

EXTRACT OF MINUTES OF A MEETING
OF THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 2687
(HOWARD LAKE-WAVERLY-WINSTED)
CARVER, MCLEOD, AND WRIGHT COUNTIES, MINNESOTA

Pursuant to due call and notice thereof a regular meeting of the School Board of Independent School District No. 2687 (Howard Lake-Waverly-Winsted), Carver, Mcleod, and Wright Counties, Minnesota, was held in the School District on September 25, 2023 at 6:30 o'clock p.m.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION STATING THE INTENTION OF THE SCHOOL BOARD TO ISSUE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2023A, IN THE AGGREGATE PRINCIPAL AMOUNT OF APPROXIMATELY \$18,165,000; AND TAKING OTHER ACTIONS WITH RESPECT THERETO

BE IT RESOLVED by the School Board (the “Board”) of Independent School District No. 2687 (Howard Lake-Waverly-Winsted), Carver, McLeod, and Wright Counties, Minnesota (the “District”), as follows:

1. Background. It is hereby determined that:

(a) On January 29, 2014, the District issued its General Obligation School Building Bonds, Series 2014A (the “Series 2014A Bonds”), in the original aggregate principal amount of \$21,315,000 pursuant to the Act and a special election held November 5, 2013, to finance the acquisition and betterment of school sites and facilities, including the construction and equipping of a new middle school facility and complete or partial demolition, repair, renovation, upgrading, equipping and construction of additions and improvements to the existing middle school site and facilities. The Series 2014A Bonds are currently outstanding in the principal amount of \$18,330,000 of which \$17,925,000 is subject to redemption on February 1, 2024.

(b) The District is authorized by Section 475.67 of the Act (“Section 475.67”) to issue and sell its general obligation bonds to refund outstanding bonds when determined by the Board to be necessary and desirable for the reduction of debt service costs of the District.

(c) The Board hereby finds and determines that it is necessary and desirable for the reduction of debt service costs to the District that the District issue its General Obligation Refunding Bonds, Series 2023A in the aggregate maximum principal amount of approximately \$18,165,000 (the “Bonds”), pursuant to the Act, including Section 475.67, to redeem and prepay the Series 2014A Bonds.

2. Covenant as to State Credit Enhancement.

(a) The District hereby covenants and obligates itself to notify the Commissioner of Education (the “Commissioner”) a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 (the “Credit Enhancement Act”) to guarantee payment of the principal and interest on the Bonds when due. The District further covenants to deposit with the paying agent for the Bonds (the “Paying Agent”), 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 that it will be unable to make all or a portion of that payment. The Paying Agent is authorized and directed to notify the Commissioner 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 on deposit with the Paying Agent to make that payment. The District understands that as a result of its covenant to be bound by the provisions of the Credit Enhancement Act, the provisions of that section shall be binding as long as any Bonds of this issue remain outstanding.

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

subdivision 2(c) of the Credit Enhancement Act and otherwise to take such actions as necessary to comply with that section. The Board Chair, Clerk, Treasurer, Superintendent, or Business Manager of the District are authorized to execute any applicable Minnesota Department of Education forms.

3. Sale of Bonds. The Board has retained Ehlers and Associates, Inc. (the “Municipal Advisor”), to serve as the District’s independent municipal advisor with respect to the offer and sale of the Bonds and, therefore, is authorized by Section 475.60, subdivision 2(9), of the Act to sell the Bonds other than pursuant to a competitive sale.

4. Procedure for Review of Proposals and Selection of Purchaser. The Board hereby authorizes and directs the Superintendent or Business Manager and any School Board member (the “Authorized Officials”), with the advice of the Municipal Advisor, to review proposals for the purchase of the Bonds and award the sale of the Bonds to the prospective purchaser (the “Purchaser”) based on the recommendation of the Municipal Advisor and the following parameter: a minimum estimated future value savings amount of \$500,000.

5. Acceptance of Proposal. The Board will meet at a regular or special meeting on the first practicable date after acceptance by the Authorized Officials of the proposal of the Purchaser, to ratify such acceptance and take any other appropriate actions with respect to the Bonds.

6. Authority of Municipal Advisor. The Municipal Advisor is authorized and directed to assist the District in the preparation and dissemination of a Preliminary Official Statement to be distributed to potential purchasers of the Bonds. The Municipal Advisor is further authorized and directed to assist the District in the award and sale of the Bonds on behalf of the District after receipt of written proposals and to assist the District in the preparation and dissemination of a final Official Statement with respect to the Bonds.

7. Authority of Bond Counsel. The law firm of Kennedy & Graven, Chartered, is authorized to act as bond counsel for the District (“Bond Counsel”), and to assist in the preparation and review of necessary documents, certificates, and instruments related to the Bonds. The officers, employees, and agents of the District are hereby authorized to assist Bond Counsel in the preparation of such documents, certificates, and instruments.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____, and upon vote being taken thereon, the following voted in favor of the motion:

and the following voted against:

whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
)
COUNTIES OF CARVER,)
MCLEOD & WRIGHT) ss.
)
)
INDEPENDENT SCHOOL)
DISTRICT NO. 2687)

I, the undersigned, being the duly qualified and acting Clerk of Independent School District No. 2687 (Howard Lake-Waverly-Winsted), Carver, Mcleod, and Wright Counties, Minnesota (the “District”), hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the School Board of the District held on the date specified above, with the original minutes on file in my office and the extract is a full, true, and correct copy of the minutes, insofar as they relate to authorizing the issuance of the District’s General Obligation Refunding Bonds, Series 2023A, in the approximate principal amount of \$18,165,000.

WITNESS My hand as such Clerk this ____ day of September, 2023.

Clerk of the School Board
Independent School District No. 2687 (Howard Lake-
Waverly-Winsted), Carver, Mcleod, and Wright
Counties, Minnesota