

EXTRACT OF MINUTES OF MEETING
OF THE SCHOOL BOARD OF INDEPENDENT SCHOOL DISTRICT NO. 877
(BUFFALO-HANOVER-MONTROSE)
HENNEPIN AND WRIGHT COUNTIES, MINNESOTA

Pursuant to due call and notice thereof, a regular meeting of the School Board of Independent School District No. 877 (Buffalo-Hanover-Montrose) Hennepin and Wright Counties, Minnesota, was duly held in the school district on September 27, 2021, commencing at 7:00 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 2021A, AND TAKING OTHER ACTIONS WITH
RESPECT THERETO**

BE IT RESOLVED By the School Board (the “Board”) of Independent School District No. 877 (Buffalo-Hanover-Montrose) Hennepin and Wright Counties, Minnesota (the “District”) as follows:

1. Background. It is hereby determined and declared as follows:

(a) On March 21, 2012, the District issued its General Obligation Refunding Bonds, Series 2012A (the “Series 2012A Bonds”), in the original aggregate principal amount of \$31,215,000, pursuant to Minnesota Statutes, Chapter 475, as amended (the “Municipal Deb Act”), to achieve an advance crossover refunding of the 2014 through 2024 maturities of the \$42,400,000 General Obligation School Building Bonds, Series 2003B dated November 1, 2003, and the 2014 through 2018 maturities of the \$9,100,000 General Obligation Alternative Facilities Bonds, Series 2005A, dated December 1, 2005. The Series 2012A Bonds are currently outstanding in the principal amount of \$11,890,000 of which \$8,535,000 is currently subject to optional redemption and prepayment on February 1, 2022.

(b) The District is authorized by Section 475.67 of the Municipal Debt Act 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 School Building Refunding Bonds, Series 2021A, in the aggregate maximum principal amount of approximately \$8,635,000 (the “Bonds”), pursuant to the Municipal Debt Act, specifically Section 475.67, subdivision 3, of the Municipal Debt Act, to optionally redeem and prepay the Series 2012A Bonds.

2. Covenant as to State Credit Enhancement.

(a) The District hereby covenants and obligates itself to notify the Minnesota 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 (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 of Education 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 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 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 Director of Finance and Operations 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 act as the District’s independent municipal advisor and therefore it is authorized by Section 475.60, subdivision 2(9), of the Municipal Debt Act to sell the Bonds other than pursuant to a competitive sale.

4. Acceptance of Proposal. The Board shall meet at the time and place determined by the Board and specified in the Preliminary Official Statement prepared with respect to the offer and sale of the Bonds and to receive and consider proposals for the purchase of the Bonds and take any other appropriate action with respect to the Bonds.

5. 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 and an Official Statement and to open, read, and tabulate the proposals for the purchase of the Bonds for presentation to the Board. 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.

6. Authority of Bond Counsel. The law firm of Kennedy & Graven, Chartered, (“Bond Counsel”), is authorized to act as bond counsel for the District 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.

7. Covenants. In the resolution awarding the sale of the Bonds, the Board will set forth the covenants and undertakings of the District required by the Municipal Debt Act.

(The remainder of this page is intentionally left blank.)

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 thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
)
)
COUNTIES OF HENNEPIN)
AND WRIGHT) ss.
)
INDEPENDENT SCHOOL)
DISTRICT NO. 877)
)

I, the undersigned, being the duly qualified and acting Clerk of Independent School District No. 877 (Buffalo-Hanover-Montrose) Hennepin and Wright Counties, Minnesota, do 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 stating the intention of the School Board to issue the District's General Obligation School Building Refunding Bonds, Series 2021A.

WITNESS My hand officially as such Clerk this _____ day of _____, 2021.

Clerk
Independent School District No. 877
(Buffalo-Hanover-Montrose)
Hennepin and Wright Counties, Minnesota