

EXTRACT OF MINUTES OF A MEETING
OF THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 2143
(WATERVILLE-ELYSIAN-MORRISTOWN)
BLUE EARTH, LE SUEUR, RICE, AND WASECA COUNTIES, MINNESOTA

Pursuant to due call and notice thereof a regular meeting of the School Board of Independent School District No. 2143 (Waterville-Elysian-Morristown), Blue Earth, Le Sueur, Rice, and Waseca Counties, Minnesota, was held in the School District on August 26, 2024 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 FACILITIES
MAINTENANCE BONDS, SERIES 2025A, IN THE MAXIMUM
AGGREGATE PRINCIPAL AMOUNT OF \$12,165,000 AND
TAKING OTHER ACTIONS WITH RESPECT THERETO**

BE IT RESOLVED by the School Board (the “Board”) of Independent School District No. 2143 (Waterville-Elysian-Morristown), Blue Earth, Le Sueur, Rice, and Waseca Counties, Minnesota (the “District”), as follows:

1. Background. It is hereby determined that:

(a) 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”).

(b) 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, Series 2025A (the “Bonds”), in the aggregate principal amount not to exceed \$12,165,000, pursuant to the Act and Section 123B.595 to finance the costs of certain facilities and site maintenance projects of the District and related financing costs (the “Project”) which are included in the District’s ten-year facilities plan for Fiscal Year 2026 (the “Plan”).

(c) The Board hereby approves the Plan, which is incorporated in this Resolution as though fully specified herein, and authorizes and directs District staff and officials to submit the Plan to the Commissioner for approval, as well as any amendments to the Plan and the proposed issuance of the Bonds, 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.

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 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. Acceptance of Proposal. The Board shall meet at the time specified in the Preliminary Official Statement or at such other time designated by the Board 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 to be distributed to potential purchasers of the Bonds 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 and to assist the District in the preparation and dissemination of a final Official Statement with respect to the Bonds.

6. 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.

7. Notice of Issuance of Facilities Maintenance Bonds. 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.

8. Reimbursement from Bond Proceeds. The District may incur certain expenditures that may be financed temporarily from sources other than the Bonds and reimbursed from the proceeds 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 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 Bonds to finance the costs of the Project. The District may reimburse original expenditures made for certain costs of the Project from the proceeds of the Bonds in an estimated maximum principal amount of \$12,165,000. 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 Bonds, except for the following expenditures: (a) costs of issuance of the Bonds; (b) costs in an amount not in excess of \$100,000 or five percent (5%) of the proceeds of the Bonds; or (c) “preliminary expenditures” up to an amount not in excess of twenty (20) percent of the aggregate issue price of the Bonds that finance or are reasonably expected by the District to finance the Project 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 Project, 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 Project and the principal amount of the Bonds described in Section 8(a), above, are consistent with the District’s budgetary and financial circumstances. No sources other than proceeds of the 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. 2143
(WATERVILLE-ELYSIAN-MORRISTOWN)
BLUE EARTH, LE SUEUR, RICE, AND WASECA COUNTIES, MINNESOTA**

NOTICE IS HEREBY GIVEN that the School Board of Independent School District No. 2143 (Waterville-Elysian-Morristown), Blue Earth, Le Sueur, Rice, and Waseca Counties, Minnesota (the "District"), intends to issue its General Obligation Facilities Maintenance Bonds, Series 2025A (the "Bonds"), in the aggregate principal amount not to exceed \$12,165,000, pursuant to Minnesota Statutes, Chapter 475, as amended, and Minnesota Statutes, Section 123B.595, as amended. The proceeds of the Bonds 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 projects to be financed is as follows:

- Health and safety /indoor air quality projects included in the District's ten-year facilities plan approved by the Commissioner of Education.

The total amount of District indebtedness as of August 15, 2024, is \$16,354,000. If these proposed Bonds were issued after that date, the total indebtedness of the District at that time would be \$28,519,000.

BY ORDER OF THE SCHOOL BOARD

Dated: _____, 2024

/s/ _____
Clerk of the School Board
Independent School District No. 2143 (Waterville-
Elysian-Morristown), Blue Earth, Le Sueur, Rice, and
Waseca Counties, Minnesota

STATE OF MINNESOTA)
)
COUNTIES OF BLUE EARTH)
LE SUEUR, RICE, AND WASECA) ss.
)
INDEPENDENT SCHOOL)
DISTRICT NO. 2143)

I, the undersigned, being the duly qualified and acting Clerk of Independent School District No. 2143 (Waterville-Elysian-Morristown), Blue Earth, Le Sueur, Rice, and Waseca 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 Facilities Maintenance Bonds, Series 2025A, in the maximum aggregate principal amount of \$12,165,000.

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

Clerk of the School Board
Independent School District No. 2143 (Waterville-
Elysian-Morristown), Blue Earth, Le Sueur, Rice, and
Waseca Counties, Minnesota