nationally recognized bond counsel that the amendment is authorized hereby and that the tax-exempt status of the interest on the Refunded Bonds and the Refunding Bonds will not be adversely affected and a report of an independent certified public accountant that the obligations in the Escrow Account (after giving effect to the amendment but excluding any further reinvestment after maturity of such investments) will be sufficient to pay the principal and interest on the Refunding Bonds through the Redemption Date, and to pay the redemption price for the Refunded Bonds on the Redemption Date.

**15. Consents to Amendment of Escrow Agreement.** Except as expressly provided in Paragraph 14 above, this Escrow Agreement may not be repealed, revoked, altered or amended without the unanimous written consent of the District and the Holder or

Holders of the Refunded Bonds and the Refunding Bonds, and the written consent of the Escrow Agent.

**16. Termination of Escrow Agreement.** This Escrow Agreement shall terminate when all of the Refunded Bonds have been paid in accordance with the provisions of this Agreement. If any Refunded Bonds are not presented to the Escrow Agent for payment when due and payable, the nonpayment thereof shall not prevent the termination of this Escrow Agreement. Upon termination of this Escrow Agreement, funds for the payment of any Refunded Bonds not presented for payment shall be held by the Escrow Agent in trust for the benefit of the owner(s) of the Refunded Bonds, subject to applicable Minnesota escheat laws, and such owner(s) shall thereafter be restricted exclusively to such money and Escrowed Obligations, for any claim of whatever nature with respect to such Refunded Bonds, including any claim for the payment thereof. Upon termination of this Escrow Agreement, any cash remaining in the Escrow Account and not required for the payment of any Refunded Bonds shall be delivered by the Escrow Agent to the District.

**17. Severable Terms.** If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the parties to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

**18. Counterparts and Governing Law.** This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as

one original and shall constitute and be but one and the same instrument. This E s c r o w Agreement shall be governed by the laws of the State of Minnesota.

(The remainder of this page left blank intentionally.)

**IN WITNESS WHEREOF**, the Issuer and the Escrow Agent have caused this Escrow Agreement to be executed in their respective names and have caused this Escrow Agreement to be dated as of the date above first written.

U.S. BANK NATIONAL ASSOCIATION  
Escrow Agent

INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)  
SCOTT COUNTY  
STATE OF MINNESOTA

By: \_\_\_\_\_

By: \_\_\_\_\_  
Chair

Its: \_\_\_\_\_

By: \_\_\_\_\_  
Clerk

**SECURITY ADVICE WAIVER:**

The District acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the District the right to receive brokerage confirmations of the security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the District with periodic cash transaction statements that include the detail for all investment transactions made by the Escrow Agent for all current and future accounts.

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, and identification and authorization documents from individuals claiming authority to represent the entity or other or other relevant documentation.

**EXHIBIT A**

**NOTICE OF CALL FOR REDEMPTION  
\$17,020,000  
GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2008A  
DATED: MARCH 5, 2008**

**INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)  
SCOTT COUNTY, MINNESOTA**

NOTICE IS HEREBY GIVEN that, by order of the School Board of Independent School District No. 720 (Shakopee), Scott County, Minnesota, there have been called for redemption and prepayment on February 1, 2018 those outstanding bonds of the School District designated as General Obligation School Building Bonds, Series 2008A, dated March 5, 2008 as the date of original issue, totaling \$17,020,000 in principal amount, and having the following stated maturity dates and CUSIP numbers:

| <u>Maturity Date</u> | <u>Principal Amount</u> | <u>CUSIP Number</u> |
|----------------------|-------------------------|---------------------|
| February 1, 2019     | \$915,000               | 819190 RM3          |
| February 1, 2020     | \$985,000               | 819190 RN1          |
| February 1, 2021     | \$1,040,000             | 819190 RP6          |
| February 1, 2022     | \$1,090,000             | 819190 RQ4          |
| February 1, 2023     | \$2,335,000             | 819190 RR2          |
| February 1, 2024     | \$2,440,000             | 819190 RS0          |
| February 1, 2025     | \$2,540,000             | 819190 RT8          |
| February 1, 2026     | \$5,675,000             | 819190 RU5          |

The Bonds are being called at a price of par plus accrued interest to February 1, 2018, on which date all interest on said bonds will cease to accrue.

Holders of the Bonds hereby called for redemption are requested to present their Bonds for payment to Bond Trust Services Corporation, on or before February 1, 2018 by submitting said bonds along with a completed W-9 form to the following addresses:

**BY MAIL, IN PERSON**  
**COURIER SERVICE OR**  
**OVERNIGHT MAIL:**

Bond Trust Services Corporation  
3060 Centre Pointe Drive  
Roseville, MN 55113

If the Holder requests payment of principal and/or interest via wire transfer, please be advised there is a wire transfer fee which will be deducted from the payment.

Dated: April 25, 2016

BY ORDER OF THE SCHOOL BOARD

/s/ \_\_\_\_\_  
School District Clerk  
Independent School District No. 720  
(Shakopee)  
Shakopee, Minnesota

Important Notice: In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment by the redeeming institutions if they are not provided with your social security number or federal employer identification number, properly certified. This requirement is fulfilled by submitting a W-9 Form, which may be obtained at a bank or other financial institution.

\*The paying agent shall not be responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness as indicated in the Notice of Call for Redemption. It is included solely for the convenience of the holders.

Additional information may be obtained from: Robert W. Baird & Co., 777 E Wisconsin Avenue, Milwaukee, WI 53202, Telephone Number (800)-792-2473.

**EXHIBIT B**

**SCHEDULE OF ISSUANCE EXPENSES  
INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)  
SCOTT COUNTY, MINNESOTA**

|                          |                 |
|--------------------------|-----------------|
| Cost of Issuance:        |                 |
| Bond Counsel             | 14,500.00       |
| Moody's Rating Fee       | 16,200.00       |
| Verification Agent       | 2,500.00        |
| Paying Agent Fee         | 3,600.00        |
| Escrow Agent Fee         | 2,300.00        |
| DTC, CUSIP, Day Loan Fee | <u>2,456.49</u> |
|                          | 41,556.49       |

**EXHIBIT C**

**ACKNOWLEDGMENT BY ESCROW AGENT**

I, being duly authorized to execute this acknowledgment on behalf of U.S. Bank National Association in St. Paul, Minnesota (the "Escrow Agent"), do hereby acknowledge that Independent School District No. 720 (Shakopee), Scott County, Minnesota (the "District"), has this date irrevocably deposited with the Escrow Agent in trust for the security of the Holders and owners of the outstanding General Obligation School Building Bonds, Series 2008A, bearing a date of original issue of March 5, 2008, and the General Obligation Crossover Refunding Bonds, Series 2016A, bearing a date of original issue of May 4, 2016, that certain Escrow Deposit required to be deposited with the Escrow Agent at Bond Closing in accordance with the Escrow Agreement, dated , between the Escrow Agent and the District and has in addition deposited \$41,556.49 of Refunding Bond Proceeds and \$0.00 of other available funds of the District to pay the issuance expenses set forth on EXHIBIT B to the Escrow Agreement.

Dated this 4th day of May, 2016.

U.S. BANK NATIONAL ASSOCIATION  
Escrow Agent

By \_\_\_\_\_

Its \_\_\_\_\_

**EXHIBIT D**  
**ACCOUNTANT'S REPORT**

CERTIFICATION OF MINUTES  
RELATING TO  
GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A

ISSUER: INDEPENDENT SCHOOL DISTRICT NO. 720 (SHAKOPEE)  
STATE OF MINNESOTA

BODY: SCHOOL BOARD

KIND, DATE, TIME AND PLACE OF MEETING: A regular meeting held on April 25, 2016, at \_\_\_\_\_ o'clock p.m., in the School District.

MEMBERS PRESENT:

MEMBERS ABSENT:

Documents Attached: Extract of Minutes of said meeting.

**RESOLUTION RATIFYING THE AWARD OF THE SALE, DETERMINING THE  
FORM AND DETAILS, AUTHORIZING THE EXECUTION, DELIVERY, AND  
REGISTRATION, AND PROVIDING FOR THE PAYMENT OF GENERAL  
OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A**

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 given as required by law.

WITNESS MY HAND officially as such recording officer this \_\_\_\_ day of April, 2016.

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

WITNESS our hands officially as such officers, this 4th day of May, 2016.

---

Chair

---

School District Clerk

---

Treasurer

[Signature Page for Signature and Nonlitigation Certificate]



**SIGNATURE CERTIFICATE**

We, the undersigned, hereby certify that we are the duly qualified Chair, Clerk and Treasurer of Independent School District No. 720 (Shakopee), Scott County, Minnesota (the "District").

**IN WITNESS WHEREOF**, we have executed this Certificate in our respective official capacities.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Treasurer

STATE OF MINNESOTA    )  
                                  )SS  
COUNTY OF SCOTT      )

Signed or attested before me by the Chair, Clerk and Treasurer of Independent School District No. 720, Scott County, Minnesota.

Dated this \_\_\_\_\_ day of \_\_\_\_\_,  
2016.

\_\_\_\_\_  
Notary Public, State of Minnesota

My Commission expires \_\_\_\_\_

**20. Employer Identification Number.** The District's employer identification number is 41-6003781.

WITNESS our hands officially as such officers, this 4th day of May, 2016.

---

Chair

---

Clerk

[Signature Page for Nonarbitrage Certificate]

Dated 4th day of May, 2016.

INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)  
SCOTT COUNTY, MINNESOTA

By: \_\_\_\_\_  
Chair

And: \_\_\_\_\_  
Clerk

(Signature page to Continuing Disclosure Certificate)

IN WITNESS WHEREOF, the Issuer and the Escrow Agent have caused this Escrow Agreement to be executed in their respective names and have caused this Escrow Agreement to be dated as of the date above first written.

U.S. BANK NATIONAL ASSOCIATION  
Escrow Agent

INDEPENDENT SCHOOL DISTRICT NO. 720  
(SHAKOPEE)  
SCOTT COUNTY  
STATE OF MINNESOTA

By: \_\_\_\_\_

By: \_\_\_\_\_  
Chair

Its: \_\_\_\_\_

By: \_\_\_\_\_  
Clerk

SECURITY ADVICE WAIVER:

The District acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the District the right to receive brokerage confirmations of the security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the District with periodic cash transaction statements that include the detail for all investment transactions made by the Escrow Agent for all current and future accounts.

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Dated: April 25, 2016

BY ORDER OF THE SCHOOL BOARD

/s/ \_\_\_\_\_  
School District Clerk  
Independent School District No. 720  
(Shakopee)  
Shakopee, Minnesota

Important Notice: In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment by the redeeming institutions if they are not provided with your social security number or federal employer identification number, properly certified. This requirement is fulfilled by submitting a W-9 Form, which may be obtained at a bank or other financial institution.

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Additional information may be obtained from: Robert W. Baird & Co., 777 E Wisconsin Avenue, Milwaukee, WI 53202, Telephone Number (800)-792-2473.

**Part VI Miscellaneous**

|            |  |            |   |                          |
|------------|--|------------|---|--------------------------|
| <b>35</b>  | Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . .  | <b>35</b>  | 0 | 00                       |
| <b>36a</b> | Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . . . .   | <b>36a</b> | 0 | 00                       |
| <b>b</b>   | Enter the final maturity date of the GIC ▶ _____   |            |   |                          |
| <b>c</b>   | Enter the name of the GIC provider ▶ _____   |            |   |                          |
| <b>37</b>  | Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . .  | <b>37</b>  | 0 | 00                       |
| <b>38a</b> | If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:  |            |   |                          |
| <b>b</b>   | Enter the date of the master pool obligation ▶ _____   |            |   |                          |
| <b>c</b>   | Enter the EIN of the issuer of the master pool obligation ▶ _____  |            |   |                          |
| <b>d</b>   | Enter the name of the issuer of the master pool obligation ▶ _____   |            |   |                          |
| <b>39</b>  | If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . .  |            |   | <input type="checkbox"/> |
| <b>40</b>  | If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . .  |            |   | <input type="checkbox"/> |
| <b>41a</b> | If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:   |            |   |                          |
| <b>b</b>   | Name of hedge provider ▶ _____   |            |   |                          |
| <b>c</b>   | Type of hedge ▶ _____  |            |   |                          |
| <b>d</b>   | Term of hedge ▶ _____  |            |   |                          |
| <b>42</b>  | If the issuer has superintegrated the hedge, check box . . . . .   |            |   | <input type="checkbox"/> |
| <b>43</b>  | If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . . |            |   | <input type="checkbox"/> |
| <b>44</b>  | If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . .   |            |   | <input type="checkbox"/> |
| <b>45a</b> | If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement . . . . . ▶ _____  |            |   |                          |
| <b>b</b>   | Enter the date the official intent was adopted ▶ _____   |            |   |                          |

|   |   |                                |   |   |                  |
|---|---|--------------------------------|---|---|------------------|
| <b>Signature and Consent</b>  | Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above. |                                |   |   |                  |
|   | Signature of issuer's authorized representative: <u>Mike Burlager</u><br>Date: _____  |                                | Type or print name and title: <u>Mike Burlager, Director of Finance</u> |   |                  |
| <b>Paid Preparer Use Only</b>   | Print/Type preparer's name  | Preparer's signature           | Date  | Check <input type="checkbox"/> if self-employed | PTIN             |
|   | <u>Thomas S. Deans</u>  |                                |   |   | <u>P01247866</u> |
|   | Firm's name ▶ <u>Knutson, Flynn &amp; Deans, P.A.</u>   | Firm's EIN ▶ <u>41-0986296</u> |   |   |                  |
| Firm's address ▶ <u>1155 Centre Pointe Drive, Suite 10, Mendota Heights, MN 55120</u> | Phone no. <u>(651) 222-2811</u>   |                                |   |   |                  |



**Business Office**

---

**Superintendent:** Dr. Rod Thompson  
**Finance Director:** Mike Burlager

April 20, 2016

To: Board of Education

From: Mike Burlager

Re: Capital Budget for Fiscal 2017

Action: Approve the Capital Expenditure budget for Fiscal Year 2016 – 17

Attached you will find a narrative and summary for the 2016 – 17 Capital Budget. We would like action on this item prior to the preliminary budget to make sure we can order things in time for the start of school this fall. The administrative cabinet has reviewed the document and we would ask for your approval of the budget.

The narrative reviews the revenue sources and the additional spending that is connected to those sources. The summary document for Capital details the revenue amounts and the corresponding expenditures. The final page reflects the current proposed spending for the remaining 2004 and 2008 Bond Funds.

If there are any questions on the material, please contact me for further information

## Capital Expenditure

---

### **Revenue**

There are four major components of capital revenue fund for the District. Each revenue source is described in detail below.

- Operating Capital
- Lease Levy
- Capital Projects – Technology Levy
- Long Term Maintenance Revenue.

**Total Revenue increase \$3,278,000**

### Operating Capital

This component of the capital fund is determined through a formula based on the age of our buildings and the number of students. The formula also takes into account the age of the building and square footage to get the overall age of all the buildings in the District. The average age of the districts buildings is slightly over 21 years old. The number of students are from the established projections and the rate for the formula is established in statute.

### Lease Levy Revenue

The lease levy reflects all the leases the District has for facilities. This includes the District Office, the Kindergarten Additions and the other facilities we lease for student extra-curricular activities. This also includes the District portion of leases held by South Metro Special Education Coop.

### Capital Projects – Technology Levy

In May 2015, voters passed a levy rate which will allow the District to collect \$2,500,000 for Capital Projects – Technology levy in the first year. This money has been earmarked to cover lease expenses for the one to one computer initiative of the District along with the technology staff to support the devices. This is a 10-year levy first levied in the fall of 2015 for the 2016 – 17 school year.

### Long Term Maintenance Revenue

The Legislature changed the way schools receives money for deferred maintenance. The revenue changed from Deferred Maintenance and Health & Safety revenue to Long Term Maintenance Revenue (LTMR). The District benefits from this change because it increased the revenue available to the District for capital projects.

For next year FY17, the District will generate \$1,200,000 for LTMR. There will be approximately \$380,000 spent on Health & Safety projects. That would leave approximately \$820,000 for projects. If the Board would choose not to spend all of the LTMR money available on deferred maintenance, the remaining money would go into a reserved fund.

### ***Expenditures***

The changes in expenditures include changes reflected in the revenue for the fund. The Capital Projects levy - Technology will be used for equipment and technology staff to continue the one to one computer initiative of the district.

Long Term Maintenance Revenue includes Health & Safety and Deferred Maintenance projects. The remodel of the West Junior High Auditorium is included in the budget. There are two fire safety projects that increase the amount spent on Health & Safety above the previous year. These include replacement of the fire alarm system at West and pipe replacement in the Auxiliary Gym at the High School.

In the District Office, we are planning to make the clerical area more efficient. There are some changes in the cubicle area that would make the staff function at a higher level, so \$50,000 has been allocated to the District Office clerical area.

***Total Expenditure Increase \$3,125,000***

# Capital Budget

## Fiscal Year 2017

| <u>Revenue</u>                                     | <u>2016</u>      | <u>2017</u>      |
|--|------------------|------------------|
| Aid  | 1,903,825        | 1,910,180        |
| Capital Projects Revenue (Tech Levy)               |                  | 2,500,000        |
| Deferred Maintenance                               | 430,060          |                  |
| Lease Levy   | 1,440,360        | 1,560,000        |
| Long Term Maintenance Revenue                      |                  | 1,210,000        |
| Levy Adjustements                                  |                  | 52,820           |
| Health & Safety                                    | <u>180,755</u>   | <u>-</u>         |
| <b>Revenue</b>                                     | <b>3,955,000</b> | <b>7,233,000</b> |
| <br>   |                  |                  |
| <u>Expenditure</u>                                 |                  |                  |
| Copiers  | 100,000          | 100,000          |
| Lease Space  | 1,440,000        | 1,560,000        |
| <b>Curriculum</b>                                  | 800,000          | 720,000          |
| <b>Technology</b>                                  |                  |                  |
| Software License including Infinite Campus Finance | 275,000          | 300,000          |
| Equipment  | 700,000          | 600,000          |
| Capital Projects - Technology Levy                 |                  | 2,500,000        |
| <b>Building Level Capital</b>                      | 262,000          | 265,000          |
| <b>District Office (Furniture cubicle area)</b>    | 8,000            | 60,000           |
| <b>Activities</b>                                  | 30,000           | 30,000           |
| <b>Buildings &amp; Grounds Projects</b>            |                  |                  |
| Equipment  | 40,000           | 40,000           |
| Lease Improvements                                 | 190,000          | 400,000          |
| West Auditorium                                    | 30,000           | 225,000          |
| Health & Safety                                    | <u>180,000</u>   | <u>380,000</u>   |
| <b>Expenditure</b>                                 | <b>4,055,000</b> | <b>7,180,000</b> |
| <br>   |                  |                  |
| <b>Effect on Fund Balance</b>                      | <b>(100,000)</b> | <b>53,000</b>    |
| <br>   |                  |                  |
| <b>Projected Fund Balance</b>                      | <b>1,945,000</b> | <b>1,998,000</b> |

## Administration Estimate 2004 and 2008 Bond Funds

**Construction Fund Cash 3/31/2016** **6,150,000**

**Possible Land Sales**

|                    |                |           |
|--------------------|----------------|-----------|
| Out Lot B (1.8 A)  | 270,000        |           |
| Out Lot A (7.4 A)  | <u>950,000</u> |           |
| <b>Total Sales</b> |                | 1,220,000 |

**Available for Board Initiatives** **6,150,000**

|                                  |             |                       |
|----------------------------------|-------------|-----------------------|
| 2016 Roofing:                    | (540,000)   |                       |
| Vaughan Field:                   | (2,000,000) |                       |
| Deferred Maintenance High School | (3,500,000) |                       |
|                                  |             | <u>(6,040,000)</u>    |
|                                  |             | <b><u>110,000</u></b> |

EXTRACT OF MINUTES OF MEETING  
OF SCHOOL BOARD OF  
INDEPENDENT SCHOOL DISTRICT NO. 720  
(Shakopee Public Schools)  
STATE OF MINNESOTA

Pursuant to due call and notice thereof, a Regular meeting of the School Board of Independent School District No. 720 was held on the 25th day of March, 2016, at 5:00 o'clock p.m.

The following Board members were present:

and the following were absent:

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

RESOLUTION PROVIDING THAT  
SCHOOL BOARD GENERAL ELECTIONS HELD AFTER 2015  
SHALL BE HELD IN THE EVEN-NUMBERED YEARS;  
ESTABLISHING A TRANSITION PLAN

WHEREAS, the school board has previously determined that the school district should hold its general election in November of the odd-numbered year in 1999 and thereafter; and

WHEREAS, the school board now believes that voter participation would be greater and election administration easier if school district general elections were held in conjunction with state general elections in November of the even-numbered year; and

WHEREAS, Laws 1994, Chapter 646, Section 26, Subdivision 1, provides that a political subdivision that initially chooses odd-numbered year elections and later determines to change to even-numbered year elections may do so by the adoption of a new resolution that contains an orderly plan for the transition;

NOW, THEREFORE, BE IT ENACTED by the school board of Independent School District No. 720, State of Minnesota, as follows:

1. School board general elections held after 2015 in Independent School District No. 720 shall be held on the first Tuesday after the first Monday in November of the even-numbered year.

2. The terms of office of school board members that would otherwise expire on the first Monday of January, 2018 if elections were held in the odd-numbered year (2017) shall be extended to expire on the first Monday in January, 2019. The terms of office of school board members that would otherwise expire on the first Monday of January, 2020 if elections were held in the odd-numbered year (2019) shall be extended to expire on the first Monday in January, 2021.

3. The school board shall notify the county auditor of each county in which the school district is located in whole or in part of its determination to hold its general election in November of the even-numbered year in 2018 and thereafter.

The motion for the adoption of the foregoing resolution was duly seconded by Member \_\_\_\_\_, and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA )  
 ) SS.  
COUNTY OF SCOTT )

I, the undersigned, being the fully qualified and acting Clerk of Independent School District No. 720, State of Minnesota, hereby certify that the attached and foregoing is a full, true and correct transcript of the minutes of a meeting of the School Board of Independent School District No. 720, duly called and held on the date therein indicated, so far as such minutes relate to changing from odd-numbered year general elections to even-numbered year general election and that said resolution included therein is a full, true and correct copy of the original thereof.

WITNESS MY HAND officially as such Clerk this 25th day of March, 2016.

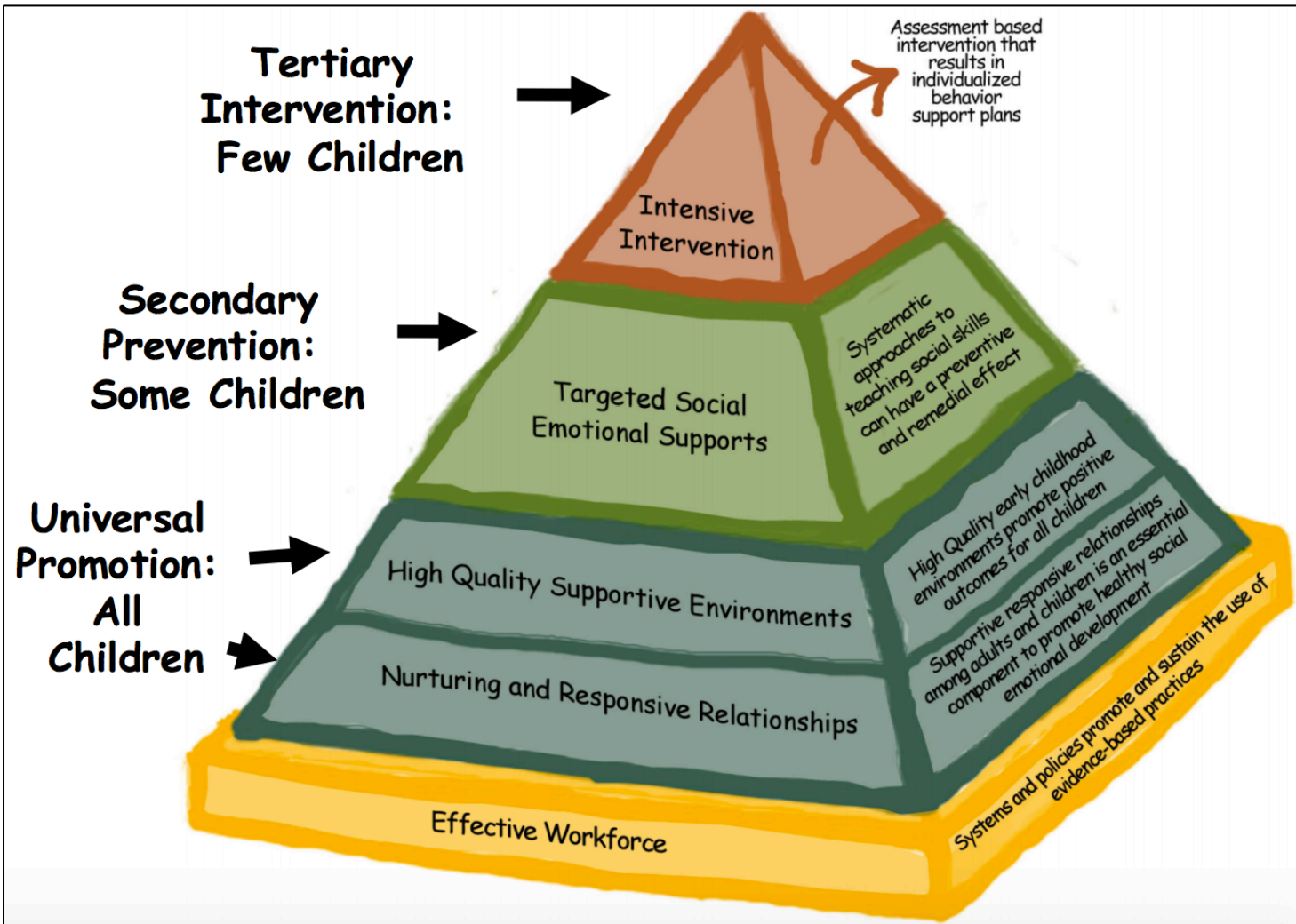
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Clerk  
Independent School District No. 720 )  
State of Minnesota

| DISTRICT   | HIGH SCHOOL                              | EAST                                      | PEARSON                                    | RED OAK                                      | SACS                                   |                    |
|--|--|---|--|--|--|--------------------|
| School Psychologist - MA Step 6 = 1.0 FTE  | \$51,280.00 CB DCD - MA Step 6 = 1.0 FTE | \$51,280.00 CB ASD - MA Step = .4 FTE     | \$20,512.00 CB ASD - MA Step 6 = 1.0 FTE   | \$51,280.00 Resource - MA Step 6 = (1.5 FTE) | \$25,640.00 Resource - Step 6 = .5 FTE | \$25,640.00        |
| Eval Teacher - MA Step 6 = 1.0 FTE   | \$51,280.00 Resource = 1.0 FTE           | \$51,280.00 Resource - MA Step 6 = .6 FTE | \$30,768.00 Resource - MA Step 6 = 1.0 FTE | \$51,280.00                                  |  |                    |
| DAPE - MA Step 6 = .5 FTE  | \$25,640.00 Resource = 1.0 FTE           | \$51,280.00                               |  |  |  |                    |
| Total FTE's = 2.5  | \$128,200.00 Total FTE's = 2.0           | \$102,560.00 Total FTE's = 1.0            | \$51,280.00 Total FTE's = 2.0              | \$102,560.00 Total FTE's = (.5)              | \$25,640.00 Total FTE's = .5           | \$25,640.00        |
| Benefits ( 30% of Salary )   | \$38,460.00                              | \$30,768.00                               | \$15,384.00                                | \$30,768.00                                  | \$7,692.00                             | \$7,692.00         |
| TOTAL  | \$166,660.00                             | \$133,328.00                              | \$66,664.00                                | \$133,328.00                                 | \$33,332.00                            | \$33,332.00        |
| State Special Ed Aid ( Revenue)<br>68% of the salary as per MDE based on the<br>New Funding Formula for FY 16 as of 03/22/2016 | \$87,176.00                              | \$90,663.04                               | \$34,870.40                                | \$69,740.80                                  | \$17,435.20                            | \$17,435.20        |
| <b>Total Cost to the District</b>  | <b>\$79,484.00</b>                       | <b>\$42,664.96</b>                        | <b>\$31,793.60</b>                         | <b>\$63,587.20</b>                           | <b>\$15,896.80</b>                     | <b>\$15,896.80</b> |
| <b>Total FTE's Added</b>   | <b>7.50</b>                              |   |  |  |  |                    |
| <b>Summary:</b>  |  |   |  |  |  |                    |
| <b>Total Cost to District</b>  | <b>\$217,529.76</b>                      | <b>\$217,529.76</b>                       |  |  |  |                    |
| <b>Options on ways to fund the District costs:</b>   |  |   |  |  |  |                    |
| A. Use Federal Dollars for Benefits  |  |   |  |  |  |                    |
| B. Offset Tuition Billing using Federal Dollars  | \$150,000.00                             | \$175,000.00                              | Currently at \$125,000                     |  |  |                    |
| C. Use MA Dollars for the Unreimbursed amount  |  |   |  |  |  |                    |
| <b>Bottom line: Total Cost to the District</b>   | <b>\$67,529.76</b>                       | <b>\$42,529.76</b>                        |  |  |  |                    |
| <b>Possible option using Federal funds for Benefits</b>  | ???                                      |   |  |  |  |                    |

The Pyramid Model is a framework for integrating social and emotional skills instruction and supports into early childhood programming for infants, toddlers, and preschoolers. In collaboration with the Minnesota Department of Education Regional Centers of Excellence, professional development and coaching are provided to all early childhood staff to integrate social and emotional skills into classroom instruction and routines.

*Shakopee Public Schools has been awarded a 5-year grant to implement the Pyramid Model in early childhood programs.*



**Why focus on social and emotional skills?**

- \*A child's delayed development can lead to more severe behavior problems
- \*Social development and the ability to be engaged are essential for school readiness
- \*Children with severe behavior problems are deeply at risk for social exclusion and academic failure

**Why the Pyramid Model?**

The Pyramid Model specifically focuses on supporting the social development and relationships of preschool-age children.

| <b>Five-Year Implementation Plan</b>  |                                |                                |                                |                               |
|---|--------------------------------|--------------------------------|--------------------------------|-------------------------------|
| <i>*Funding is estimate based on grants to school districts in previous years</i> |                                |                                |                                |                               |
| Year 1<br>2016-17   | Year 2<br>2017-18              | Year 3<br>2018-19              | Year 4<br>2019-20              | Year 5<br>2020-21             |
| \$26,800  | 80% of year 1 amount: \$21,440 | 60% of year 1 amount: \$16,080 | 40% of year 1 amount: \$10,720 | 20% of year 1 amount: \$5,360 |

**What does implementation look like?**

- \*Full-day trainings on professional development days (licensed staff and paras)
- \*Full implementation in 2-3 classrooms per year (all classrooms by 5<sup>th</sup> year)
  - Observations and coaching (by internal coaches with additional training)
  - Data collection
  - Targeted support and interventions
- \*Newsletters and updates
- \*Parent involvement (newsletters, parent-teacher conferences, tip sheets)

## Early Childhood Pyramid Model Sustainability Plan

|   | Year 1  | Year 2  | Year 3   | Year 4   | Year 5  | Year 6+   |
|---|---|---|--|--|---|---|
| <b>External funding</b>   | Grant (100%)<br>\$26,800  | Grant (80%)<br>\$21,440   | Grant (60%)<br>\$16,080  | Grant (40%)<br>\$10,720  | Grant (20%)<br>\$5,360  | N/A   |
| <b>District and Building Funds and Systems to Sustain Efforts</b> | *Coaching as alternative to formal admin observation<br>*Trainings on PD days<br>*Implementation team meets on half-day BLT<br>*Sped paras: district pays for 30 min/month training | *Coaching as alternative to formal admin observation<br>*Trainings on PD days<br>*Site PD funds<br>*Implementation team meets on half-day BLT<br>*Sped paras: district pays for 30 min/month training | *Coaching as alternative to formal admin observation<br>*Site PD funds<br>*Internal trainings (3-5) for new staff<br>*Trainings on PD days to reduce sub costs<br>*Implementation team meets on half-day BLT<br>*Sped paras: district pays for 30 min/month training | *Coaching as alternative to formal admin observation<br>*Site PD funds<br>*Internal trainings (3-5) for new staff<br>*Trainings on PD days to reduce sub costs<br>*Implementation team meets on half-day BLT<br>*Sped paras: district pays for 30 min/month training | *Coaching as alternative to formal admin observation<br>*Site PD funds<br>*Internal trainings (B-2, 3-5) for new staff<br>*Trainings on PD days to reduce sub costs<br>*Implementation team meets on half-day BLT<br>*Sped paras: district pays for 30 min/month training | *Coaching as alternative to formal admin observation<br>*Site PD funds<br>*Internal trainings (B-2, 3-5) for new staff<br>*Trainings on PD days to reduce sub costs<br>*Implementation team meets on half-day BLT<br>*Sped paras: district pays for 30 min/month training |

Shakopee Schools will be able to financially sustain the Pyramid Model for the five supported implementation years and beyond by careful allocation of building staff development funds and utilization of current systems and practices.

- *Staff development funds:* Each school year the district allocates staff development funds to our site, and this amount depends on how many FTEs are assigned to our programs. Some ways in which these funds could sustain Pyramid Model implementation include paying for substitutes for training and coaching (for certified and non-certified staff), registration costs for trainings, and paying for staff (certified and non-certified) to attend trainings or meetings on non-contract days. These are all current uses for these funds as well, so it would simply involve focusing our professional development around sustained Pyramid Model work.
- *Coaching as an alternative to formal administrative observation:* Currently, our certified staff contract allows for staff to forgo a formal observation by an administrator every third year in lieu of being coached by a peer. This coaching is non-evaluative, and is not reported back to an administrator. If accepted for this innovation, early childhood administration will work with the Department of Teaching and Learning (who oversees district coaching) to see if we can integrate Pyramid Model coaching into the framework that already exists in our district to coach licensed staff in lieu of formal evaluation.
- *Scheduling of trainings:* To decrease stipends and substitute costs, trainings will be held on professional development days (workshop week and during the school year) whenever possible. The district Special Services department already pays all special education paraprofessionals to attend 4 hours of training before school starts and 30 minutes of training per month throughout the school year, and some CFC paraprofessionals have 30-45 minutes per day for prep and transition/collaboration; coaching sessions and some trainings can take place during these times.
- *Implementation team meetings:* Currently, the early childhood BLT meets once per month for a half-day meeting. To be more cost-efficient, the implementation team meetings can take place on that same afternoon. Some staff will be on both teams, and to reduce costs, substitutes can move from covering one classroom for BLT to covering for a different teacher who will attend the implementation team meeting. This will allow for cost-effectiveness and also consistency in scheduling for decision-making teams.
- *Internal trainings:* As we build internal capacity, we will identify teacher leaders who can become internal trainers to eliminate the need for outside trainings. Beginning in years 4-5, our goal is to have our own staff provide the full training to all new certified staff and non-certified staff. This will be sustainable after the 5-year grant ends.

The Pyramid Model is a framework for integrating social and emotional skills instruction and supports into early childhood programming. Through the Pyramid Model trainings and coaching, teachers and staff increase their capacity to provide supportive environments, high-quality instruction, and individualized