

**CERTIFICATION OF MINUTES
RELATING TO**

**GENERAL OBLIGATION CAPITAL APPRECIATION SCHOOL BUILDING BONDS
(MINNESOTA SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM)**

ISSUER: INDEPENDENT SCHOOL DISTRICT NO. 742
 (ST. CLOUD AREA SCHOOLS), MINNESOTA

GOVERNING BODY: SCHOOL BOARD

KIND, DATE, TIME AND PLACE OF MEETING:

A regular meeting held May 21, 2025, at 6:30 p.m., held in the District Administration Office.

MEMBERS PRESENT:

MEMBERS ABSENT:

Documents Attached: Extract of Minutes of said meeting.

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE DISTRICT'S
GENERAL OBLIGATION CAPITAL APPRECIATION SCHOOL BUILDING BONDS
(MINNESOTA SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM);
AUTHORIZING THE NEGOTIATION FOR THE SALE OF SUCH BONDS;
COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND BY AND TO
USE THE PROVISIONS OF MINNESOTA STATUTES, SECTION 126C.55 TO
GUARANTEE THE PAYMENT OF THE PRINCIPAL AND INTEREST ON SUCH
BONDS; AND DECLARING THE OFFICIAL INTENT OF THE DISTRICT TO
REIMBURSE CERTAIN EXPENDITURES FROM THE PROCEEDS OF BONDS TO
BE ISSUED BY THE DISTRICT**

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the obligations 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 obligations; 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 ____ day of May, 2025.

School District Clerk

**EXTRACT OF MINUTES OF A MEETING
OF THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 742
(ST. CLOUD AREA SCHOOLS)
STATE OF MINNESOTA**

HELD: May 21, 2025

Pursuant to due call and notice thereof, a regular scheduled meeting of the School Board of Independent School District No. 742 (St. Cloud Area Schools), State of Minnesota, was held on May 21, 2025, at 6:30 o'clock p.m.

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE DISTRICT'S GENERAL OBLIGATION CAPITAL APPRECIATION SCHOOL BUILDING BONDS (MINNESOTA SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM); AUTHORIZING THE NEGOTIATION FOR THE SALE OF SUCH BONDS; COVENANTING AND OBLIGATING THE DISTRICT TO BE BOUND BY AND TO USE THE PROVISIONS OF MINNESOTA STATUTES, SECTION 126C.55 TO GUARANTEE THE PAYMENT OF THE PRINCIPAL AND INTEREST ON SUCH BONDS; AND DECLARING THE OFFICIAL INTENT OF THE DISTRICT TO REIMBURSE CERTAIN EXPENDITURES FROM THE PROCEEDS OF BONDS TO BE ISSUED BY THE DISTRICT

BE IT RESOLVED by the School Board ("**School Board**") of Independent School District No. 742 (St. Cloud Area Schools), State of Minnesota (the "**District**"), as follows:

Section 1. Purpose; Authority.

It is hereby determined to be in the best interests of the District to issue its General Obligation Capital Appreciation School Building Bonds, in one or more series, in the aggregate principal amount of not to exceed \$65,000,000 (the "**Bonds**"), pursuant to Minnesota Statutes, Chapters 475, as approved by the electors of the District at the special election held on April 8, 2025 (the "**Election**").

Proceeds of the Bonds will be used to (i) finance the acquisition and betterment of school sites and facilities including, but not limited to, the construction of a safe and secure controlled entrance, the construction of a storm shelter in accordance with new building codes, additional fire and life safety updates, expansion of the kitchen and serving area, renovations to improve

career and technical education, music, art, and science classrooms at Apollo High School, and the construction of an indoor multipurpose athletic facility for district educational and community use at the Apollo High School site; and (ii) pay costs of issuance associated with the issuance of the Bonds (collectively, the “**Project**”).

Section 2. Marketing and Sale. The School Board, desires to proceed with the sale of the Bonds by direct negotiation with Robert W. Baird & Co. Incorporated (herein “**Baird**”). Baird will purchase the Bonds in an arms-length commercial transaction with the District. The School Board will obtain fee quotes for an independent municipal advisor to provide bond pricing opinion services for the purposes set forth in Minnesota Statutes, Section 475.60, Subdivision 2(9), as amended. The Superintendent or Executive Director of Finance and Business Services and a School Board officer are hereby authorized to approve an independent municipal advisor.

Baird is authorized to prepare an Official Statement related to the sale of the Bonds.

The Superintendent or the Executive Director of Finance and Business Services and a School Board officer are hereby authorized to approve the sale of the Bonds, to be issued in one or more series, in an aggregate principal amount not to exceed \$65,000,000.00 and to execute a Bond Purchase Agreement with Baird for the purchase of the Bonds, provided that the True Interest Cost of the Bonds does not exceed 5.25%.

Section 3. Approval Meeting. Upon approval of the sale of the Bonds by the Superintendent or Executive Director of Finance and Business Services and a School Board officer in accordance with the parameters set forth herein, the School Board will meet at its next regularly scheduled meeting or a special meeting to adopt the necessary approving resolution as drafted by the District's Bond Counsel, Kutak Rock LLP. The exact form, specifications and provisions for repayment of the Bonds shall be set forth in a subsequent resolution of the School Board.

Section 4. State Credit Enhancement Program.

(a) The District hereby covenants and obligates itself to be bound by and to use the provisions of Minnesota Statutes, Section 126C.55 (the “**Credit Enhancement Act**”) to guarantee payment of the principal of, the premium, if any, and the interest on the Bonds when due. The District shall comply with all procedures now or hereafter established by the Minnesota Department of Management and Budget and the Minnesota Department of Education pursuant to subdivision 2(c) of the Credit Enhancement Act and to take such actions as necessary to comply with the Credit Enhancement Act. The Chair of the School Board and the clerk, the superintendent and the business manager of the District are each authorized to execute any applicable forms of the Minnesota Department of Management and Budget or the Minnesota Department of Education. The District understands and acknowledges that the provisions of the Credit Enhancement Act shall be binding on the District as long as any Bonds are outstanding.

(b) The District further covenants to deposit with any registrar and paying agent for the Bonds (the “**Registrar**”), at least three (3) business days prior to the date on which any payment of principal of, premium, if any, or interest on the Bonds is due, an amount sufficient to pay such payment. If the District believes it may be unable to pay the principal of, the premium, if any or the interest on the Bonds on the date any such payment is due, the District shall notify the Commissioner of the Department of Education as soon as possible, but not less than 15 business days before the date such payment is due. The District shall authorize and direct the Registrar to notify the Commissioner of the Department of Education if (i) the Registrar becomes aware of a potential payment default with respect to the Bonds or (ii) two (2) business days prior to the date a payment is due on the Bonds the Registrar does not have sufficient funds to make the payment due on such date.

Section 5. Reimbursement; Official Intent.

(a) the Internal Revenue Service has issued Treas. Reg. § 1.150-2 (the “**Reimbursement Regulations**”) providing that proceeds of tax-exempt bonds used to reimburse prior expenditures will not be deemed spent unless certain requirements are met.

(b) the District expects to incur certain expenditures that may be financed temporarily from sources other than bonds, and reimbursed from the proceeds of a tax-exempt bond (including the Bonds).

(c) the District has determined to make this declaration of official intent (the “**Declaration**”) to reimburse certain costs from proceeds of bonds in accordance with the Reimbursement Regulations.

(d) The District reasonably expects to reimburse the expenditures made for certain costs of the Projects from the proceeds of bonds in an estimated maximum principal amount of \$65,000,000. 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.

(e) This Declaration has been made not later than 60 days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of bonds, except for the following expenditures: (a) costs of issuance of bonds; (b) costs in an amount not in excess of the lesser of \$100,000 or 5 percent of the proceeds of an issue; or (c) “preliminary expenditures” up to an amount not in excess of 20 percent of the aggregate issue price of the issue or issues 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 a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

(f) 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 (d) are consistent with the District's budgetary and financial circumstances. No sources other than proceeds 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 Project expenditures.

(g) This Declaration is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

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.