

Regular School Board Meeting

Duluth Public Schools, ISD 709

Agenda

Tuesday, March 24, 2015

District Services Center

709 Portia Johnson Dr.

Duluth, MN 55811

6:30 PM

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Approval of the Agenda**
5. **Reading and Approving Minutes**
 - A. Regular School Board Meeting - February 24, 2015 2
6. **School and Community Recognition**
7. **Audience**
8. **Reading Communications, Petitions, Etc.** 19
9. **Report of the Superintendent**
 - A. Schedule of Meetings and Events 20
10. **Report of Standing Committees**
 - A. Education Committee (*see separate report*)
 - B. Human Resources Committee (*see separate report*)
 - C. Business Committee (*see separate report*)
11. **Special Resolutions**
 - A. B-3-15-3249 – Ratification of Bond Sale, General Obligation Refunding Bonds, Series 2015B 22
12. **Questions / Other**
13. **Adjournment**

Minutes of the Regular School Board Meeting

Of the School Board of Independent School District No. 709 held at the Historic Old Central High School, 215 North First Avenue East, Duluth, Minnesota 55802, on

Tuesday, February 24, 2015

Members Present:

Annie Harala
Art Johnston
Rosie Loeffler-Kemp
Mike Miernicki
Judy Seliga Punyko
Harry Welty
Bill Westholm

Others Present:

William Gronseth, Superintendent
Bill Hanson, Deputy Clerk
Melinda Thibault, Secretary

Student Representatives:

Jude Goossens
Thomas Olafson

➤ Chair Seliga Punyko called the regular school board meeting of February 24, 2015 to order at 6:30 p.m., and the pledge of allegiance to the American flag was given.

M-Westholm, S-Harala, to approve the agenda as presented.

M-Johnston, S-Welty, to amend the agenda by adding the following to the Education Committee - 1.B. Discussion of recent letter by Denfeld Teachers concerning academic placement, a letter from a concerned Denfeld parent about remedial courses, and SF 1067 introduced by Senator Wiger concerning proper placement of students based on performance.

Discussion took place regarding adding the item to the agenda. Superintendent Gronseth indicated that it would be on the March Education Committee agenda.

Upon a vote on the amendment to the agenda, the same failed 3-4 as follows:

Yea: Johnston, Miernicki, Welty

Nay: Harala, Loeffler-Kemp, Seliga Punyko, Westholm

Upon a vote on the agenda as presented, the same passed 5-2 as follows:

Yea: Harala, Loeffler-Kemp, Miernicki, Seliga Punyko, Westholm

Nay: Johnston, Welty

Chair Seliga Punyko asked school board members if there were any corrections or changes to the minutes of the Regular School Board Meeting of January 20, 2015.

M-Westholm, S-Loeffler-Kemp, to approve the minutes of the January 20, 2015 Regular School Board Meeting as presented. Upon a vote, the same was approved as presented - unanimously.

School and Community Recognition

February 2015

Ed Crawford: Members of the Board, this month I'm pleased to present Tim Renier from Duluth East High School for recognition in the area of Science. His accomplishments are many. They include, but are not limited to: Finalist in the Intel International Science and Engineering Fair (ISEF) Finalist: advancing to the Intel ISEF in Pittsburgh, Pennsylvania, 1st Place Project: advancing to the MN State Science and Engineering Fair in Bloomington, MN, 1st Place Paper: advancing to the Northeast Region Junior Science and Humanities Symposium in Bloomington, MN, Genius Olympiad Award: Selected to submit a project for the Genius Olympiad International Competition in Oswego, NY, U.S. Surgeon General's Public Health Award, Mu Alpha Theta Mathematics Honors Society Award, ASU Walton Sustainability Award: for a project involving social justice, environmental and economic prosperity: nomination for a trip to Arizona for a Sustainability Solutions Festival, Alpha Delta Community Involvement Award. Tim is also a recipient of the Scholar of Distinction Award from the Minnesota Department of Education and the Minnesota Academic Excellence Foundation. The award recognizes exceptional accomplishment, achievement and performance. It is MDE's highest award and denotes that Tim has a substantial body of work in his content area, exceeded the requirements for graduation standards, engaged in a rigorous course of study and has completed an extraordinarily focused research project. Congratulations to this outstanding and talented young man!

Public Comments

February 2015

Member Loeffler-Kemp read the District mission statement.

Tim Davis, no address provided, spoke to the school board regarding the failure of our students of color and the need to address the achievement gap by using best practices to address the not only financially but in having staff of color, to work toward a more sustainable future for students of color.

Communications, Petitions, Etc.

February 2015

Superintendent Gronseth reviewed the communications that had been received.

Superintendent's Report

February 2015

Earlier this month we had the opportunity to host Author Anton Truerur who lead a professional development opportunity for many of our staff members. A large group of teachers participated in a book study--the book was called "Everything You Ever Wanted to Know About Indians but Were Afraid to Ask. The book and the study were centered around building a better relationships through understanding. It was an honor to have him visit and it was a meaningful opportunity for staff and community members who were involved.

Tonight I'm pleased and honored to let you know of a donation coming to our schools from a former student of Denfeld High School. Jerome Clarence Miller attended Denfeld in the 1940's. According to his family he had a great interest in horticulture and carpentry. When Mr. Miller passed away, he directed that \$100,000 should be given to our school district. His family indicated that they would appreciate some acknowledgement of this donation in the form of a plaque. And, given his interests, we are looking for some way to use this donation to support our Career and Tech ed programs.

Something that we have been working on is reducing the number of students who are dropped off at school when we have a school delay or closure. To help with this, we have added a new tool to our communications toolbox. From now on when we have school closures due to snow, or ice, or cold we will be using our all-call system. Families can expect to receive the call around 6 a.m. We will also have it on our website, alert the television and radio stations, the Duluth News Tribune, and social media.

Tonight I'm looking forward to a new addition to the Superintendent report-- that is our student representative reports. Each month we will ask our student reps to highlight an activity and an academic area-- I think it will be a great addition to our meetings. I do want to take a moment to say congratulations to Tommy for earning the rank of Eagle Scout--nice work! And without further adieu, I'll ask our student representatives to share their reports. Why don't we start with Tommy's report from Denfeld, and then have Jude's report from East.

Tommy Olafson – Denfeld student report – The blood drive was a big success, our One Act Play took third at regionals, over 400 students came to 8th grade orientation, the Robotics team 4009 is going into first regionals, and the Sweetheart dance was held in earlier February.

Jude Goossens – East student report - East has had a successful blood drive, 8th grade orientation, and advanced to the state level in the One Act competition. We have just returned from our winter break with building excitement for the sectional final hockey game against Elk River on Thursday. Student groups are also working on the PRIDE campaign to promote values of peace, respect, integrity, diversity, and enthusiasm, and are having an assembly to cover the topic of respect this Thursday. East's student newspaper, The Greyhound, published an issue with a strong focus on mental health and how it affects the student body. Some students have been willing to share their personal stories with struggling against anxiety and depression among other things and have formed a group so students can come to safely share their experiences and get support. Many students feel that having a mental health counselor or at the very least some sort of additional mental health support in our schools is necessary because of the inadequacy of our current resources.

Education Committee Report
February 2015

Member Harala presented the Education Committee report, a copy of same being in the hands of each school board member.

Member Harala presented the resolution:

RESOLUTION
Acceptance of Grant Awards to Duluth Public Schools

WHEREAS, Minnesota Statute 465.03 requires a school district to accept grants by resolution expressed in the terms prescribed by the donor in full; and,

WHEREAS, acceptance of the grant in accordance with the donor's terms is in the best interest of the Duluth Public Schools:

NOW, THEREFORE, BE IT RESOLVED that the Duluth Public Schools does accept the below-described grants from said organizations in accordance with the terms set forth herein.

BE IT FURTHER RESOLVED that the Duluth Public Schools wishes to extend its grateful appreciation to these various organizations.

	Organization	Author/Contact	Project Title	Award Amount	Terms
1	Minnesota State Colleges and Universities/U S Department of Education	Jim Arndt	Carl D. Perkins Career and Technical Education Allocation	\$461,812 (\$151,268.69 for Secondary Schools and \$310,543.31 for Post-Secondary Schools)	Funds from this grant award will be used to support Career and Technical Education Programs and courses.
2	First Technologies	Jim Arndt and Dr. Mike Cary	Fab Lab Grant Application	\$27,586	Funds from this grant award will be used toward the implementation of the new FAB Lab at Denfeld High School beginning with the 2015-16 school year.

Resolution E-2-15-3236

February 24, 2015

M-Harala, S-Miernicki, to approve Resolution E-2-15-3236 – Acceptance of Grant Awards to Duluth Public Schools. Upon a vote, the same was approved – unanimously.

M-Harala, S-Loeffler-Kemp, to table Item 2.D. Request for Suspension of Policy 6160 – Field Trips and resolution E-11-10-2826 – Waiving Liability on Foreign Travel with the Exception of Canada. Upon a vote, the same was approved – unanimously.

M-Harala, S-Miernicki, to approve the Education Committee Report. Upon a vote on the Education Committee, the same was approved – unanimously.

Human Resources Committee Report

February 2015

Member Miernicki presented the Human Resources Committee report, a copy of same being in the hands of each school board member.

Member Miernicki presented the resolution:

RESOLUTION
Duluth Principals' Association

RESOLVED, By the School Board of Independent School District 709, St. Louis County, Minnesota, that the Collective Bargaining Agreement between Independent School District 709 and Duluth Principals' Association, a summary of which is in the hands of all School Board members, be approved and adopted for the periods August 1, 2013 to July 31, 2015, inclusive, and that the Chairperson and Clerk of the School Board be hereby authorized to execute said Agreement on behalf of the School District.

HR-2-15-3241

February 24, 2015

M-Miernicki, S-Loeffler-Kemp, to approve HR-2-15-3241 – Duluth Principals' Association.

Discussion took place regarding the contract.

Upon a vote, the same was approved – unanimously.

Member Miernicki presented the resolution:

RESOLUTION
Duluth District-Wide Instructional Administrators' Association

RESOLVED, By the School Board of Independent School District #709, St. Louis County, Minnesota, that the Collective Bargaining Agreement between Independent School District #709 and the Duluth District-Wide Instructional Administrators' Association, a summary of which is in the hands of all School Board members, be approved and adopted for the periods August 1, 2013 to July 31, 2014 and August 1, 2014 to July 31, 2017, inclusive, and that the Chairperson and Clerk of the School Board be hereby authorized to execute said Agreement on behalf of the School District.

HR-2-15-3242

February 24, 2015

M-Miernicki, S-Westholm, to approve HR-2-15-3242 – Duluth District-Wide Instructional Administrators' Association.

Discussion took place regarding the contract.

Upon a vote, the same was approved – unanimously.

M-Miernicki, S-Welty, to approve the remainder of the Human Resource Committee report.

Member Johnston withheld Item 2.C.

Member Johnston withheld Item 2.C. – Pay Equity Implementation Report. To indicate his agreement that the District does well in this area.

Upon a separate vote on Item 1.A. – Staffing Report, the same was approved 6-0 as follows:

Yea: Harala, Johnston, Loeffler-Kemp, Miernicki, Welty, Westholm

Abstain: Seliga Punyko

Upon a vote, the same was approved - unanimously.

Business Committee Report

February 2015

Member Westholm presented the Business Committee report, a copy of same being in the hands of each school board member.

Member Westholm presented the resolution:

RESOLUTION

Acceptance of Donations to Duluth Public Schools

WHEREAS, Minnesota Statute 465.03 requires a school district to accept donations by resolution expressed in the terms prescribed by the donor in full; and,

WHEREAS, acceptance of the donations in accordance with the donor's terms is in the best interest of the Duluth Public Schools:

NOW, THEREFORE, BE IT RESOLVED that the Duluth Public Schools does accept the below-described donations from said organizations in accordance with the terms set forth herein.

BE IT FURTHER RESOLVED that the Duluth Public Schools wishes to extend its grateful appreciation to these various organizations.

SCHOOL	FIRST NAME	LAST NAME/ORG.	RESTRICTION	AMOUNT
Denfeld		The Saint Paul Foundation	Softball	500.00
Denfeld	Paul & Marla	Vranish	Softball	100.00
Denfeld	Duluth Brass Manufacturing		Robotics	100.00
Denfeld	SAPPI	SD Warren Co	Robotics	300.00
Denfeld	Stella Jennison &	Tina Schlee	Robotics	10.00
Denfeld	Gary & Marcia	Doty	Robotics	50.00
Denfeld		Irving Community Assn	Robotics	4,000.00
Denfeld	Raymond & Maurene	Morse	Hunter Hut	25.00
Denfeld	Mary & Todd	Hautajarvi	Softball	80.80
Denfeld		Maurices	General Fund	270.00
Denfeld		Nuss Truck Group Inc	Robotics	100.00
Denfeld		Park State Bank	Robotics	250.00
Denfeld	Richard	Swanson	Robotics	50.00
Homecroft		Maurices	None	115.00

Lester Park		Maurices	None	210.00
Denfeld		Puglisi Classico LTD Inc	Debate	500.00
Denfeld	Mary & Jeff	Adams	Girls Swim	35.00
Denfeld	Nancy	McParlan	Hunter Hut	50.00
Denfeld		Catholic Charities Bureau	Orchestra	50.00
Denfeld		Beaners	Hunter Hut	85.00
Denfeld	Penelope	Dearth	Hunter Hut	100.00
Denfeld		Altec Hiline	Robotics	100.00
Denfeld		Nordic Waste Services Inc.	Robotics	200.00
Denfeld	Susan Coen	State Farm Agency	Robotics	500.00
Denfeld		Lake Superior Consulting	Robotics	1,000.00
Denfeld		Genesis Attachments	Robotics	500.00
		TOTAL		9,280.80

Resolution B-2-15-3237

February 24, 2015

M-Westholm, S-Miernicki, to approve Resolution B-2-15-3237 – Acceptance of Donations to Duluth Public Schools. Upon a vote, the same was approved - unanimously.

Member Westholm presented the resolution:

R E S O L U T I O N
Authorized Student Activity Bank Account Signer

RESOLVED, by the School Board of Independent School District No. 709, St. Louis County, Minnesota, that it hereby authorizes the following:

<u>District Building Area</u>	<u>Banking Institution</u>	<u>Account Number</u>	<u>Addition of Authorized Signer</u>	<u>Removal of Authorized Signer</u>
Center	DTCU	XXXX4		Jody LeBlanc
Congdon	North Shore	XXXXXX0		Jody LeBlanc
Denfeld	DTCU	XXXX2		Jody LeBlanc
	Western Nat'l	XXXXX4		Jody LeBlanc
East	North Shore	XXXXXX9		Jody LeBlanc
	North Shore	XXXXXX2		Jody LeBlanc
	DTCU	XXXX6		Jody LeBlanc
Headstart	DTCU	XXXX0		Jody LeBlanc
Homecroft	DTCU	XXXX2		Jody LeBlanc
ISD709	MN Trust	XXXX8		Jody LeBlanc
	MN Liquid Asset	XXXXX3		Jody LeBlanc
	Piper Jaffray	XXXXXXXXXXXT		Jody LeBlanc
	MBS	XXXXXXXXX9		Jody LeBlanc
	DTCU	XXXX3		Jody LeBlanc

	BMO Harris Bk	XXXXXXXX7	Jody LeBlanc
	Key Bank		Jody LeBlanc
Lakewood	North Shore	XXXXXXXX7	Jody LeBlanc
L MacArthur	Western Nat'l	XXXXXXXX2	Jody LeBlanc
Lester Park	DTCU	XXXX7	Jody LeBlanc
Lincoln Park	Park State Bank	XXXXXXXX0	Jody LeBlanc
		XXXXXXXX5	Jody LeBlanc
Lowell	DTCU	XXXX4	Jody LeBlanc
Merritt Creek	DTCU	XXXX0	Jody LeBlanc
MyersWilkins	DTCU	XXXX3	Jody LeBlanc
Ordean East	DTCU	XXXX1	Jody LeBlanc
Piedmont	DTCU	XXXXX4	Jody LeBlanc
Public School			
Stadium	DTCU	XXXX6	Jody LeBlanc
Stowe	DTCU	XXXX0	Jody LeBlanc
Woodland			
Hills	DTCU	XXXX1	Jody LeBlanc

B-2-15-3238

February 24, 2015

M-Westholm, S-Miernicki, to approve B-2-15-3238 – Authorized Student Activity Bank Account Signer.

Discussion took place regarding the resolution.

Upon a vote the same - unanimously.

Member Westholm presented the resolution:

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 9:15 a.m. through 9:30 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 9:15 a.m. until 9:30 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 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

* 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.

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 nor 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

B-2-15-3239

February 24, 2015

M-Westholm, S-Harala, to approve Resolution B-2-15-3239 - 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.

Discussion took place regarding the resolution.

Upon a vote on the resolution as presented, the same was approved – unanimously.

M-Westholm, S-Miernicki, to approve the remainder of the Business Committee report.

Member Johnston withheld Items 1.B., 1.F., separate vote on 2.A.1) & 2), and 6.E.

Member Harala withheld Item 6.A.

Member Miernicki withheld Item 1.A.

Member Miernicki withheld Item 1.A. – Financial Report to note that he is happy to see that we are in pretty good shape financially and hoping things will continue to improve in the future.

Member Johnston withheld Item 1.B. – Approval of Payment of Claims to note the Districts legal costs.

Member Johnston withheld Item 1.F. – WADM Projections to note his concerns with the loss of students in the District. Discussion continued regarding the subject. Chair Seliga Punyko asked that comments be kept to the WADM Projections. Member Johnston made a point of order that he had the floor and should not be interrupted. Member Seliga Punyko moved on with comments. Member Johnston indicated that his point of order had been ignored. Discussion continued.

Upon a separate vote on Items 2.A. – Bids 1236 and 1237, the same was approved – unanimously.

Member Johnston withheld Item 3.A. - Policy 1098-Gifts to Employees and School Board Members to make a recommendation to reinsert paragraph II.B. A Violation of this policy occurs when any employee solicits a gift from a student, parent, or other individual or organization of greater than nominal value within the policy. Discussion took place regarding the policy changes.

Upon a separate vote on the item the same was approved 6-1 as follows:

Yea: Harala, Loeffler-Kemp, Miernicki, Seliga Punyko, Welty, Westholm
Nay: Johnston

Member Harala withheld Item 6.A. – Expenditure Contracts to say that she appreciated the Martin Luther King Day activities.

Member Johnston withheld Item 6.E. – Audit Engagement Letter to note his concern with the audit cost. Discussion continued regarding audits.

Upon a vote on the remainder of the Business Committee, the same was approved – 6-1 as follows:

Yea: Harala, Loeffler-Kemp, Miernicki, Seliga Punyko, Westholm, Welty
Nay: Johnston

Special Resolutions
February 2015

Member Harala presented the resolution.

SPECIAL RESOLUTION
Commencing With the Review of District Policies and Transition to the Minnesota School Boards Association (MSBA) Model Policies

WHEREAS, A major role and responsibility of the School Board is reviewing, revising, adopting and rescinding District #709 policies.

WHEREAS, Duluth Public Schools ISD 709 is a subscribed member of the Minnesota School Boards Association (MSBA), which includes MSBA Policy Services. All model policies are carefully examined to by MSBA's legal counsel to insure compliance with federal and Minnesota laws.

WHEREAS, The MSBA model policies are reviewed and updated annually to reflect any changes by legislation or court decisions. Those changes are posted on the MSBA website and subscribing districts are notified.

NOW, THEREFORE, BE IT RESOLVED, By the School Board of Independent School District 709, St. Louis County, Minnesota, that the School Board directs District administration to commence with the review of current District Policies and transition to the MSBA model policies, including their numbering system.

SP-2-15-3240

February 24, 2015

M-Harala, S-Loeffler-Kemp, to approve Resolution SP-2-15-3240 – Commencing with the Review of District Policies and Transition to the Minnesota School Boards Association (MSBA) Model Policies.

Discussion took place regarding the resolution.

M-Johnston, S-Welty, to amend the resolution to change the last paragraph to read, that the School Board directs District administration and School Board to commence with t the review of Current District Policies. (removing the last part of the paragraph).

Discussion took place regarding the proposed amendment.

Upon a vote on the proposed amendment, the same failed 1-6 as follows:

Yea: Johnston

Nay: Harala, Loeffler-Kemp, Miernicki, Seliga Punyko, Westholm, Welty

Upon a vote on the resolution as presented, the same was approved 6-1 as follows:

Yea: Harala, Loeffler-Kemp, Miernicki, Seliga Punyko, Westholm, Welty
Nay: Johnston

Member Miernicki presented the resolution:

SPECIAL RESOLUTION
Nominees to Serve on Duluth Public Schools Fund Board

WHEREAS, The Duluth Superior Community Foundation oversees the Duluth Public Schools Fund, and

WHEREAS, The Duluth Public Schools Fund is seeking nominees to serve on their Board.

THEREFORE, The Duluth Public School Board suggests the following names to serve on the Duluth Public Schools Fund Board.

- Acted Upon at the January 20, 2015 School Board Meeting:
 - Carol Hubert
 - JoAnn Luhtala

- Suggested in addition to those recommendations:
 - Kristy Haller
 - Laurie Carlson

SP-2-15-3243

February 24, 2015

M-Miernicki, S-Harala, to approve Resolution SP-2-15-3243 – Nominees to Serve on Duluth Public Schools Fund Board. Upon a vote, the same was approved – unanimously.

Other
February 2015

Member Johnston noted his concern with not following parliamentary procedure during the meeting.

Members Harala and Loeffler-Kemp provided a brief overview of the School Board Officers workshop they attended.

Chair Seliga Punyko adjourned the Regular School Board Meeting of February 24, 2015 at 8:46 p.m.

8. Communications, Petitions, etc.

No communications received at this time.

DULUTH PUBLIC SCHOOLS ISD 709
SCHEDULE OF MEETINGS AND EVENTS

All meetings are scheduled at Historic Old Central High School, 215 N 1st Avenue East, unless otherwise noted.

March 23 – March 27, 2015

Tuesday	March 24	5:00 p.m.	Special School Board Meeting (<i>Agenda Attached</i>) <ul style="list-style-type: none"> • Recess to Executive (Closed) Session RE: Discussion Related to Private Educational Data • Reconvene to Special School Board Meeting RE: Action, If Any, Related to Closed Session Board Room – 2 nd Floor
Tuesday	March 24	6:00 p.m.	Performance by Denfeld’s <i>Jazz Band</i> Sandy Boynton, Director of Bands RE: <i>March Music in Our Schools Month</i> Board Room – 2 nd Floor
Tuesday	March 24	6:30 p.m.	Regular School Board Meeting (<i>Agenda Attached</i>) Board Room – 2 nd Floor
Thursday	March 26	5:30 p.m.	Education Equity Advisory Committee Board Room – 2 nd Floor

March 30 – April 3, 2015

Monday	March 30	4:00 p.m.	<i>Think Kids</i> Community Conversation Stowe Elementary School 715 – 101 st Avenue West, Duluth, MN
Monday	March 30	6:30 p.m.	<i>Think Kids</i> Community Conversation Congdon Park Elementary School 3116 East Superior Street, Duluth, MN
Tuesday	March 31	4:00 p.m.	<i>Think Kids</i> Community Conversation Homcroft Elementary School 4784 Howard Gnesen Road, Duluth, MN
Tuesday	March 31	6:30 p.m.	<i>Think Kids</i> Community Conversation Lincoln Park Middle School 3215 West Third Street, Duluth, MN
Wednesday	April 1	4:00 p.m.	<i>Think Kids</i> Community Conversation Lowell Elementary School 2000 Rice Lake Road, Duluth, MN
Thursday	April 2	4:00 p.m.	<i>Think Kids</i> Community Conversation Lakewood Elementary School 5207 North Tischer Road, Duluth, MN
Thursday	April 2	6:30 p.m.	<i>Think Kids</i> Community Conversation Myers-Wilkins Elementary School 1027 North 8 th Avenue East, Duluth, MN

April 6 – April 10, 2015*No meetings scheduled at this time.***April 13 – April 17, 2015**

Monday	April 13	4:15 p.m.	Human Resources Committee Board Room – 2 nd Floor
Monday	April 13	4:30 p.m. <i>(or to follow the Human Resources Comm. Mtg)</i>	Business Committee Board Room – 2 nd Floor
Tuesday	April 14	4:15 p.m.	Education Committee Board Room – 2 nd Floor
Wednesday	April 15	4:00 p.m.	Think Kids Community Conversation Ordean East Middle School 2900 East 4 th Street, Duluth, MN
Wednesday	April 15	6:30 p.m.	Think Kids Community Conversation Lester Park Elementary School 5300 Glenwood Street, Duluth, MN
Thursday	April 16	4:00 p.m.	Think Kids Community Conversation Piedmont Elementary School 2827 Chambersburg Avenue, Duluth, MN
Thursday	April 16	4:15 p.m.	Parent Advisory Committee on Special Education (PACSE) Conference Room 203C

April 20 – April 24, 2015

Monday	April 20	4:00 p.m.	Think Kids Community Conversation Laura MacArthur Elementary School 720 North Central Avenue, Duluth, MN
Tuesday	April 21	6:30 p.m.	Regular School Board Meeting Board Room – 2 nd Floor
Wednesday	April 22	4:00 p.m.	Think Kids Community Conversation Denfeld High School 401 North 44 th Avenue West, Duluth, MN
Wednesday	April 22	6:30 p.m.	Think Kids Community Conversation East High School 301 North 40 th Avenue East, Duluth, MN
Thursday	April 23	5:30 p.m.	Education Equity Advisory Committee Board Room – 2 nd Floor

April 27 – May 1, 2015*No meetings scheduled at this time.***May 4 – May 8, 2015***No meetings scheduled at this time.*

*Office of the Superintendent
March 19, 2015*

RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY
OF \$44,320,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015B,
OF INDEPENDENT SCHOOL DISTRICT NO. 709;
ESTABLISHING THE TERMS AND CONDITIONS THEREFOR;
DIRECTING THEIR EXECUTION AND DELIVERY;
CREATING A DEBT SERVICE FUND THEREFOR;
AND AWARDING THE SALE THEREOF

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

Section 1. Bond Purpose, Authorization and Award.

1.01 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 123B.59, and as authorized by a Resolution adopted by the School Board on January 29, 2008 (the "2008 Resolution").

1.02 Under and pursuant to the provisions of the Act and Section 475.67, Subdivisions 1 through 12 of the Act, the District is authorized to issue and sell its general obligation 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 resources available for their payment.

1.03 The School Board hereby determines that in order to reduce debt service costs to the District, it is necessary, expedient and in the best educational interest of the District's pupils and citizens that the District authorize the issuance of general obligation bonds in the amount of \$48,235,899.65, consisting of the District's issuance of its \$44,320,000 General Obligation Refunding Bonds, Series 2015B (the "Bonds"), with net original issuance premium in the amount of \$3,915,899.65 for a total of \$48,235,899.65, to provide for the refunding of the outstanding 2008 Bonds maturing on and after February 1, 2019 (the "Refunded Bonds"), of which \$43,245,000 in principal amount is outstanding. The 2008 Bonds maturing on and after February 1, 2019 are subject to prepayment and redemption on February 1, 2018 (February 1, 2018 is herein referred to as the "Redemption Date"). The 2008 Bonds maturing in 2016 through 2018 shall remain outstanding.

1.04 PMA Securities, Inc., independent financial advisor to the District, has given notification as required by the Act to at least five firms determined by PMA Securities, Inc. to be prospective bidders on the Bonds at least two days (omitting Saturdays, Sundays, and legal holidays) before the date set for receipt of bids on the Bonds.

1.05 The District received proposals pursuant to such solicitation, but the best proposal received failed to satisfy the 3.0% savings test required by Section 475.67, Subd. 12 of the Act (the "Savings Test").

1.06 The School Board rejected all proposals received pursuant to such solicitation and negotiated with the provider of the best proposal to obtain an offer which complied with the terms of sale and met the Savings Test.

1.07 Pursuant to such negotiation for the sale of the Bonds, the School Board has received and considered the offer of Wells Fargo Bank, National Association of Minneapolis, Minnesota (the “Purchaser”), to purchase the Bonds at a cash price of \$47,781,619.65 plus accrued interest on the total principal amount from April 16, 2015, to the date of delivery and upon the terms and conditions hereafter specified in this Resolution and finds that the offer of the Purchaser is better than all prior proposals to purchase the Bonds and that the Purchaser’s revised proposal satisfies the Savings Test. The School Board, after due consideration, finds such offer reasonable and proper and is favorable to the District, and the offer of the Purchaser is hereby accepted. The School Board hereby ratifies the bond purchase agreement for the sale of the Bonds in accordance with the Purchaser’s proposal, and acknowledges receipt of the good faith deposit given as security for the proposal. All actions of the officers of the District, the Superintendent and the Chief Financial Officer/Executive Director of Business Services with regard to the sale of the Bonds are hereby ratified and approved.

Section 2. Terms of the Bonds.

2.01 The Bonds to be issued hereunder shall be dated April 16, 2015, as of the date of original issue, shall be issued in the denomination of \$5,000, or any integral multiple thereof, in fully registered form and lettered and numbered R-1 and upward. The Bonds shall bear interest at the annual rates indicated below and shall mature on February 1 in the following respective years and amounts:

Year	Amount	Interest Rate
2016	\$525,000	2.00%
2017	\$30,000	2.00%
2018	\$35,000	3.00%
2019	\$3,605,000	4.00%
2020	\$3,735,000	4.00%
2021	\$3,880,000	5.00%
2022	\$4,075,000	5.00%
2023	\$4,275,000	5.00%
2024	\$4,490,000	4.00%
2025	\$4,675,000	4.00%
2026	\$4,870,000	2.50%
2027	\$4,990,000	3.00%
2028	\$5,135,000	3.00%

2.02 Interest Payment Dates; Record Date.

A. The Bonds shall bear interest at the annual rates stated therefor in Section 2.01. The interest shall be payable semiannually on August 1 and February 1 in each year (each referred to herein as an “Interest Payment Date”) commencing on August 1, 2015. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

B. The Bond Registrar designated below shall make all interest payments with respect to the Bonds by check or draft mailed to the person in whose name each Bond is registered (the “Holder”) and in each case at the address shown on the bond registration records maintained by the Bond Registrar at the close of business on the 15th day (whether or not on a business day) of the calendar month next preceding the Interest Payment Date at the registered owners’ addresses shown on the registration records maintained by the Bond Registrar.

C. If the date for payment of the principal of or interest on the Bonds 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.

2.03 Redemption. A. The Bonds maturing in the years 2016 through 2025 shall not be subject to redemption and prepayment before maturity, but those maturing in the year 2026 and in subsequent years shall each be subject to optional redemption on February 1, 2025, and on any date thereafter, in whole or in part, at the option of the District and in such manner as the District shall determine and by lot as to Bonds maturing in the same year, at a price of par plus accrued interest to the date of redemption.

B. In the event any of the Bonds are called for prepayment and redemption pursuant to Section 2.03A., notice thereof identifying the Bonds to be redeemed will be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) at least 30 days but not more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Bond Registrar; provided however, that so long as the Bonds are registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), notice of redemption shall be given in accordance with the terms of the Representation Letter hereinafter described. Failure to give notice by mail to any registered owner, or any defect therein, will not affect the validity of any proceeding for the redemption of Bonds not affected by such defect or failure. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

C. If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the District or the Bond Registrar designated below will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest.

2.04 A. The Bonds shall be prepared for execution in accordance with the approved form and shall be signed by the manual or facsimile signature of the Chair and attested by the manual or facsimile signature of the Clerk. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be an officer before delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

B. The Clerk is authorized and directed to obtain a copy of the proposed approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A. of Duluth, Minnesota, which is to be complete and cause the opinion to be attached to each Bond, together with a certificate to be signed by the manual signature of the Clerk in substantially the form set forth in Section 3.01, but only if the opinion is not manually executed. The Clerk is authorized and directed to execute the certificate in the name of the District upon receipt of the opinion, if required by the preceding sentence, and to file the opinion in the District offices.

2.05 A. The District hereby appoints U.S. Bank National Association in St. Paul, Minnesota, as registrar, authenticating agent, paying agent and transfer agent for the Bonds (such bank or its successors is herein referred to as the "Bond Registrar"). No Bond shall be valid or obligatory for any purpose unless or until the Bond Registrar's authentication certificate on such Bond, substantially set forth in Section 3.01 hereof, shall have been duly executed by an authorized representative of the Bond Registrar. Authentication certificates on different Bonds need not be signed by the same representative. The executed Authentication Certificate on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

B. The District shall cause to be kept at a designated office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the District shall provide for the registration of the Bonds and the registration of transfers of the Bonds entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Bond Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Bond Registrar as may be appointed by the School Board.

2.06 Book-Entry System.

A. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the District has previously agreed to the applicable provisions set forth in the Blanket Issuer Letter of Representations which has been executed by the District and DTC (the "Representation Letter").

B. Notwithstanding any provision herein to the contrary, so long as the Bonds shall be in Book-Entry Form, the provisions of this Section 2.06 shall govern.

C. All of the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on and principal of any Bond registered in the name of Cede & Co. shall be made by wire transfer or New York Clearing House or equivalent same day funds by 10:00 a.m. CT or as soon thereafter as possible thereafter to the account of Cede & Co. on each Interest Payment Date at the address indicated in or pursuant to the Representation Letter.

D. DTC (or its nominees) shall be and remain recorded on the Bond Register as the holder of all Bonds which are in Book-Entry Form. No transfer of any Bond in Book-Entry Form shall be made, except from DTC to another depository (or its nominee) or except to terminate the Book-Entry Form. All Bonds of such stated maturity of any Bonds in Book-Entry Form shall be issued and remain in a single Bond certificate registered in the name of DTC (or its nominee); provide, however, that upon termination of the Book-Entry Form pursuant to the Representation Letter, the District shall, upon delivery of all Bonds of such series from DTC, promptly execute, and the Bond Registrar shall thereupon authenticate and deliver, Bonds of such series to all persons who were beneficial owners thereof immediately prior to such termination; and the Bond Registrar shall register such beneficial owners as holders of the applicable Bonds.

The Bond Registrar shall maintain accurate books and records of the principal balance, if any, of each such outstanding Bond in Book-Entry Form, which shall be conclusive for all purposes whatsoever. Upon the authentication of any new Bond in Book-Entry Form in exchange for a previous Bond, the Bond Registrar shall designate thereon the principal balance remaining on such bond according to the Bond Registrar's books and records.

No beneficial owner (other than DTC) shall be registered as the holder on the Bond Register for any Bond in Book-Entry Form or entitled to receive any bond certificate. The beneficial ownership

interest in any Bond in Book-Entry Form shall be recorded, evidenced and transferred solely in accordance with the Book-Entry System.

Except as previously provided to the contrary herein, the District and the Bond Registrar may treat and deem DTC to be the absolute owner of all Bonds of each series which are in Book-Entry Form (i) for the purpose of payment of the principal of and interest on such Bond, (ii) for the purpose of giving notices hereunder, and (iii) for all other purposes whatsoever.

E. The District and the Bond Registrar shall each give notices to DTC of such matters and at such times as are required by the Representation letter, including the following:

- (i) with respect to notices of redemption; and
- (ii) with respect to any other notice required or permitted under this Bond Resolution to be given to any holder of a Bond.

All notices of any nature required or permitted hereunder to be delivered to a holder of a Bond in Book-Entry Form shall be transmitted to beneficial owners of such Bonds at such times and in such manners as shall be determined by DTC, the participants and indirect participants in accordance with the Book-Entry System and the Representation Letter.

F. All payments of principal, redemption price of and interest on any Bonds in Book-Entry Form shall be paid to DTC (or Cede & Co.) in accordance with the Book-Entry System and the Representation Letter in same day funds by wire transfer.

2.07 Lost or Damaged Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Bond Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Bond Registrar and the District in connection therewith, including the cost of printing new Bonds; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Bond Registrar and the District of evidence satisfactory to them that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Bond Registrar and the District of an appropriate bond or indemnity in form, substance and amount satisfactory to them and as provided by law, in which both the District and the Bond Registrar must be named as obligees. Bonds so surrendered to the Bond Registrar will be canceled by the Bond Registrar and evidence of such cancellation must be given to the District. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Bond prior to payment.

2.08 Payment of Bonds.

A. The District 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 interest on such Bond and for all other purposes whatsoever, whether or not such Bond be overdue, and neither the District nor the Bond Registrar shall be affected by notice to the contrary.

B. The principal of and interest on the Bonds shall be payable by the Bond Registrar in such funds as are legal tender for the payment of debts due the United States of America. The District shall pay the reasonable and customary charges of the Bond Registrar for the disbursement of principal and interest.

2.09 Delivery of the Bonds and payment of the purchase price shall be made at a place mutually satisfactory to the District and the Purchaser. Printed or typewritten and executed Bonds shall be furnished by the District without cost to the Purchaser. The Bonds, when prepared in accordance with this Resolution and executed, shall be delivered by or under the direction of the Clerk to the Purchaser upon receipt of the purchase price plus accrued interest.

Section 3. Form of the Bonds.

3.01 The Bonds shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF ST. LOUIS

R-_____ \$_____

INDEPENDENT SCHOOL DISTRICT NO. 709
(DULUTH)
GENERAL OBLIGATION REFUNDING BOND, SERIES 2015B

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
____%	February 1, ____	April 16, 2015	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

Independent School District No. 709, St. Louis County, Minnesota (the "District"), for value received, promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above, and to pay interest on said principal amount to the registered owner hereof from the date of original issuance, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above. Interest is payable semiannually on February 1 and August 1 of each year (each referred to herein as an "Interest Payment Date") commencing on August 1, 2015. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at a designated office of U.S. Bank National Association, in St. Paul, Minnesota, as bond registrar, authenticating agent, paying agent and transfer agent (the "Bond Registrar"), or at the office of such successor Bond Registrar as may be designated by District. The Bond Registrar shall make all interest payments with respect to this Bond directly to the registered owner hereof shown on the bond registration records maintained on behalf of the District by the Bond Registrar at the close of business on the 15th day of the month next preceding the Interest Payment Date (whether or not a business day) at such owner's address shown on said bond registration records, without, except for payment of principal of the Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligation of the District to the extent of the payments so made. Payment of principal shall be made upon presentation and surrender of this Bond to the Bond Registrar when due. For the prompt and full payment of such principal and interest as

they become due, the full faith and credit and taxing power of the District are irrevocably pledged.

This Bond is one of a series issued by the District in the aggregate amount of \$44,320,000, all of like date and tenor, except as to number, maturity date, denomination, redemption privilege and interest rate, pursuant to the authority contained in Minnesota Statutes, Chapter 475, Section 475.67, subdivisions 1 through 12, and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the District on March 24, 2015 (the "Resolution"), for the purpose of providing money to refund, on an advance refunding basis, on February 1, 2018 the outstanding principal amount of the District's \$59,235,000 General Obligation Alternative Facilities Bonds, Series 2008A, dated February 15, 2008, maturing in the years 2019 through 2028 (the "Refunded Bonds"). The Bonds are payable from a direct ad valorem tax levied upon all of the taxable property within the territory of the District, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The principal and interest on the Bonds will be payable from an account in a special fund of the District entitled "2015B General Obligation Refunding Bonds Debt Service Fund."

The Bonds maturing in the years 2016 through 2025 shall not be subject to redemption before maturity, but those maturing in the year 2026 and subsequent years are each subject to redemption and prepayment at the option of the District on February 1, 2025, and on any date thereafter, in whole or in part, and if in part at the option of the District and in such manner as the District shall determine and by lot as to Bonds maturing in the same year, at a price of par plus accrued interest to the date of redemption.

Not more than 60 days and no fewer than 30 days prior to the date fixed for redemption and prepayment of any Bonds, notice of redemption shall be mailed to each registered owner of a Bond to be redeemed; provided, however, that so long as the Bonds are registered in the name of Cede & Co., as nominee for The Depository Trust Company, Jersey City, New Jersey ("DTC"), notice of redemption shall be given in accordance with the terms of the Blanket Issuer Letter of Representations executed by the District and DTC.

If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the District or the Bond Registrar designated below will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest. If any Bond is redeemed in part, upon surrender of the Bond being redeemed, the District shall deliver or cause to be delivered to the registered owner of such Bond, a Bond in like form in the principal amount equal to that portion of the Bond so surrendered not being redeemed.

The District has qualified the Bonds for participation in the State of Minnesota program to preclude default of school district debt, pursuant to Minnesota Statutes,

Section 126C.55. If the District is unable to make any portion of the principal or interest payments on the Bonds as they become due, the State of Minnesota has agreed to make such payment in the District's place.

The Bonds of this series are issued as fully registered bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof. Subject to the limitations set forth in the Resolution, the District will, at the request of the registered owner, issue one or more new fully registered bonds in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Bond, all of like tenor except as to number and principal amount. Subject to the limitations set forth in the Resolution, this Bond is transferable by the registered owner hereof upon surrender of this Bond for transfer at a designated office of the Bond Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar and executed by the registered owner hereof or the owner's attorney duly authorized in writing. Thereupon the District shall execute 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 of an authorized denomination, an aggregate principal amount equal to the unpaid principal amount of this Bond, of the same maturity, and bearing interest at the same rate. No service charge shall be made for any transfer or exchange hereinbefore referred to, but the District may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the District in accordance with its terms, have been done and do exist in form, time and manner as so required; that all taxable property within the limits of the District is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest hereon when due, without limitation as to rate or amount and that the issuance of this Bond does not cause the indebtedness of the District to exceed any constitutional or statutory limitation.

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

IN WITNESS WHEREOF, Independent School District No. 709, St. Louis County, Minnesota, by its governing body, has caused this Bond to be executed in its name by the manual or facsimile signature of the Chair and attested by the manual or facsimile signature of the Clerk.

ATTEST:

(Form-no signature required)
Clerk

(Form-no signature required)
Chair

Date of Authentication: _____

BOND REGISTRAR'S AUTHENTICATION CERTIFICATE

The Bond Registrar confirms that the books reflect the ownership of the Bond registered in the name of the owner named above in the principal amount and maturing on the date stated above and this Bond is one of the Bonds of the series issued pursuant to the Resolution hereinabove described.

U.S. BANK NATIONAL ASSOCIATION
St. Paul, Minnesota
Bond Registrar

By _____
Authorized Representative

(Certificate as to Legal Opinion)

I certify that attached hereto is a full, true, and correct copy of the legal opinion rendered by Bond Counsel on the issuance of the \$44,320,000 General Obligation Refunding Bonds, Series 2015B, of Independent School District No. 709, which includes the within Bond, dated as of the original date of delivery of and payment for the Bonds.

(Form-no signature required)
Clerk

REGISTRATION CERTIFICATE

This Bond must be registered as to both principal and interest in the name of the owner on the books to be kept by U.S. Bank National Association of St. Paul, Minnesota, as Bond Registrar. No transfer of this Bond shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Bond and the interest accruing thereon is registered on the books of U.S. Bank National Association in the name of the registered owner last noted below.

OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Section 4. Escrow Agreement; Escrow Agent.

4.01 U.S. Bank National Association of St. Paul, Minnesota, which is a suitable financial institution within the State of Minnesota whose deposits are insured by the Federal Deposit Insurance Corporation whose combined capital and surplus is not less than \$500,000, is hereby designated escrow agent (the "Escrow Agent") with respect to the Refunded Bonds.

4.02 On or prior to the delivery of the Bonds, the Chair and the Clerk are hereby authorized and directed to execute on behalf of the District an escrow agreement (the "Escrow Agreement") with the Escrow Agent in substantially the form now on file with the Clerk. The execution and delivery of the Escrow Agreement by the Chair and the Clerk, in the form presented to the School Board with such changes, omissions, insertions and revisions as the Chair and the Clerk deem advisable is hereby approved, and the execution by such officers shall be conclusive evidence of such approval. All essential terms and conditions of the Escrow Agreement, including payment by the District of reasonable charges for the services of the Escrow Agent, are hereby approved and adopted and made a part of this Resolution, and the District covenants that it will promptly enforce all provisions thereof in the event of default thereunder by the Escrow Agent.

Section 5. Covenants, Accounts and Tax Levies.

5.01 *Debt Service Fund.* A. For the convenience and proper administration of the monies to be borrowed and repaid on the Bonds and to provide adequate and specific security for the Purchaser and holders from time to time of the Bonds, there is hereby created a special account to be designated the 2015B General Obligation Refunding Bonds Debt Service Fund (the "Debt Service Fund") within the District's Debt Service Fund to be administered and maintained by the Treasurer as a bookkeeping fund separate and apart from all other funds maintained in the official financial records of the District. The Debt Service Fund shall be maintained in the manner herein specified until all of the Bonds and interest thereon have been fully paid. There shall be maintained in the Debt Service Fund two separate accounts, to be designated the Escrow Account and the Debt Service Account.

B. *Debt Service Account.* To the Debt Service Account there is hereby pledged and irrevocably appropriated and there shall be credited: (i) \$1,972,147.19 of the 2014 levy year/2015 collection year debt service levy for the 2008 Bonds for payment of the August 1, 2015 interest and February 1, 2016 principal and interest due on the Bonds; (ii) any balance remitted to the District upon termination of the Escrow Agreement; (iii) any balance remaining on the Redemption Date in the debt service account created in the District's resolution authorizing the issuance and sale of the 2008 Bonds (the "Prior Resolution") after payment of the 2008 Bonds, including the Refunded Bonds on the Redemption Date; (iv) any collections of ad valorem taxes hereafter levied for the payment of the Bonds and interest thereon; (v) all investment earnings on funds in the Debt Service Account; (vi) accrued interest, if any, received from the Purchaser upon delivery of the Bonds to the extent not required to fund the Escrow Account (the "Accrued Interest"); (vii) any amount of additional interest permitted by Section 475.56 of the Act paid by the Purchaser (the "Additional Interest"), to the extent not required to fund the Escrow Account; (viii) all taxes pledged to repayment of the 2008 Bonds in the Prior Resolution, and as amended by this Resolution, collected after the Redemption Date pursuant to levies made in the Prior Resolution, which levies shall not be cancelled except as permitted by Section 475.61, Subdivision 3 of the Act; (ix) the rounding amount of \$2.24; and (x) any and all other monies which are properly available and are appropriated by the District to the Debt Service Account including taxes levied in Section 5.02

hereof. The amount of any surplus remaining in the Debt Service Account when the Bonds and interest thereon are paid shall be used as provided in Section 475.61, Subdivision 4 of the Act.

C. Escrow Account.

(i) To the Escrow Account there is hereby pledged and irrevocably appropriated and there shall be credited: (a) the proceeds of the Bonds received from the Purchaser which are not appropriated to the Debt Service Account or are not to be used for payment of costs of issuance of the Bonds; (b) Accrued Interest; (c) Additional Interest [amounts referenced in clauses (a), (b) and (c) are herein referred to as the "Proceeds"]; (d) funds of the District in an amount sufficient to meet the requirements of the Escrow Account (the "Funds"); and (e) investment earnings on such monies referenced in clauses (a), (b), (c) and (d), for the payment of interest due on the Refunded Bonds through the Redemption Date and the principal of the Refunded Bonds called for prepayment and redemption on the Redemption Date.

(ii) The Escrow Account shall be maintained with the Escrow Agent pursuant to the Escrow Agreement and this Resolution. The Escrow Account shall be invested in accordance with the Act, the Escrow Agreement and this Section, in securities specified in Section 475.67, Subdivision 8 of the Act or in an investment contract or similar agreement with a bank or insurance company meeting the requirements of Minnesota Statutes, Section 118A.05, Subdivision 5, which investments will provide sufficient funds together with any cash or other funds retained in the Escrow Account for payment of interest due on the Refunded Bonds through the Redemption Date and the principal of the Refunded Bonds called for prepayment and redemption on the Redemption Date.

(iii) From the Escrow Account there shall be paid: (a) all interest due on the Refunded Bonds through the Redemption Date; and (b) the principal of the Refunded Bonds called for prepayment and redemption on the Redemption Date.

(iv) The Escrow Account is irrevocably appropriated to the payment of the interest due on the Refunded Bonds through the Redemption Date and the principal of the Refunded Bonds called for prepayment and redemption on the Redemption Date. The monies in the Escrow Account shall be used solely for the purposes herein set forth and for no other purpose, except that any surplus in the Escrow Account may be remitted to the District, all in accordance with the Escrow Agreement. Any monies remitted to the District upon termination of the Escrow Agreement shall be deposited in the Debt Service Account.

(v) Securities purchased for the Escrow Account shall be purchased simultaneously with the delivery of and payment for the Bonds. The Chair and the Clerk or their designee are authorized and directed to purchase such securities.

5.02 To provide monies for payment of principal and interest on the Bonds when due, there is hereby levied a direct annual irrevocable ad valorem tax upon all taxable property in the territory of the District as direct, annual ad valorem taxes to be spread upon the tax rolls and collected with and as part of other general property taxes in the territory of the District. Said levies are for the years and in the amounts set forth in Attachment A hereto, which is incorporated by reference as though fully set forth herein. The tax levies are such that if collected in full they will produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levies shall be irrevocable so long as any of the Bonds are outstanding and unpaid; provided, however, that on or about November 30 of each year, while any Bonds remain outstanding, the District shall reduce or cancel the above levies to the extent of funds available in the Debt Service Account to pay principal and interest due during the ensuing year, and shall direct the County Auditor to reduce the levy for such calendar year by that amount.

5.03 A. The District has submitted a Minnesota School District Credit Enhancement Program Application for Default Preclusion to the Minnesota Department of Education, as provided by Minnesota Statutes, Section 126.55.

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 will be binding so long as any Bonds of this issue remain outstanding.

C. The District further covenant 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.

5.04 The Clerk is directed to file a certified copy of this resolution with the County Auditor and to obtain the certificate required by Section 475.63 of the Act.

5.05 It is hereby determined that upon the receipt of the proceeds of the Bonds (the "Proceeds") for payment of the Refunded Bonds that an irrevocable appropriation to the Escrow Account shall have been made within the meaning of Section 475.61, Subdivision 3 of the Act and the Clerk is hereby authorized and directed to certify such fact to and request the County Auditor to amend the tax levy set forth in the 2008 Resolution so that the tax levies for the remaining outstanding 2008 Bonds maturing in the years 2016 through 2018 are as set forth in Attachment B.

Section 6. Refunding; Findings; Redemption of Refunded Bonds.

6.01 A. It is hereby found and determined, based upon information presently available from the District's financial advisors, that as of the date of the issuance of the Bonds, the issuance of the Bonds will result in a reduction of debt service cost to the District on the Refunded Bonds. In accordance with Section 475.67 of the Act, as of the date of issuance of the Bonds, the present value of the dollar amount of the debt service on the Bonds, computed to their stated maturity dates, after deducting any premium, is lower by at least three percent than the present value of the dollar amount of debt service on the Refunded Bonds, exclusive of any premium, computed to their stated maturity dates. (Present value of the dollar amount of debt service means the dollar amount of debt service to be paid, discounted to the nominal date of the Bonds at a rate equal to the yield on the Bonds.)

6.02 It is hereby found and determined that the Proceeds and Funds available and appropriated to the Escrow Account will be sufficient, together with the permitted earnings on the investment of the Escrow Account, to pay the interest on the Refunded Bonds to and including the Redemption Date and to prepayment of the Refunded Bonds due by reason of redemption on the Redemption Date.

6.03 The Refunded Bonds shall be redeemed and prepaid in accordance with their terms and in accordance with the terms and conditions set forth in the form of Notice of Call for Redemption attached to the Escrow Agreement, which terms and conditions are hereby approved and incorporated herein by reference. The Escrow Agent is hereby authorized and directed to forthwith, no later than 30 days prior to the Redemption Date, to send written notice of call to the registered owners, paying agent, and bond insurance company, if any, of the Refunded Bonds in accordance with their terms and the Escrow Agreement. The District shall send or cause to be sent a notice of call for redemption to DTC within 30 days of issuance of the Bonds and shall post a material event notice in accordance with the Continuing Disclosure Certificate entered into in connection with the 2008 Bonds.

6.04 When the principal of the Refunded Bonds and all interest thereon have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution to the holders of the Refunded Bonds shall cease, except that the pledge of the full faith and credit of the District for the prompt and full payment of the principal and interest on the Refunded Bonds shall remain in full force and effect.

Section 7. Tax Covenants.

7.01 The District covenants and agrees with the holders of the Bonds that the District will (i) take all action on its part necessary to cause the interest on the Bonds to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Bonds to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes.

7.02 A. 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 (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued, and (ii) in addition to the above, in an amount not greater than the lesser of five percent 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 Debt Service Fund (or any other District account which will be used to pay principal and interest to become due on the Bonds) in excess of amounts which will be used to pay principal and interest to become due on the bonds) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable temporary periods of minor portion made available under the federal arbitrage regulations.

B. The District hereby covenants not to use the proceeds of the Bonds, or to cause or permit them to be used, in such a manner as to cause the Bonds to be “private activity bonds” within the meaning of Sections 103 and 141 through 150 of the Code.

7.03 A. The School Board covenants and certifies to and for the benefit of the owners of the Bonds that no use will be made of the proceeds of the Bonds, which will cause the Bonds to be arbitrage bonds within the meaning of Section 148(a) of the Code and the Treasury Regulations promulgated thereunder. Pursuant to such covenant, the School Board hereby agrees to comply throughout the term of the issue of the Bonds with the requirements of Section 148 of the Code and any Treasury Regulations promulgated thereunder; to this end, the Board shall:

(1) maintain records identifying all “gross proceeds” (as defined in Section 148(f)(6)(B) of the Code) attributable to the Bonds, the yield at which such gross proceeds are invested, any arbitrage profit derived therefrom (earnings in excess of the yield on the Bonds) and any earnings derived from the investment of such arbitrage profit;

(2) make, or cause to be made as of the end of each Bond Year, the annual determinations of the amount, if any, of excess arbitrage required to be paid to the United States by the District (hereinafter, the “Rebate Amount”);

(3) pay, or cause to be paid, to the United States at least once every five Bond Years the amount, if any, which is required to be paid to the United States, including the last installment which shall be made no later than 60 days after the day on which the Bonds are paid in full;

(4) not invest, or permit to be invested, “gross proceeds” in any acquired non-purpose obligations so as to deflect arbitrage otherwise payable to the United States as a “prohibited payment” to a third party;

(5) retain all records of the annual determinations of the foregoing amounts until six years after the Bonds have been fully paid; and

(6) in order to comply with the foregoing paragraph, the School Board shall determine the Rebate Amount within 30 days after the close of each Bond Year and upon payment in full of the Bonds; upon each such determination, the School Board shall deposit in the Rebate Fund the Rebate Amount so determined; the School Board shall separately account for the earnings from the investment of the Rebate Amount and such earnings shall become part of the Rebate Amount.

B. For purposes of this Section, “Bond Year” shall mean the 12-month period beginning on the date of issuance of the Bonds or such other 12-month period designated by the School Board which is permitted by the Code or any Treasury Regulation promulgated thereunder.

Section 8. Defeasance.

8.01 When all Bonds and all interest thereon have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this Resolution to the holders of the Bonds shall cease, except that the pledge of the full faith and credit of the District for the prompt and full payment of the principal of and interest on the Bonds shall remain in full force and effect. The District may discharge all 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. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar designated in Section 2.05 hereof a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The District may also at any time discharge and cause defeasance of the Bonds in their entirety by complying with the provisions of Section 475.67 of the Act, except that the funds deposited in escrow in accordance with said provisions may (to the extent permitted by law) but need not be, in whole or in part, proceeds of bonds as therein provided, without the consent of any bondholders.

Section 9. Certificate of Proceedings.

9.01 The Clerk is directed to file with the County Auditor a certified copy of this Resolution and such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the Bonds herein authorized have been duly entered on his register.

9.02 The officers of the District are authorized and directed to prepare and furnish to the Purchaser of the Bonds and to bond counsel certified copies of all proceedings and records of the District relating to the authorization and issuance of the Bonds and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Bonds as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the District as to the correctness of facts recited therein and the actions stated therein to have been taken.

9.03 The Chair and the Clerk are hereby authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

9.04 In the event of the absence or disability of the Chair or the Clerk, such officers or members of the School Board as in the opinion of the District's attorney, may act in their behalf, shall without further act or authorization, execute and deliver the Bonds, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

Section 10. Continuing Disclosure. The District acknowledges that the Bonds are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule"). The Rule governs the obligations of certain underwriters to require that issuers of municipal bonds enter into agreements for the benefit of the bondholders to provide continuing disclosure with respect to the bonds. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit underwriters of the Bonds to comply with the Rule, which will enhance the marketability of the Bonds, the Chair and the Clerk are hereby authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the District.

Section 11. Post-Issuance Compliance Policy and Procedures. The School Board has previously approved a Post-Issuance Debt Compliance Policy and Post-Issuance Debt Compliance Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the "Policy and Procedures"). The School Board hereby approves the Policy and procedures for the Bonds. The Chief Financial Officer/Executive Director of Business Services continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

Adopted: March 24, 2015

Motion made by Member _____, seconded by Member _____, to approve Resolution #B-3-15-3249, as presented. Upon a vote taken, the same was approved as follows:

Yeah:

Nay:

Clerk

Chair

M:\DOCS\05953\000061\ROL\131813102.DOCX

ATTACHMENT A

\$44,320,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015B
INDEPENDENT SCHOOL DISTRICT NO. 709

<i>Levy Year</i>	<i>Collection Year</i>	<i>Tax Levy</i>
2014	2015	\$1,972,147.19*
2015	2016	\$1,815,293.00
2016	2017	\$1,819,913.00
2017	2018	\$5,567,310.00
2018	2019	\$5,552,400.00
2019	2020	\$5,547,780.00
2020	2021	\$5,548,830.00
2021	2022	\$5,544,893.00
2022	2023	\$5,546,205.00
2023	2024	\$5,551,875.00
2024	2025	\$5,560,275.00
2025	2026	\$5,558,438.00
2026	2027	\$5,553,503.00

* To be paid from 2008 Bonds Tax Levy

ATTACHMENT B

Amended Tax Levy Schedule

For
\$59,235,000 General Obligation Alternative Facilities Bonds, Series 2008A,
dated February 15, 2008

Levy Year	Collect Year	Tax Levy
2014	2015	\$5,540,063*
2015	2016	\$3,741,413
2016	2017	\$3,751,020

* \$1,972,147.19 of the 2014/2015 levy to be deposited in the 2015B Bonds Debt Service Account and \$3,567,915.81 of the levy to be deposited in the 2008 Bonds Debt Service Fund

