RESOLUTION OF INDEPENDENT SCHOOL DISTRICT NO. 709
APPROVING THE TERMS OF OFFERING OF GENERAL OBLIGATION AID
ANTICIPATION CERTIFICATES OF INDEBTEDNESS, SERIES 2015A,
IN THE APPROXIMATE AMOUNT OF $4,400,000

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. Authority. Under and pursuant to the authority contained in Minnesota Statutes, Sections 126C.50 through 126C.56, as amended (the "Act"), and Minnesota Statutes, Chapter 475, the board of any school district may borrow money upon aid anticipation certificates in anticipation of receipt of state aid for schools as defined by Minnesota State and federal school aids to be distributed by or through the Minnesota Department of Education (the "Department").

Section 2. The Certificates. A. The School Board hereby determines that it is necessary to borrow, pursuant to the Act, upon aid anticipation certificates of indebtedness in an approximate amount of $4,400,000 in anticipation of receipt of state aids for schools and of federal school aids to be distributed by or through the Department during the July 1, 2014 to June 30, 2015 fiscal year (the "School Aids"), which are necessary for timely payments of anticipated expenditures from the District's operating funds (the "Funds"). Such amount does not exceed 75% of the School Aids which are receivable by the District in such fiscal year as estimated by the Commissioner of the Department.

B. The School Board hereby determines that it is necessary and expedient that the District issue general obligation aid anticipation certificates of indebtedness as described in Section 2A above in a single issuance of General Obligation Aid Anticipation Certificates of Indebtedness, Series 2015A, in an approximate amount of $4,400,000 (the "Certificates").

Section 3. Official Terms of Offering. The District's administrative staff is hereby authorized and directed to work with PMA Securities, Inc., independent financial advisor to the District, and Fryberger, Buchanan, Smith & Frederick, P.A., bond counsel, to solicit bids and arrange for the sale of the Certificates in substantial compliance with the Notice of Sale attached hereto as Exhibit A. The bids shall be received by the Chief Financial Officer/Executive Director of Business Services or his designee until 10:00 a.m. central time on January 20, 2015, and consideration for the award of the Certificates will be by the School Board at 6:30 p.m. central time on the same date.

Section 4. Repayment of Certificates. The form, specifications and provisions for repayment of the Certificates 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 Certificates and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the Certificates 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 Certificates 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 Certificates, or if, on the day two (2) business days prior to the date a payment is due on the Certificates, 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 Certificates 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.

Adopted: December 16, 2014.

Motion made by Member _______________, seconded by Member _______________, to approve Resolution #B-14-12-____, as presented. Upon a vote taken, the same was approved as follows:

Yeah:

Nay:

_____________________________________ _____________________________________

Clerk Chair

M:\DOCS\05953\000060\ROL\12P6298.DOC

NOTICE OF SALE

$4,400,000*

GENERAL OBLIGATION AID ANTICIPATION CERTIFICATES OF INDEBTEDNESS, SERIES 2015A

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 be offering for sale General Obligation Aid Anticipation Certificates of Indebtedness, Series 2015A (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 designee, on Tuesday, January 20, 2015, at 10:00 A.M., Central Time, at the offices of PMA Securities, Inc., 770 North Jefferson Street, Suite 200, Milwaukee, Wisconsin 53202. Consideration of the bids for award of the sale will be by the School Board at a meeting at the District Offices beginning Tuesday, January 20, 2015 at 6:30 P.M**.**

SUBMISSION OF BIDS: Bids may be:

a) submitted to the office of PMA Securities, Inc.,
b) faxed to PMA Securities, Inc. at (414) 225-0057,
c) for bids submitted prior to the sale, the final price and coupon rate may be submitted to PMA Securities, Inc. by telephone at (414) 225-0099, Ext. 1507, or
d) be submitted electronically.

Notice is hereby given that electronic bids will be received via PARITY™, (or its successor) in the manner described below, until 10:00 A.M., local time on January 20, 2015. Bids may be submitted electronically via PARITY™ pursuant to this Notice until 10:00 A.M., local time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY™ conflict with this Notice, the terms of this Notice shall control. For further information about PARITY™, potential bidders may contact PMA Securities, Inc. or i-Deal® at 1359 Broadway, 2nd floor, New York, NY 10018, telephone (212) 849-5021.

Neither the Issuer nor PMA Securities, Inc. assumes any liability if there is a malfunction of PARITY™. All bidders are advised that each bid shall be deemed to constitute a contract between the bidder and the Issuer to purchase the Obligations regardless of the manner in which the bid is submitted.

* 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.

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 one certificate, representing the aggregate principal amount of the Obligations, 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.
DATE OF ORIGINAL ISSUE OF OBLIGATIONS:	February 23, 2015
AUTHORITY/PURPOSE:	The Obligations are being issued pursuant to Minnesota Statutes, Sections 126C.50 through 126C.56, as amended, and Chapter 475, as amended. The Obligations will be issued in anticipation of receipt of state aids for schools and of federal school aid to be distributed by or through the Minnesota Department of Education during the July 1, 2014 to June 30, 2015 fiscal year, which are necessary for timely payments of anticipated expenditures from the Issuer's operating funds.
INTEREST PAYMENT:	June 1, 2015, to registered owners of the Obligations appearing of record in the bond register as of the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month.
MATURITY DATE OF THE OBLIGATIONS:	June 1, 2015.
INTEREST RATE:	The interest rate on the Obligations must be a single rate, shall not exceed 2.00%, and be in integral multiples of 1/20th or 1/8th of 1%.
ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER BIDS:	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. If the principal amount is adjusted, the purchase price will also be adjusted to maintain the same gross spread. Such adjustment shall be made promptly after the sale and prior to award of bids by the Issuer and shall be at the sole discretion of the Issuer.

	The successful bidder may not withdraw or modify its bid once submitted to the Issuer for any reason, including post bond adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.
REDEMPTION:	The Obligations are non-callable prior to maturity.
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 February 23, 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.
TYPE OF BID:	Bids of not less than $4,400,000 (100.0%) and no more than $4,488,000 (102.0%) and accrued interest on the principal sum of $4,400,000 must be filed with the undersigned prior to the time of sale. Bids must be unconditional except as to legality. No good faith deposit is required.
AWARD:	The Obligations will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The Issuer's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Obligations will be awarded by lot. The Issuer will reserve the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Obligations, (ii) reject all bids without cause, and (iii) reject any bid which the Issuer determines to have failed to comply with the terms herein.
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 Limited Continuing Disclosure Undertaking to provide, or cause to be provided, notices of certain material events, as required by SEC Rule 15c2-12.
BANK QUALIFIED TAX-EXEMPT OBLIGATIONS	The Issuer will 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: December 16, 2014

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