

CERTIFICATION OF MINUTES RELATING TO PROPOSED PROPERTY TAX
ABATEMENT FOR PARKING LOT CONSTRUCTION PROJECTS; GENERAL
OBLIGATION TAX ABATEMENT BONDS

Issuer: Independent School District No. 698 (Floodwood Public Schools), Minnesota

Governing Body: School Board

Kind, date, time and place of meeting: A regular meeting held on October 27, 2025 at 6:00 p.m.
in the Floodwood School media center.

Members present:

Members absent:

Documents attached:

Minutes of said meeting (including):

RESOLUTION RELATING TO PROPOSED PROPERTY TAX ABATEMENT FOR
PARKING LOT CONSTRUCTION PROJECTS AND GRANTING THE ABATEMENT;
RELATING TO GENERAL OBLIGATION TAX ABATEMENT BONDS, SERIES 2025A;
AUTHORIZING THE ISSUANCE AND SALE THEREOF AND PROVIDING FOR CREDIT
ENHANCEMENT WITH RESPECT THERETO

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer this 27th day of October, 2025.

School District Clerk

Member _____ introduced the following resolution and moved its adoption, which motion was seconded by Member _____:

RESOLUTION RELATING TO PROPOSED PROPERTY TAX ABATEMENT FOR PARKING LOT CONSTRUCTION PROJECTS AND GRANTING THE ABATEMENT; RELATING TO GENERAL OBLIGATION TAX ABATEMENT BONDS, SERIES 2025A; AUTHORIZING THE ISSUANCE AND SALE THEREOF AND PROVIDING FOR CREDIT ENHANCEMENT WITH RESPECT THERETO

BE IT RESOLVED by the School Board (the Board) of Independent School District No. 698 (Floodwood Public Schools), Minnesota (the District), as follows:

SECTION 1. TAX ABATEMENT AUTHORIZATION AND RECITALS.

- (a) The District, pursuant to Minnesota Statutes, Sections 469.1812 to 469.1815, as amended (the Act), is authorized to grant an abatement of the property taxes imposed by the District on parcels of property (the Abated Parcels) by the adoption of a resolution specifying the terms of the abatement.
- (b) The District intends to undertake parking lot projects districtwide (the Improvements) and benefiting certain properties within the District boundaries identified on Exhibit A attached hereto (collectively, the Property).
- (c) The District has proposed to finance the Improvements by granting an abatement of the property taxes imposed by the District on the Property (the Proposed Property Tax Abatement).
- (d) Pursuant to the Act, this Board, on the date hereof, conducted a public hearing on the desirability of granting the Proposed Property Tax Abatement. Notice of the public hearing was duly published as required by law in the *Voyageur Press*, the official newspaper of the District, on October 14, 2025.

SECTION 2. FINDINGS. On the basis of the information compiled by the District and elicited at the public hearing referred to in Section 1(d), it is hereby found, determined and declared:

- (a) The District expects that the benefits to the District associated with granting the Proposed Property Tax Abatement are at least equal to or exceed the associated costs to the District.
- (b) The granting of the Proposed Property Tax Abatement is in the public interest because it will finance and provide public infrastructure and help provide access to services for District residents.
- (c) The nature and extent of the public benefits which the District expects to result from the Proposed Property Tax Abatement are the parking lot construction and reconstruction

projects at various District facilities which will enable District residents to continue to conveniently and safely access these District facilities that are regularly utilized by the public for community events.

- (d) The Property is not located in a tax increment financing district.
- (e) The granting of the Proposed Abatement will not cause the aggregate amount of abatements granted by the District under the Act to exceed, in any year, the greater of (i) ten percent (10%) of the District's net tax capacity for the taxes payable year to which the abatement applies, or (ii) \$200,000.
- (f) It is in the best interests of the District to grant the tax abatement authorized in this resolution.
- (g) Under Section 469.1813, subdivision 9 of the Act, it is not necessary for the District to obtain the consent of any owner of the Property to grant an abatement.

SECTION 3. GRANTING OF TAX ABATEMENT.

- (a) A property tax abatement (the Abatement) is hereby granted in respect of property taxes levied by the District on the Property for three (3) years. The total Abatement amount shall not exceed \$178,917 over three (3) years.
- (b) The District shall retain the Abatement and apply it to payment of all or a portion of the costs of acquiring or constructing the Improvements or to the payment of bonds of the District issued to finance costs of acquiring or constructing the Improvements, whether such bonds are issued pursuant to the Act, or other law, as authorized by Section 469.1815, subdivision 2 of the Act.
- (c) The Abatement may be modified or terminated at any time by the Board in accordance with the Act.

SECTION 4. AUTHORIZATION AND DISTRICT INDEBTEDNESS.

The District is authorized, pursuant to Minnesota Statutes, Section 469.1814 and Chapter 475, to borrow money by the issuance of its general obligation tax abatement bonds. This Board hereby determines that it is necessary and desirable and in the best interest of the District to issue its General Obligation Tax Abatement Bonds, in calendar year 2025, in the approximate principal amount of \$155,000 (the Bonds), pursuant to Minnesota Statutes, Section 469.1814 and Chapter 475 to finance the Improvements, including every item of cost of the kinds authorized in Minnesota Statutes, Section 469.1814, subdivision 5, benefiting the Abated Parcels.

Pursuant to a resolution adopted on September 22, 2025, this Board determined it necessary and desirable and in the best interest of the District to issue its general obligation facilities maintenance bonds (the Facilities Maintenance Bonds) in the approximate principal amount of \$7,245,000 in calendar year 2025 to finance health and safety and deferred capital

maintenance projects (collectively, the Facilities Maintenance Projects) included in the District's ten-year Facility Plan beginning with FY 2027 (the Facility Plan).

The Bonds may be combined with the Facilities Maintenance Bonds and issued as a single series of Bonds, to be designated the District's General Obligation Facilities Maintenance and Tax Abatement Bonds, Series 2025A, or may be issued as a separate series from the Facilities Maintenance Bonds.

SECTION 5. SALE. The District has retained Ehlers & Associates, Inc. (Ehlers), in Roseville, Minnesota, as its independent municipal advisor in connection with the sale of the Bonds. Ehlers is authorized to solicit proposals for the Bonds in accordance with Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9). The Board shall meet at the time and place specified in the Official Statement for the Bonds to receive and consider proposals for the purchase of the Bonds.

SECTION 6. OFFICIAL STATEMENT; PROPOSALS. Ehlers is authorized to prepare and distribute, for the District, a preliminary Official Statement and an Official Statement relating to the sale of the Bonds, and Ehlers and the underwriter are each hereby authorized to use a final Official Statement substantially in the form of said Preliminary Official Statement but with such changes therein as are required to conform the same to the terms of the Bonds, and the chair, clerk, superintendent or business manager, in consultation with and upon the advice of representatives of Ehlers and bond counsel, are hereby authorized and directed to finalize and approve such Official Statement and execute and deliver such certifications and to take such steps as are necessary to comply with SEC Rule 15c2-12. Ehlers is additionally authorized to open, read, and tabulate the proposals for presentation to the Board.

SECTION 7. STATE CREDIT ENHANCEMENT PROGRAM.

- (a) The District hereby covenants and obligates itself to notify the 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 to guarantee payment of the principal and interest on the Bonds when due. The District further covenants to deposit with the Registrar 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 Registrar for the Bonds 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 to make that payment on deposit with the Registrar. The District understands that as a result of its covenant to be bound by the provision of Minnesota Statutes, Section 126C.55, 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 Departments of Management and Budget and Education of the State of Minnesota pursuant to Minnesota Statutes, Section 126C.55, subdivision 2(c) and

otherwise to take such actions as necessary to comply with that section. The chair, clerk, superintendent or business manager is authorized to execute any applicable Minnesota Department of Education forms.

Upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted.

Exhibit A
ABATED PARCELS

360-9090-00010	125-0010-03520	225-0080-00160
750-9090-00010	555-0010-05640	225-0080-00535
225-9091-00010	390-0010-01610	360-0010-04810
125-9090-00010	355-0010-03280	390-0010-05475
125-0010-02440	355-0010-03082	355-0010-05100
360-0010-03650	555-0010-05335	355-0120-00100
360-0010-01430	360-0010-04450	285-0010-01100
225-0080-00850	125-0010-02870	125-0010-02720
360-0010-02480	285-0010-03540	555-0010-03030
360-0010-06180	555-0010-05460	555-0010-02705
125-0030-01750	555-0010-05355	360-0010-03370
355-0010-05082	555-0010-05530	355-0010-04775
355-0010-04530	360-0010-01300	360-0010-04640
750-0010-04320	360-0010-04502	355-0010-03220
355-0010-04580	355-0010-03290	555-0010-03340
355-0010-04542	750-0010-01060	555-0010-03880
125-0040-00360	555-0010-04480	355-0010-04829
225-0020-01290	355-0030-00030	355-0020-00210
750-0010-05580	125-0010-03875	125-0010-03820
360-0010-01680	355-0017-00020	355-0030-00250
225-5021-09180	360-0010-03020	285-0010-00290
355-0130-00040	355-0010-04566	555-0010-04680
360-0010-04490	225-0020-00390	355-0030-00170
515-0010-04980	355-0010-04570	355-0010-01710
125-0011-00040	355-0010-03292	390-0010-02250
555-0010-03870	355-0017-00090	555-0010-05470
355-0120-00130	355-0120-00010	360-0010-01085
355-0010-03331	355-0015-00220	360-0010-02820
355-0010-04548	355-0010-05440	360-0010-05000
355-0010-04565	285-0010-02360	285-0010-02600
125-0010-03950	355-0023-00040	355-0023-00120
355-0010-04544	355-0018-00020	355-0022-00080
555-0010-04520	360-0010-04600	285-0010-01670
355-0010-04650	355-0010-03190	355-0010-00010
225-0080-00252	555-0010-04700	355-0010-04540
555-0010-03100	555-0010-00840	355-0020-00160
555-0010-03890	225-0080-00570	555-0010-01985
355-0010-04567	515-0010-04330	360-0010-00840
555-0010-04040	355-0015-00030	360-0010-05410
515-0010-04000	515-0010-03810	355-0130-00060
355-0010-04821	355-0010-03339	355-0030-00210
125-0013-00010	125-0040-00430	355-0018-00030