

EXTRACT OF MINUTES OF A MEETING
OF THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 273
(EDINA PUBLIC SCHOOLS)
HENNEPIN COUNTY, MINNESOTA

Pursuant to due call and notice thereof a regular meeting of the School Board of Independent School District No. 273 (Edina Public Schools), Hennepin County, Minnesota, was held in the School District on September 9, 2024 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 FACILITIES MAINTENANCE, CAPITAL NOTES, AND ALTERNATIVE FACILITIES AND SCHOOL BUILDING REFUNDING BONDS, SERIES 2024A, IN THE AGGREGATE PRINCIPAL AMOUNT OF APPROXIMATELY \$107,815,000; AND TAKING OTHER ACTIONS WITH RESPECT THERETO

BE IT RESOLVED by the School Board (the “Board”) of Independent School District No. 273 (Edina Public Schools), Hennepin County, Minnesota (the “District”), as follows:

1. Background. The Board is proposing to issue general obligation facilities maintenance bonds, capital notes and refunding bonds. In connection therewith, it is hereby determined that:

(a) Facilities Maintenance Bonds.

(i) The District is authorized under the provisions of Minnesota Statutes, Chapter 475, as amended (the “Act”), and Minnesota Statutes, Section 123B.595, as amended (“Section 123B.595”), to issue general obligation facilities maintenance bonds for the purpose of financing certain facilities and site maintenance projects approved by the Commissioner of Education (the “Commissioner”).

(ii) The Board hereby finds and determines that it is necessary and expedient to the sound financial management of the affairs of the District to issue its general obligation facilities maintenance bonds (the “Facilities Maintenance Portion”), in the aggregate principal amount not to exceed \$5,930,000, pursuant to the Act and Section 123B.595 to finance the costs of certain facilities and site maintenance projects of the District which are included in the District’s ten-year facilities plan for Fiscal Year 2026 (the “Plan”), and related financing costs (the “Facilities Maintenance Project”).

(iii) The Plan approved by the Board is incorporated in this Resolution as though fully specified herein. District staff and officials are authorized and directed to submit any amendments to the Plan, and the proposed issuance of the Facilities Maintenance Portion to the Commissioner for approval, as required by Section 123B.595. District staff and officials are further authorized and directed to submit to the Commissioner such additional information as may be necessary to secure such approval.

(b) Capital Notes.

(i) The District is authorized under the provisions of the Act and Minnesota Statutes, Section 123B.61, as amended (“Section 123B.61”), to issue general obligation capital notes for the purpose of financing capital equipment purchases.

(ii) The Board hereby finds and determines that it is necessary and expedient to the sound financial management of the affairs of the District to issue its general obligation capital notes (the “Capital Notes Portion”), in the aggregate principal amount of \$1,525,000, pursuant to the Act and Section 123B.61, to finance the acquisition of school buses and related financing costs (the “Capital Notes Project”). The Board further finds and determines that the capital equipment to be acquired will have an expected useful life at least equal to the term of the capital notes, in accordance with Section 123B.61 and the

Act. The Facilities Maintenance Project and the Capital Notes Project are hereinafter collectively referred to as “the Projects.”

(c) Refunding Bonds.

(i) On December 30, 2014, the District issued its General Obligation Alternative Facilities Bonds, Series 2014A (the “Series 2014A Bonds”), in the original aggregate principal amount of \$6,050,000 pursuant to the Act and Minnesota Statutes, Section 123B.59 (2014), to finance certain facilities maintenance projects. The Series 2014A Bonds are currently outstanding in the principal amount of \$6,050,000 of which \$6,050,000 is subject to redemption and prepayment on or after February 1, 2024.

(ii) On July 22, 2015, the District issued its General Obligation School Building Bonds, Series 2015A (the “Series 2015A Bonds”), in the original aggregate principal amount of \$113,385,000 pursuant to the Act and a special election held May 5, 2015, to finance the acquisition and betterment of school sites and facilities. The Series 2015A Bonds are currently outstanding in the principal amount of \$95,810,000 of which \$93,475,000 is subject to redemption and prepayment on or after February 1, 2025.

(iii) The District is authorized by Section 475.67 of the 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.

(iv) 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 (the “Refunding Portion”) in the aggregate principal amount of approximately \$100,360,000, pursuant to the Act, including Section 475.67, to optionally redeem and prepay all or a portion of the Series 2014A Bonds and to optionally redeem and prepay all or a portion of the Series 2015A Bonds.

(d) The Board hereby determines that the Facilities Maintenance Portion, the Capital Notes Portion, and the Refunding Portion shall be issued together in a single series and designated as the “General Obligation Facilities Maintenance, Capital Notes, and Alternative Facilities and School Building Refunding Bonds, Series 2024A” in the original aggregate principal amount of approximately \$107,815,000 (the “Bonds”).

2. Covenant as to State Credit Enhancement.

(a) The District hereby covenants and obligates itself to notify the Commissioner 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 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 Director of Business Services 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 Director of Finance and Operations 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: the true interest cost of the Bonds shall not exceed 3.46 percent (3.46%).

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.

8. Notice of Issuance of Facilities Maintenance Portion. The Clerk is authorized and directed to cause a notice substantially in the form of the Notice attached as EXHIBIT A hereto to be published as a legal notice one (1) time in the official newspaper of the District as soon as reasonably practicable after adoption of this Resolution, but in any event, at least twenty (20) days before the earlier of the issuance of the Bonds or the final certification of levies.

9. Reimbursement from Bond Proceeds. The District may incur certain expenditures that may be financed temporarily from sources other than the Facilities Maintenance Portion and the Capital Notes Portion and reimbursed from the proceeds of the Facilities Maintenance Portion and the Capital Notes Portion of the Bonds. Treasury Regulation § 1.150-2 (the “Reimbursement Regulations”) provides that proceeds of tax-exempt bonds allocated to reimburse expenditures originally paid from a source other than the tax-exempt bonds will not be deemed expended unless certain requirements are met. In order to preserve its ability to reimburse certain costs from proceeds of the Facilities Maintenance Portion and the Capital

Notes Portion of the Bonds in accordance with the Reimbursement Regulations, the District hereby makes its declaration of official intent (the “Declaration”) described below to reimburse certain costs:

(a) Declaration of Intent. The District proposes to issue the Facilities Maintenance Portion and the Capital Notes Portion of the Bonds to finance the costs of the Projects. The District may reimburse original expenditures made for certain costs of the Projects from the proceeds of the Facilities Maintenance Portion and the Capital Notes Portion of the Bonds in an estimated maximum principal amount of \$7,455,000. All reimbursed expenditures will be capital expenditures, costs of issuance of the Bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.

(b) Declaration Made Not Later Than 60 Days. This Declaration has been made not later than sixty (60) days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of the Facilities Maintenance Portion and the Capital Notes Portion of Bonds, except for the following expenditures: (i) costs of issuance of the Facilities Maintenance Portion and the Capital Notes Portion of the Bonds; (ii) costs in an amount not in excess of \$100,000 or five percent (5%) of the proceeds of the Facilities Maintenance Portion and the Capital Notes Portion of the Bonds; or (iii) “preliminary expenditures” up to an amount not in excess of twenty (20) percent of the aggregate issue price of the Facilities Maintenance Portion and the Capital Notes Portion of Bonds that finance or are reasonably expected by the District to finance the Projects for which the preliminary expenditures were incurred. The term “preliminary expenditures” includes architectural, engineering, surveying, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of the Projects, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

(c) Reasonable Expectations; Official Intent. This Declaration is an expression of the reasonable expectations of the District based on the facts and circumstances known to the District as of the date hereof. The anticipated original expenditures for the Projects and the principal amount of the Facilities Maintenance Portion and the Capital Notes Portion of the Bonds described in Section 9(a), above, are consistent with the District’s budgetary and financial circumstances. No sources other than proceeds of the Facilities Maintenance Portion and the Capital Notes Portion of Bonds to be issued by the District are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the District’s budget or financial policies to pay such original expenditures. This resolution is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

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

The motion for the adoption of the foregoing resolution was duly seconded by _____, 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.

EXHIBIT A

**NOTICE OF INTENT TO ISSUE FACILITIES MAINTENANCE BONDS
TO FINANCE PROJECTS INCLUDED IN THE DISTRICT'S
TEN-YEAR FACILITIES PLAN**

**INDEPENDENT SCHOOL DISTRICT NO. 273
(EDINA PUBLIC SCHOOLS)
HENNEPIN COUNTY, MINNESOTA**

NOTICE IS HEREBY GIVEN that the School Board of Independent School District No. 273 (Edina Public Schools), Hennepin County, Minnesota (the "District"), intends to issue its general obligation facilities maintenance bonds, capital notes, and refunding bonds (the "Bonds"), in the aggregate principal amount approximately \$107,815,000, pursuant to Minnesota Statutes, Chapter 475, as amended, Minnesota Statutes, Section 123B.595, as amended, and Minnesota Statutes, Section 123B.61, as amended. A portion of the proceeds of the Bonds (the "Facilities Maintenance Portion") in the principal amount not to exceed \$5,930,000 will be used to finance certain projects included in the District's ten-year facilities plan and related financing costs. A general description of the facilities maintenance projects to be financed is as follows:

- Facilities and site maintenance projects included in the District's ten-year facilities plan approved by the Commissioner of Education.

The total amount of District indebtedness as of September 1, 2024, is \$174,620,000. If these proposed Bonds were issued after that date, the total indebtedness of the District at that time would be \$282,435,000.

BY ORDER OF THE SCHOOL BOARD

Dated: _____, 2024

/s/ _____
Clerk of the School Board
Independent School District No. 273
(Edina Public Schools), Hennepin County, Minnesota

STATE OF MINNESOTA)
)
COUNTY OF HENNEPIN) ss.
)
INDEPENDENT SCHOOL)
DISTRICT NO. 273)

I, the undersigned, being the duly qualified and acting Clerk of Independent School District No. 273 (Edina Public Schools), Hennepin County, 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 Facilities Maintenance, Capital Notes, and Alternative Facilities and School Building Refunding Bonds, Series 2024A, in the aggregate principal amount approximately \$107,815,000.

WITNESS My hand as such Clerk this ____ day of September, 2024.

Clerk of the School Board
Independent School District No. 273 (Edina Public
Schools), Hennepin County, Minnesota