RESOLUTION OF THE SCHOOL BOARD OF INDEPENDENT SCHOOL DISTRICT NO. 709 APPROVING OFFICIAL TERMS OF OFFERING FOR THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015B

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

Section 1. A. Under and pursuant to the authority contained in Minnesota Statutes, Section 123B.59 and Minnesota Statutes, Chapter 475 (the "Act"), the District previously issued its $59,235,000 General Obligation Alternative Facilities Bonds, Series 2008A, dated February 15, 2008 (the "2008 Bonds"), to finance repairs, renovations, replacements and equipment for various District sites and facilities, pursuant to the District's facilities plan adopted pursuant to Minnesota Statutes, Section 123B.59, and as authorized by a Resolution adopted by the School Board on January 29, 2008 (the "2008 Resolution").

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

C. The School Board hereby finds and determines that it is necessary and desirable, in order to reduce debt service costs, that the District issue, sell and deliver its general obligation refunding bonds, as hereinafter provided, for the refunding of the 2019 through 2028 maturities of the 2008 Bonds (the "2008 Refunded Bonds"), interest thereon through the redemption date and for the payment of the costs of issuance of the Bonds, as hereinafter described. The 2016 through 2018 maturities of the 2008 Bonds shall remain outstanding.

Section 2. The Bonds. The School Board hereby finds and determines it is necessary and desirable, in order to reduce debt service costs, that the District authorize the issuance of general obligation refunding bonds to refund the 2008 Refunded Bonds in an amount not to exceed $49,000,000 plus an additional amount not to exceed two percent of the amount authorized to be issued, as permitted under Minnesota Statutes, Section 475.56. Due to present bond market conditions and expected premium bids, the District shall issue, sell and deliver its General Obligation Refunding Bonds, Series 2015B (the "Bonds"), in the approximate amount of $46,435,000 which, together with estimated original issue premium, will provide for the refunding of the 2008 Refunded Bonds, interest thereon through the redemption date and payment of the costs of issuance of the Bonds.

Section 3. Official Terms of Offering. The District's administrative staff is hereby authorized and directed to work with PMA Securities, Inc., independent municipal advisor to the District, and Fryberger, Buchanan, Smith & Frederick, P.A., bond counsel, to solicit bids and arrange for the sale of the Bonds in substantial compliance with the Notice of Sale attached hereto as Exhibit A. Due to a rapidly changing bond market, the Chief Financial Officer/Executive Director of Business Services, after consulting with the District's municipal advisor and bond counsel, is authorized to modify the terms of the Notice of Sale prior to accepting the bids. The bids shall be received by the Chief Financial Officer/Executive Director of Business Services or his designee from 9:45 a.m. through

10:00 a.m. central time on March 17, 2015, through MuniAuction and consideration for the award of the Bonds will be by the School Board at 6:30 p.m. central time on the same date.

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

Section 5. Credit Enhancement. A. The Board Chair, Superintendent or Chief Financial Officer/Executive Director of Business Services are hereby authorized and directed to submit a Minnesota School District Credit Enhancement Program Application for Default Preclusion to the Minnesota Department of Education, as provided by Minnesota Statutes, Section 126C.55.

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

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

NOTICE OF SALE

$46,435,000*

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015B

INDEPENDENT SCHOOL DISTRICT 709
(DULUTH), MINNESOTA

(Book-Entry Only)

NOTICE IS HEREBY GIVEN that the School Board of Independent School District No. 709 (Duluth), Minnesota (the "Issuer"), will receive bids via MuniAuction hosted by Grant Street Group (as more fully described below) for sale of $46,435,000* General Obligation Refunding Bonds, Series 2015B (the "Obligations"), according to the following terms:

TIME AND PLACE: Bids will be opened by the Chief Financial Officer/Executive Director of Business Services, or his designee, on Tuesday, March 17, 2015, as set forth below at the offices of PMA Securities, Inc., 770 North Jefferson Street, Suite 200, Milwaukee, Wisconsin 53202 (the "Financial Advisor"). Consideration of the bids for award of the sale will be by the School Board at a meeting at the District Offices beginning Tuesday, March 17, 2015 at 6:30 P.M**.**

BIDDING INSTRUCTIONS: All bids must be submitted on the MuniAuction website at www.grantstreet.com beginning at 9:45 a.m. until 10:00 a.m. central time on March 17, 2015. No telephone, telefax or personal delivery bids will be accepted. The use of MuniAuction shall be at the bidder's risk and expense and the Issuer shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bids. Any questions regarding bidding on the MuniAuction website should be directed to Grant Street Group (the "Auction Administrator") at (412) 391-5555 x 370.

Each bidder may change and submit bids as many times as it likes during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower TIC (as hereinafter defined) with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid, the prior bid will remain valid.

If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by MuniAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.

* The Issuer reserves the right to increase or decrease the principal amount of the Obligations. Any such increase or decrease will be made in multiples of $5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.

The last valid bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winding bidder or bidders.

During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader," "Cover,", "3rd" etc.).

On the Auction page, bidders will be able to see whether a bid has been submitted.

Bidders must comply with the Rules of MuniAuction in addition to the requirements of this Notice of Sale. To the effect there is a conflict between the Rules of MuniAuction and this Notice of Sale, this Notice of Sale shall control.

A bidder submitting a winning bid ("Winning Bid") is irrevocably obligated to purchase the Obligations at the rates and prices of the Winning Bid, if acceptable to the Issuer, as set forth in this Notice of Sale. The Winning Bid is not officially awarded to the winning bidder until formally accepted by the Issuer.

Neither the Issuer, the Financial Advisor, nor the Auction Administrator is responsible for technical difficulties that result in loss of a bidder's internet connection with MuniAuction, slowness in transmission of bids, any other technical problems resulting in bid submission failure, or any computational or data entry errors associated with using MuniAuction.

If for any reason a bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such bidder, unless the Issuer exercises its right to reject bids, as set forth herein.

Bids which generate error messages are not accepted until the error is corrected and the bid is received prior to the deadline.

Bidders accept and agree to abide by all terms and conditions specified in this Notice of Sale (including amendments, if any) related to the auction.

Neither the Issuer, the Financial Advisor not the Auction Administrator is responsible to any bidder for any defect or inaccuracy in this Notice of Sale, amendments, or Preliminary Official Statement as they appear on MuniAuction resulting in bid submission failure, or any computational or data entry errors associated with using MuniAuction.

Only bidders who request and receive admission to an auction may submit bids. MuniAuction and the Auction Administrator reserve the right to deny access to the MuniAuction website to any bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.

Neither the Issuer, the Financial Advisor nor the Auction Administrator is responsible for protecting confidentiality of a bidder's MuniAuction password.

If two bids submitted in the same auction by the same or two or more different bidders result in the same TIC, the first confirmed bid received by MuniAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in TIC.

Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to MuniAuction within 15 minutes after the bidding time period ends.

Regardless of the final results reported by MuniAuction, the Obligations are definitively awarded to the winning bidder (the "Underwriter") only upon official award by the Issuer. If for any reason the Issuer fails to: (i) award the Obligations to the winner reported by MuniAuction, or (ii) deliver the Obligations to the Underwriter at settlement, neither the Issuer, the Financial Advisor nor the Auction Administrator will be liable for damages.

Bidders who submit a bid on the Auction Page by clicking the "Submit Bid" button must confirm that bid by checking the "Yes, Submit Bid" button on the Confirmation Page.

AWARD:

The Obligations will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis, at the rate or rates designated in said bid from the dated date to the respective maturity dates after deducting the premium bid. The TIC will be calculated as the rate which, when used in computing the present value of all payments of principal and interest to be paid on the Obligations (commencing on August 1, 2015, and semiannually thereafter), produces an amount on the date of the Bonds (expected to be April 16, 2015) equal to the purchase price set forth in the bid.

In the event of more than one bid specifying the lowest TIC, the Obligations will be awarded to the bidder whose bid was submitted first in time on the MuniAuction webpage.

The TIC of each bid will be computed by MuniAuction and reported on the Observation Page of the MuniAuction webpage immediately following the date and time for receipt of bids.

These TICs are subject to verification by the Financial Advisor and will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the Winning Bid. The Issuer or the Financial Advisor will notify the bidder to whom the Obligations will be awarded, if and when such award is made.

TYPE OF BID:	A bids for not less than $45,970,650 (99% of par) nor more than $50,149,800 (108% of par) plus accrued interest on the total principal amount of the Obligations shall be filed with PMA Securities, Inc. prior to the time set for the opening of the bids. The initial prices to the public for each maturity must be at least 98.0% or greater. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the maturity date. A good faith deposit (the "Deposit") in the amount of $500,000 shall be provided to the Issuer by a wire transfer by the successful bidder payable to the Issuer (as instructed by the Issuer), no later than 3:30 p.m. Central time on Tuesday, March 17, 2015. In the event the successful bidder fails to provide the Deposit in accordance with the preceding sentence, the Issuer reserves the right to reject the successful bidder's bid. No interest on the Deposit will accrue to the successful bidder. The Deposit will be applied to the purchase price of the Obligations. In the event the successful bidder fails to honor its accepted bid, the Deposit will be retained by the Issuer as liquidated damages.
BOOK-ENTRY SYSTEM:	The Obligations will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Obligations will be issued in fully registered form and will be registered in the name of Cede & Co. as nominee of Depository Trust Company ("DTC"), Jersey City, New Jersey, which will act as securities depository of the Obligations. Individual purchases of the Obligations may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. The District will appoint a qualified bond registrar, transfer agent, authenticating agent and paying agent (the "Paying Agent/Registrar"). Principal and interest are payable by the Issuer through the Paying Agent/Registrar to DTC, or its nominee as registered owner of the Obligations. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The successful proposal maker, as a condition of delivery of the Obligations, will be required to deposit the bond certificates with DTC. The Issuer will pay reasonable and customary charges for the services of the Paying Agent/Registrar.
AUTHORITY/PURPOSE:	The Obligations are being issued pursuant to Minnesota Statutes, Chapter 475, and Sections 475.67, Subdivisions 1 through 12, as amended. The Obligations will be issued to advance refund the 2019 through 2028 maturities of the District's General Obligation Alternative Facilities Bonds, Series 2008A, dated February 15, 2008 (the "2008 Refunded Bonds").
DETAILS OF THE OBLIGATIONS:	The Obligations will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing

on August 1, 2015. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Obligation will mature on February 1 in the years and amounts* as follows:

2016	$930,000	2023	$4,350,000
2017	$450,000	2024	$4,440,000
2018	$460,000	2025	$4,580,000
2019	$4,040,000	2026	$4,720,000
2020	$4,110,000	2027	$4,875,000
2021	$4,185,000	2028	$5,030,000
2022	$4,265,000		

The Issuer reserves the right, after the bids are opened and prior to award, to increase or reduce the principal amount of the Obligations or the amount of any maturity in multiples of $5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per $1,000 of Obligations as that of the original proposal. Gross spread is the differential between the price paid to the Issuer for the new issue and the prices at which the securities are initially offered to the investing public.

Bids for the Obligations may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption as a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the bid must specify "years of Term maturities" in the spaces provided on the bid form.

INTEREST RATES: All rates must be in integral multiples of 1/20th or 1/8th of 1%. All Obligations of the same maturity must bear a single uniform rate from date of issue to maturity.

REDEMPTION: Obligations maturing on February 1, 2026 through 2028 are subject to redemption and prepayment at the option of the Issuer on February 1, 2025, and any date thereafter, at a price of par plus accrued interest. Redemption may be in whole or in part of the Obligations subject to prepayment. If redemption is in part, the maturities and principal amounts within each maturity to be redeemed shall be determined by the Issuer and if only part of the Obligations having a common maturity date are called for prepayment, the specific obligations to be prepaid shall be chosen by lot by the Bond Registrar.

SECURITY: The Obligations will be general obligations of the Issuer for which the Issuer will pledge its full faith and credit and taxing power to levy direct ad valorem taxes for payment of the principal of and interest on the Obligations when due.

CUSIP NUMBERS: If the Obligations qualify for assignment of CUSIP numbers such numbers will be printed on the Obligations, but neither the failure to print such numbers on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for the Obligations in accordance with terms of the purchase contract. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder.

DELIVERY:

Within forty-five days after award (but expected to be on April 16, 2015) subject to approving legal opinion by Fryberger, Buchanan, Smith and Frederick, P.A., Bond Counsel. Legal opinion will be paid by the Issuer and delivery will be anywhere in the continental United States without cost to the successful bidder at DTC.

BOND INSURANCE AT PURCHASER'S OPTION:

The Issuer has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Obligations. If the Obligations qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's proposal. The Issuer specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the Issuer. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the Issuer) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Obligations shall not constitute failure or refusal by the successful bidder to accept delivery of the Obligations.

INFORMATION FROM SUCCESSFUL BIDDER:

The successful bidder will be required to provide, in a timely manner, certain information relating to the initial offering price of the Obligations necessary to compute the yield on the Obligations pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

OFFICIAL STATEMENT

By awarding the Obligations to any underwriter or underwriting syndicate submitting a bid therefor, the Issuer agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Obligations are awarded copies of the Official Statement.

CONTINUING DISCLOSURE:

The Issuer will covenant in the resolution awarding the sale of the Obligations and in a Continuing Disclosure Undertaking to provide, or cause to be provided, annual reports and notices of certain events, as required by SEC Rule 15c2-12. The successful bidder's obligation to purchase the Obligations will be conditional upon receiving evidence of this undertaking at or prior to delivery of the Obligations.

BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The Issuer WILL NOT designate the Obligations as qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Issuer reserves the right to reject any and all bids, to waive informalities and to adjourn the sale.

Dated: February 24, 2015

BY ORDER OF THE SCHOOL BOARD OF ISD 709

/s/ William Hanson
Chief Financial Officer/Executive Director of Business Services

Additional information may be obtained from:
PMA Securities, Inc.
770 North Jefferson Street, Suite 200
Milwaukee, Wisconsin 53202
Telephone: (414) 225-0099, Ext. 1507