

**JOINT POWERS AGREEMENT FOR CONSTRUCTION AND
MAINTENANCE OF COOPERATIVE FACILITIES
RUM RIVER SPECIAL EDUCATION COOPERATIVE**

THIS JOINT POWERS AGREEMENT FOR THE CONSTRUCTION AND MAINTENANCE OF COOPERATIVE FACILITIES (the "Agreement") is entered into as of December 1, 2024, between Rum River Special Education Cooperative (the "Cooperative") and the following Minnesota Independent School Districts (collectively, the "Member Districts"):

Independent School District No. 314 ("Braham Public Schools")
Independent School District No. 473 ("Isle Public Schools")
Independent School District No. 912 ("Milaca Public Schools")
Independent School District No. 332 ("Mora Public Schools")
Independent School District No. 333 ("Ogilvie Public Schools")
Independent School District No. 477 ("Princeton Public Schools")

WHEREAS, the Cooperative provides special education and related services, alternative education programs and other education related programs and services to children enrolled in the Member Districts;

WHEREAS, the Member Districts are considered governmental units in accordance with Minnesota Statutes § 471.59;

WHEREAS, each Member District are members of the Cooperative;

WHEREAS, each Member District has previously entered into a Amended and Restated Joint Powers Agreement dated as of December 1, 2024 (the "Joint Powers Agreement"), which amended and restated the Joint Powers Agreement dated as of July 1, 2019, as previously amended from time to time, and by doing so determined that the required education services, including, but not limited to, special education and alternative education services, can best be delivered through cooperative efforts to children who are enrolled at the Member Districts;

WHEREAS, each Member District has determined that in addition to the terms under the Joint Powers Agreement, which is hereby incorporated into this Agreement as though fully restated herein, the Member Districts have determined construction of a facility for providing special education and alternative education services is necessary for the operation of the Cooperative;

WHEREAS, the parties hereto desire to cooperatively and jointly exercise their powers to establish a framework to finance the acquisition of real property, and the construction, renovation, betterment and equipping of a new education facility to be located on a site to be determined by the Cooperative (hereinafter the "Project Building") which shall be used by the Cooperative to provide special education and related services, alternative education programs and other services to the Member Districts, pursuant to the terms and conditions described below;

WHEREAS, in the event any term(s) is inconsistent or in conflict with a term in the Joint Powers Agreement executed by the Member Districts, this Agreement shall control and govern the construction, maintenance, and operation of the Project Building;

WHEREAS, Minn. Stat. § 471.59 authorizes the Member Districts to cooperatively exercise any power common to the contracting parties; and

WHEREAS, the Member Districts' Joint Powers Board ("Cooperative Board") established by the Joint Powers Agreement shall govern the activities and implement the purposes herein stated.

NOW, THEREFORE, in consideration of the mutual promises, covenants and consideration herein contained, the Member Districts agree as follows:

ARTICLE I AUTHORITY; PURPOSE; DUTIES

Section 1. Authority. This Agreement is entered into by the Member Districts pursuant to Minnesota Statutes, Section 471.59.

Section 2. Purpose. The purpose of the agreement is to provide a framework to finance the acquisition of the Project Building to be used and operated by the Cooperative to provide educational services to students of the Member Districts, and any students from school districts that are not currently members of the Cooperative ("Nonmember Districts"), served by the Cooperative.

Section 3. Cooperative Role and Duties. The Cooperative shall have the ultimate responsibility for the planning, financing, development, design, construction, equipping, staffing, scheduling, operation, management, control, administration, and promotion of the Project Building.

Section 4. Member District Role and Duties. The Member Districts shall take such steps as they may deem appropriate to ensure that enough pupils from the Member Districts or Nonmember Districts will be enrolled in the programs in the Project Building to allow for reasonable operation of the Project Building.

ARTICLE II GOVERNING BOARD

Section 1. Creation; Powers. The Cooperative was created pursuant to the Joint Powers Agreement, in accordance with Minnesota Statutes section 471.59, as may be amended and supplemented from time to time.

The control and management of the Cooperative is vested in a Governing Board established pursuant to Minnesota Statutes, Section 471.59 and Article I of the Joint Powers Agreement (the "Governing Board"). The Governing Board has the authority to function as an entity separate and apart from any of the Member Districts in accordance with the Joint Powers

Agreement. The Governing Board shall have such additional powers as specified in this Agreement, the Joint Powers Agreement and Minnesota Statutes, Section 471.59.

ARTICLE III FINANCES

Section 1. Lease Purchase Financing; Lease Levy; Operating Costs; Continuing Capital Costs.

Subdivision 1. Rights to Subordinate to Lease Agreement. It is mutually agreed and understood that the acquisition and betterment of the Project Building is contemplated to be completed pursuant to a lease-purchase agreement (the "Lease Agreement") and sale of certificates of participation therein (the "Certificates of Participation"). The Lease and related Certificates of Participation shall be considered debt under Minnesota Statutes Section 123B.02, Subd. 3. The Governing Board is authorized to execute and comply with a ground lease and a Lease Agreement and with such other documents as may be necessary in connection with the sale of the Certificates of Participation to accomplish the acquisition and betterment of the Project Building. The rights of the Member Districts shall be subject to and subordinate to the rights of the lessor or its successor under those financing documents.

Subdivision 2. Lease Levy. It is mutually agreed and understood that Member District's will utilize and obtain lease levy approval for the Project Building in accordance with Minnesota Statutes, Section 126C.40 (the "Lease Levy"). The Lease Levy authorized for the lease of the Project Building pursuant to Minnesota Statutes, Section 126C.40 and the Lease Agreement shall be divided among the Member Districts in the manner provided in the Lease Payment Allocation Formula specified in EXHIBIT A attached hereto and incorporated herein by reference (the "Lease Payment Allocation Formula"). Any lease payments to be made pursuant to the Lease Agreement which are not eligible for the Lease Levy shall also be apportioned to the Member Districts pursuant to the Lease Payment Allocation Formula. Prior to September 15 of each year, the Cooperative shall give written notice to each Member District of the amount of the Lease Levy, calculated based on the Lease Payment Allocation Formula, to be certified by that Member District under this subdivision in that year and any additional amount apportioned to that Member District which is not eligible to be paid by the Lease Levy. Any amounts treated as lease or rental payments under the Lease Agreement or the related financing documents shall be treated as additional rent, and shall be included as a part of the Lease Levy or additional apportionment under this subdivision. This subdivision may be amended by resolutions adopted by the school boards of the Member Districts if the amendment does not violate the provisions of any of the documents executed to provide the financing for the Project Building. Unless this Agreement is amended to the contrary, at the expiration of the Lease Agreement and after the repayment of the financing, the title to the real and personal property financed shall vest

in the Cooperative and the Project Building, including the real property which it is constructed upon, will be an asset held by the Cooperative.

Notwithstanding the foregoing, each Member District shall be apportioned the cost of the Project Building and shall have the discretion to fund and finance their apportioned cost. It is presumed, but not required, that each Member District will use the Lease Levy to finance the cost of the Project Building through lease payments as described above.

Subdivision 3. Operating Costs; Continuing Capital Costs. The Member Districts may be apportioned operating costs and continuing capital costs for the Project Building pursuant to the Lease Payment Allocation Formula.

ARTICLE IV INSURANCE

Section 1. Property Insurance. The Cooperative will maintain at its expense property insurance on the Project Building and its personal and such other casualty or other insurance, which will be an operating cost under Article III of this Agreement, as may be required under the Lease Agreement and any documents related thereto.

Section 2. Liability Insurance. The Cooperative will maintain liability insurance in not less than the statutory maximum liabilities for school districts, and such other liability or other insurance as may be required under the Lease Agreement and any documents related thereto.

Section 3. Liability Generally. No Member District shall be liable for the acts or omissions of the Cooperative and the Cooperative shall not be liable for the acts or omissions of a Member District. Except as provided herein, no Member District shall be liable for the acts or omissions of another Member District. The liability and monetary limits of liability of the Cooperative, the Member Districts, their officers, employees, representatives, and agents shall be governed by the Municipal Tort Claims Act and other applicable law.

ARTICLE V FACILITIES EQUIPMENT AND SUPPLIES; CONTRACTS AND BIDDING; PURCHASES

Section 1. Contracts, Bidding. Contracts for the acquisition and betterment of the Project Building, and leases, purchases, rentals, and sales of equipment and supplies for the Project Building shall be made by the Cooperative in accordance with state law.

ARTICLE VI NOTICES, WITHDRAWAL, ADDITION, DISSOLUTION, TERMINATION, BREACH; AMENDMENTS

Section 1. Notices. All notices required or permitted to be given by a Member District shall be given by the clerk or chair of each school board. The notice shall be in writing and shall

be sent by first class mail to the Cooperative administrative offices. A notice shall be timely if postmarked on the day it is due. In the case of a notice requiring school board action, a certified copy of the resolution, motion or minutes of the school board specifying the board action shall accompany the notice.

Section 2. Withdrawal of Participating Member Districts.

Subdivision 1. Procedure. A Member District may only withdraw from this Agreement if it also withdraws as a Member District of the Cooperative in the manner provided in the Cooperative's Joint Powers Agreement. Subject to the remaining provision of this Section, a Member District may withdraw from this Agreement at the end of any fiscal year by resolution adopted by the majority vote of its school board and by formal written notice to the Executive Director of the Cooperative no less than one (1) year prior to the effective date of withdrawal and no later than June 30th of the prior fiscal year. The notice shall include a certified copy of the school board's withdrawal resolution. A withdrawal from this Agreement shall only be permitted as specified in this section.

A Member District that is dissolved and attached to another school district or that is consolidated with another school district must withdraw according to the procedures outlined herein unless the Member District's interest and obligations under this Agreement and the Joint Powers Agreement are transferred to the school district to which the Participating Independent District is attached or consolidated.

Subdivision 2. Withdrawal During Lease Term. If a Member District withdraws or dissolves during the Lease Term, it remains obligated to make the required lease payments under Article III until the Lease Term has ended.

Subdivision 3. Withdrawal During Construction. A Member District that withdraws from the Cooperative and this Agreement prior to June 30 of the year in which a full payment is due under Article III, shall pay the remaining portion of its share of the total unpaid amount with payments due at the same time and frequency as the remaining Member Districts until the Lease Term has ended.

Section 3. Distribution to Withdrawing Member District. There shall be no distribution of assets related to the existing Project Building or any other asset financed pursuant to this Agreement upon a withdrawal by a Member District. The withdrawing Member District forfeits all rights and interest to the Project Building and other assets financed pursuant to this Agreement, the Lease Agreement and related documents until such time as the obligation under the Lease Agreement is fully paid. Thereafter, when the Cooperative receives proceeds from the sale or condemnation of the Project Building, or insurance proceeds from the total destruction of the Project Building, the calculation of the amount to be distributed at that time to the withdrawn Member District or other member school district shall be made as provided in the Section 5. Unless otherwise agreed in writing by all the Member Districts, the provisions of this subdivision shall survive the expiration or termination of this Agreement.

Section 4. Addition of Member Districts. Any school district wishing to participate in the Cooperative which was not a signatory to the Joint Powers Agreement may apply to join

pursuant to the terms of the Joint Powers Agreement. A new Member District's financial obligation for the Project Building shall be determined by the Governing Board of the Cooperative.

Section 5. Dissolution of the Cooperative. The Member Districts recognize that the Project Building will be paid for by the Member Districts through levies or other funding sources. If the Cooperative were to dissolve prior to the completion of the Project Building or prior to the lease being paid off under the Lease Agreement, its assets and liabilities are to be divided among the Member Districts based on the same ratio each Member District contributed under Article III of this Agreement. Each Member District would remain liable for its portion of the remaining costs as provided in the Lease Payment Allocation Formula.

If title to the Project Building has vested in the Cooperative and the Cooperative thereafter dissolved, and its assets and liabilities were to be divided among the Member Districts, it is the intent that the Project Building, or the proceeds from the sale of the Project Building, to be divided among the Member Districts based on the ratio of the amounts paid by each Member District to finance the acquisition of and betterment of the Project Building to the total amounts paid by all the then Member Districts during the entire term of the Lease Agreement for that purpose.

Section 6. Determination of Ownership. Ownership of the Project Building shall be divided among the Member Districts based on the ratio of the amounts paid by each Member District to finance the acquisition of and betterment of the Project Building to the total amounts paid by all the then Member Districts during the entire term of the Lease Agreement for that purpose.

Section 7. Survival of Provisions. Unless otherwise agreed in writing by all Member Districts, the provisions of this Article VI shall survive the withdrawal of any Participating Member District from or the expiration or termination of this Agreement.

Section 8. Breach of Agreement. Any Member District breaching this Agreement and given written notice of the breach and nature thereof, shall have thirty (30) days in which to cure the breach. The breaching Member District shall be liable for any expenses incurred by any other Member District to enforce the provisions of this Agreement and any damages incurred by other Member Districts as a result of the breach. In the event the breach involves failure by a Member District to pay any amount required under this Agreement and/or Lease Payment Allocation Formula, the remaining Member Districts shall meet as soon as reasonably practicable to address any potential shortfall in the ability to make payments required under this Agreement. The unpaid apportioned share of the breaching party Member District shall be paid by the non-breaching Member Districts and shall be apportioned in the same manner described in Article III above. The payment of the breaching Member District's apportioned share by the non-breaching Member Districts shall not relieve the breaching Member District from liability of payment of the unpaid share or from any damages incurred by the non-breaching Member Districts as a result of a breach. The non-breaching Member Districts shall be entitled to recover attorney fees, costs and expenses from the breaching Member District that are incurred as a result of a breach.

Section 9. Termination of Agreement. After the repayment in full of any obligations issued to finance, or to refund the financing of, the acquisition or betterment of the Project Building, this Agreement may be terminated if the school boards of all Member Districts adopt written resolutions approving such termination. Upon termination, all funds and property remaining after payment of all outstanding debts and obligations, including the Project Building site, the Project Building, and equipment of any nature, shall become the property of the Cooperative. To the extent permitted by law, the termination shall not affect the continuing liability of present or former Member Districts for indebtedness incurred under this Agreement prior to the termination, or for other continuing obligations, including unemployment compensation or its proportionate share of continuing lease costs.

Section 10. Amendments to this Agreement. Amendments to this Agreement may be proposed by the school board of any Member District or by the Governing Board. Notice of proposed amendments must be sent to each of the Member Districts and adoption of an amendment must be approved by resolution of each school board and the Cooperative Board before it becomes effective.

ARTICLE VII GENERAL PROVISIONS

Section 1. Duration. This Agreement shall be perpetual in duration unless terminated pursuant to the procedure outlined in this Agreement, or any Amendments hereto, or by operation of law.

Section 2. Captions. The captions of the provisions of this Agreement are for convenience only and shall not be considered or referred to questions of construction or interpretation.

Section 3. Survival. Should any provision or article of this Agreement be found unlawful, the other provisions of this Agreement shall remain in full force and effect if by doing so the purposes of this Agreement, taken as a whole, can be made operative. Should any such provision or article be found unlawful, representatives of the school boards of the Member Districts shall meet for the purpose of arriving at an agreement on a lawful provision to replace the unlawful provision or article. The newly agreed upon provision or amendment must be approved by the school boards of the Member Districts by resolutions adopted in the manner specified in Article VI, Section 9 hereof for the adoption of amendments.

Section 4. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute the same and whole instrument.

Section 5. Governing Law. This Agreement shall be governed according to the laws of the state of Minnesota.

IN WITNESS WHEREOF, this Agreement is entered into by the Cooperative Board and by action of the school board of each original Member District, and in attestation thereof, this instrument is signed in their respective names under the direction of their school boards by their respective clerks by Braham, Isle Public Schools, Milaca Public Schools, Mora Public Schools, Ogilvie and Princeton Public Schools.

**INDEPENDENT SCHOOL DISTRICT #314
(BRAHAM PUBLIC SCHOOLS), MINNESOTA**

Approved at the regular meeting of the
School Board thereof held on the ____
day of December, 2024

Chair

Clerk

**INDEPENDENT SCHOOL DISTRICT #473
(ISLE PUBLIC SCHOOLS), MINNESOTA**

Approved at the regular meeting of the
School Board thereof held on the ____
day of December, 2024

Chair

Clerk

**INDEPENDENT SCHOOL DISTRICT #912
(MILACA PUBLIC SCHOOLS), MINNESOTA**

Approved at the regular meeting of the
School Board thereof held on the ____
day of December, 2024

Chair

Clerk

**INDEPENDENT SCHOOL DISTRICT #332
(MORA PUBLIC SCHOOLS), MINNESOTA**

Approved at the regular meeting of the
School Board thereof held on the ____
day of December, 2024

Chair

Clerk

**INDEPENDENT SCHOOL DISTRICT #333
(OGILVIE PUBLIC SCHOOLS), MINNESOTA**

Approved at the regular meeting of the
School Board thereof held on the ____
day of December, 2024

Chair

Clerk

**INDEPENDENT SCHOOL DISTRICT #477
(PRINCETON PUBLIC SCHOOLS),
MINNESOTA**

Approved at the regular meeting of the
School Board thereof held on the ____
day of December, 2024

Chair

Clerk

EXHIBIT A

Lease Payment Allocation Formula

The Cooperative will assess and allocate each Member District and Non-Member District's, if any, share of lease payments (expense) with respect to the Project Building according to the following formula (and order of priority):

1. Nonmember District's pay for the lease payments based on their percentage of total membership days* over the prior fiscal year (the "Nonmember Share of Rental Payments") amongst all Cooperative programming.
2. Member Districts take the amount that is left over after subtracting the Nonmember Share of Rental Payments and pay the next \$100,000 of lease expense based on their percentage of Child Count, determined by the Minnesota Department of Education on December 1 of each year.
3. The remaining amount is then allocated amongst Member Districts based on the percentage of membership days* over the previous fiscal year at the programs offered amongst all Cooperative programming.

*The total membership days (days of attendance) for all students at all programs are determined at year end.