

**Minutes of the Board of Education
Independent School District #2180
Regular Meeting #5
Monday, Nov. 8, 2021 6:00 PM
Board Room/Live Stream
DRAFT**

Members Present: ~~Tate Mueller~~, Julie Alsum, Scott Ruitter, Debi Brandt, ~~Lane Schwitters~~, Carmel Thein.
Others Present: Sherri Broderius, Superintendent; Judd Wheatley, HS Principal, Mitchell Kent, Elem.
Principal, Kim Sandry, Business Manager; Jim Trulock, Activities Director; Meaghan Sunderland,
MACCRAY EA, Sam Petersen, CC Herald.

Chair Julie Alsum called the meeting to order at 6:00 pm.
Pledge of Allegiance.

Motion by Brandt, second by Ruitter, to approve the agenda as presented.
Motion carried by unanimous vote.

Public comment: None.

Approval of Consent Agenda:

Motion by Ruitter, second by Thein, to approve the consent agenda.
Motion carried by unanimous vote.

Adoption of Minutes

Approve payment of bills and financial report.

Approve employment agreement with Paraprofessional – A. Cisneros

Approve employment agreement with Paraprofessional – C. Sterling

Approve employment agreement with Paraprofessional – S. Rokuro

Approve the 21-22 Seniority List.

Approve Family Medical Leave for Teacher – S. Condon

Approve Winter Coaches/Supervisors

Boys Basketball

Lucas Post – Head Varsity

Riley Aeikens – JV

Trent Carlson – C if needed

Jesse Westbrook – 7 & 8 combined

Unknown – if numbers allow

Girls Basketball

Shaun Condon – Head Varsity

Bryce Olson – JV

Dana Johnson – C or JH if needed

Unknown – JH

Dance Team

Janie Albertson – Head Varsity

Kim Wordes – Asst./JH

Haley Rhode – Volunteer
Wrestling – Justin Tongen – Co-Head Coach for Quad County
Prom – Brittany Cook
Knowledge Bowl – Ashley Cook
Math League – Bryce Olson
BPA – Rhonda Pieper
Winter Weight Room – Cole Christopher
One Act Play – Unknown
Spelling Bee - Unknown

Communications Reports:

Shelby McQuay – Ehlers – Bond sale update.
Mr. Trulock – End of Fall season report
Mr. Kent – Elementary update
Mr. Wheatley – High school update
Ms. Broderius: Covid news, constructions, policies.

Committee Report: Negotiations update: Ruitter.

POC Update: Thein, Alsum

Business Items:

Motion by Brandt, second by Thein, to approve the Resolution for the District's General Obligation Alternative Facilities and Capital Facilities Refunding Bond, Series 2021A.

Roll Call Vote: For – Brandt, Ruitter, Alsum, Thein

Against: none

Resolution passed and adopted. See attachment.

Motion by Thein, second by Ruitter, to approve the first and final reading of Policy 507 – Corporal Punishment. Motion carried by unanimous vote.

Motion by Ruitter, second by Brandt, to approve the first and final reading of Policy 515- Protection and Privacy of Pupil Records & Forms.

Motion carried by unanimous vote.

Meetings and Workshops:

Truth in Taxation Presentation, Dec. 13, MACCRAY High School, 6pm

Regular Board Meeting, Monday, September 13, 6pm, MACCRAY High School.

Regular Board Meeting, Jan. 10, MACCRAY High School, 6pm.

Adjournment of Meeting

Motion by Ruitter, second by Thein, for adjournment. Motion carried by unanimous vote. Meeting adjourned at 6:53 pm.

Respectfully submitted,
Carmel Thein, Clerk
Kim Sandry, Business Manager

Extract of Minutes of Meeting of the School Board of
Independent School District No. 2180
(MACCRAY Public Schools)
Chippewa, Kandiyohi, and Renville Counties, Minnesota

Pursuant to due call and notice thereof, a meeting of the School Board of Independent School District No. 2180 (MACCRAY Public Schools), Chippewa, Kandiyohi, and Renville Counties, Minnesota, was duly held in said District on Monday, November 8, 2021, commencing at 6:00 p.m.

The following directors were present: *Brandt, Ruiter, Alsum, Thein*

and the following were absent: *Schwitters, Mueller*

* * *

* * *

* * *

The Chair announced that the next order of business was consideration of the proposals which had been received for the purchase of the District's General Obligation Alternative Facilities and Capital Facilities Refunding Bonds, Series 2021A, to be issued in the original aggregate principal amount of \$2,085,000.

The District Clerk presented a tabulation of the proposals for the Bonds which had been received in the manner specified in the Terms of Proposal. The proposals are set forth in EXHIBIT A attached hereto.

After due consideration of the proposals, Director _____*Brandt*_____ then introduced the following resolution and moved its adoption:

A RESOLUTION AWARDING THE SALE OF GENERAL OBLIGATION ALTERNATIVE FACILITIES AND CAPITAL FACILITIES REFUNDING BONDS, SERIES 2021A, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,085,000; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; PROVIDING FOR THEIR PAYMENT; AND PROVIDING FOR THE REFUNDING OF BONDS REFUNDED THEREBY

BE IT RESOLVED By the School Board (the “Board”) of Independent School District No. 2180 (MACCRAY Public Schools), Chippewa, Kandiyohi, and Renville Counties, Minnesota (the “District”), as follows:

Section 1. Sale of Bonds.

1.01. Background. It is hereby determined that:

(a) On May 15, 2013, the District issued its General Obligation Alternative and Capital Facilities Bonds, Series 2013A (the “Refunded Bonds”), in the original aggregate principal amount of \$5,960,000, currently outstanding in the principal amount of \$2,815,000, of which \$2,275,000 in principal amount is subject to redemption on or after February 1, 2022, pursuant to Minnesota Statutes, Chapter 475, as amended, and Minnesota Statutes, Sections 123B.59 (as then in effect) and 123B.62, as amended. Proceeds of the Refunded Bonds were used to (i) finance the costs of various facility upgrades in the District included in the District’s facility plan approved by the Commissioner of the Department of Education of the State of Minnesota (the “Commissioner”), including but not limited to mechanical ventilation system replacements and sprinkling/fire alarm system replacements (the “Alternative Facilities Project”); and (ii) finance the costs of energy conservation and deferred maintenance projects at the District facilities as approved by the Commissioner (the “Capital Facilities Project”).

(b) The District is authorized by Minnesota Statutes, Section 475.67, subdivision 3 to issue and sell its general obligation bonds to refund obligations and the interest thereon before the due date of the obligations, if consistent with covenants made with the holders thereof, when determined by the Board to be necessary or desirable for the reduction of debt service costs to the District or for the extension or adjustment of maturities in relation to the resources available for their payment.

(c) It is necessary and desirable for the reduction of debt service costs to the District that the District issue its General Obligation Alternative Facilities and Capital Facilities Refunding Bonds, Series 2021A (the “Bonds”), in the original aggregate principal amount of \$2,085,000, pursuant to Minnesota Statutes, Chapter 475, as amended, including Section 475.67, subdivision 3, and Section 123B.62, as amended (collectively, the “Act”), to redeem and prepay the Refunded Bonds on February 1, 2022 (the “Redemption Date”).

(d) The District is authorized by Section 475.60, subdivision 2(9) of the Act to negotiate the sale of the Bonds because the District has retained an independent municipal advisor in connection with the sale of the Bonds. The actions of the District staff and its municipal advisor in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

(e) Pursuant to a resolution adopted by the Board on September 13, 2021, the District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, as amended, which provides for payment by the State of Minnesota in the event of a potential default of a school district obligation. The District understands that as a result of its covenant to be bound by said provisions, these provisions shall be binding as long as the Bonds remain outstanding.

1.02. Award to Purchaser and Interest Rates. The proposal of Robert W. Baird & Co., Inc., Milwaukee, Wisconsin, as syndicate manager (the “Purchaser”), to purchase the Bonds is determined to be a reasonable offer and is accepted, the proposal being to purchase the Bonds at a price of \$2,326,151.34 (par amount of \$2,085,000.00, plus original issue premium of \$251,902.30, less underwriter’s discount of \$10,750.96), plus accrued interest, if any, to date of delivery for Bonds bearing interest as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Interest Rate</u>
2023	5.000%	2025	5.000%
2024	5.000	2026	5.000

True interest cost: 0.7209089%

1.03. Purchase Contract. The amount proposed by the Purchaser in excess of the minimum bid shall be credited to the Debt Service Fund hereinafter created or deposited in the Redemption Fund hereinafter created, as determined by the District Treasurer in consultation with the District’s municipal advisor. The good faith deposit of the Purchaser shall be retained and deposited until the Bonds have been delivered and shall be deducted from the purchase price paid at settlement. The Chair and District Clerk are directed to execute a contract with the Purchaser on behalf of the District.

1.04. Terms and Principal Amount of Bonds. The District will forthwith issue and sell the Bonds pursuant to the Act, including Section 475.67, subdivision 3, in the total principal amount of \$2,085,000, originally dated December 2, 2021, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as above set forth, and maturing serially on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	\$470,000	2025	\$540,000
2024	510,000	2026	565,000

(a) \$1,998,000 in principal amount of the Bonds (the “Alternative Facilities Refunding Bonds”), maturing on February 1 in the years and amounts set forth below, will be used to refund the portion of the Refunded Bonds allocated to the Alternative Facilities Project on the Redemption Date:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	\$455,000	2025	\$516,000
2024	486,000	2026	541,000

(b) The remainder of the Bonds in the principal amount of \$87,000 (the “Capital Facilities Refunding Bonds”), maturing on February 1 in the years and amounts set forth below, will be used to refund the portion of the Refunded Bonds allocated to the Capital Facilities Project on the Redemption Date:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	\$15,000	2025	\$24,000
2024	24,000	2026	24,000

1.05. Optional Redemption. The Bonds are not subject to optional redemption prior to maturity.

Section 2. Registration and Payment.

2.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2022, to the registered owners of record as of the close of business on the fifteenth day of the immediately preceding month, whether or not that day is a business day.

2.03. Registration. The District will appoint a bond registrar, transfer agent, authenticating agent and paying agent (the “Registrar” and the “Paying Agent”). The effect of registration and the rights and duties of the District and the Registrar with respect thereto are as follows:

(a) Register. The Registrar must keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. When Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. Bonds surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the District.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The District and the Registrar may treat the person in whose name a Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bonds sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the District and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the District. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

2.04. Appointment of Initial Registrar. The District appoints Bond Trust Services Corporation, Roseville, Minnesota, as the initial Registrar. The Chair and the District Clerk are authorized to execute and deliver, on behalf of the District, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The District agrees to pay the reasonable and customary charges of the Registrar for the services performed. The District reserves the right to remove the Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this School Board, the District Treasurer must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the District Clerk and executed on behalf of the District by the signatures of the Chair and the District Clerk, provided that those signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of a Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed and authenticated, the District Clerk will deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

Section 3. Form of Bond.

3.01. Execution of the Bonds. The Bonds will be printed or typewritten in substantially the form as attached hereto as EXHIBIT B.

3.02. Approving Legal Opinion. The District Clerk is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, and cause the opinion to be printed on or accompany each Bond.

Section 4. Bonds; Security; Pledges.

4.01. Debt Service Fund. For the convenience and proper administration of the moneys to be borrowed and repaid on the Bonds, and to provide adequate and specific security for the Purchaser and holders from time to time of the Bonds, there is hereby created a special fund to be designated the General Obligation Alternative Facilities and Capital Facilities Refunding Bonds, Series 2021A Debt Service Fund (the "Debt Service Fund") to be administered and maintained by the District Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the District. The Debt Service Fund will be maintained in the manner herein specified until all of the Refunded Bonds have been paid and until all of the Bonds and the interest thereon have been fully paid. The District will maintain the following accounts in the Debt Service Fund: the "Alternative Facilities Project Account" and the "Capital Facilities Project Account." Amounts on deposit in the Alternative Facilities Project Account are irrevocably pledged to the Alternative Facilities Refunding Bonds, and amounts on deposit in the Capital Facilities Project Account are irrevocably pledged to the Capital Facilities Refunding Bonds.

(a) Alternative Facilities Project Account. To the Alternative Facilities Project Account of the Debt Service Fund, there is hereby pledged and irrevocably appropriated and there will be credited: (i) collection of all taxes hereafter levied for the payment of the Alternative Facilities Refunding Bonds and interest thereon; (ii) amounts over the minimum purchase price paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03 hereof; and (iii) any and all other moneys which are properly available and are appropriated by the Board to the Alternative Facilities Project Account. The amount of any surplus remaining in the Alternative Facilities Project Account when the Alternative Facilities Refunding

Bonds and interest thereon are paid will be used as provided in Section 475.61, subdivision 4 of the Act.

(b) Capital Facilities Project Account. To the Capital Facilities Project Account of the Debt Service Fund, there is hereby pledged and irrevocably appropriated and there will be credited: (i) collection of all taxes hereafter levied for the payment of the Capital Facilities Refunding Bonds and interest thereon; (ii) amounts over the minimum purchase price paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03 hereof; and (iii) any and all other moneys which are properly available and are appropriated by the Board to the Capital Facilities Project Account. The amount of any surplus remaining in the Capital Facilities Project Account when the Capital Facilities Refunding Bonds and interest thereon are paid will be used as provided in Section 475.61, subdivision 4 of the Act.

4.02. Redemption Fund. All proceeds of the Bonds, less the appropriations made in Section 4.01 hereof and the costs of issuance of the Bonds, will be deposited in a separate fund (the "Redemption Fund") to be used solely to redeem and prepay the Refunded Bonds on the Redemption Date. Any balance remaining in the Redemption Fund after the redemption of the Refunded Bonds on the Redemption Date shall be deposited in the Alternative Facilities Project Account and the Capital Facilities Project Account of the Debt Service Fund herein created for the Bonds.

4.03. Prior Debt Service Funds. The debt service funds heretofore established for the Refunded Bonds pursuant to the resolutions authorizing the issuance and sale of the Refunded Bonds (together, the "Refunded Bonds Resolution") shall be terminated on the Redemption Date, following the redemption of the Refunded Bonds, and all monies therein are hereby transferred to the Alternative Facilities Project Account and the Capital Facilities Project Account of the Debt Service Fund herein created, as applicable.

4.04. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the District will be and are hereby irrevocably pledged. If the balance in the Debt Service Fund is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency will be promptly paid out of monies in the general fund of the District which are available for such purpose, and such general fund may be reimbursed with or without interest from the Debt Service Fund when a sufficient balance is available therein.

4.05. Pledge of Taxes. For the purpose of paying the principal of and interest on the Bonds, there is levied a direct annual irrevocable ad valorem tax upon all of the taxable property in the District to be spread upon the tax rolls and collected with and as part of other general taxes of the District (the "Taxes"). The Taxes will be credited to the Alternative Facilities Project Account and the Capital Facilities Project Account of the Debt Service Fund above provided and will be in the years and amounts as described on EXHIBIT C attached hereto.

4.06. Cancellation of Prior Levies after Redemption Date. Following the payment in full of all outstanding principal and interest due on the Refunded Bonds on the Redemption Date, the District Treasurer is hereby directed to certify such fact to and request the County Auditor/Treasurer of Chippewa County, Minnesota, the County Auditor/Treasurer of Kandiyohi County, Minnesota, and the County Auditor/Treasurer of Renville County, Minnesota (collectively, the "County Auditors") to cancel any and all tax levies made by the Refunded Bonds Resolution.

4.07. Certification to County Auditors as to Debt Service Fund Amount. It is determined that the estimated collection of the foregoing Taxes will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levy herein provided will be irrevocable until the Bonds are paid, provided that at the time the District makes its annual tax levies the District Treasurer may certify to the County Auditors the amount available in the Debt Service Fund to pay principal and interest due during the ensuing year, and the County Auditors will thereupon reduce the levy collectible during such year by the amount so certified.

4.08. Certificate of County Auditors as to Registration. The District Clerk is authorized and directed to file a certified copy of this resolution with the County Auditors and to obtain the certificate required by Section 475.63 of the Act.

Section 5. Refunding of Refunded Bonds; Findings; Redemption of Refunded Bonds.

5.01. Purpose of Refunding. The Refunded Bonds will be called for redemption on the Redemption Date in the principal amount of \$2,275,000. It is hereby found and determined that based upon information presently available from the District's municipal advisor, the issuance of the Bonds, a portion of which will be used to redeem and prepay the Refunded Bonds, is consistent with covenants made with the holders of the Refunded Bonds and is necessary and desirable for the reduction of debt service costs to the District.

5.02. Application of Proceeds of Bonds. It is hereby found and determined that the proceeds of the Bonds deposited in the Redemption Fund will be sufficient to prepay all of the principal of, interest on and redemption premium (if any) on the Refunded Bonds.

5.03. Redemption; Date of Redemption. The Refunded Bonds maturing after the Redemption Date will be redeemed and prepaid on the Redemption Date. The Refunded Bonds will be redeemed and prepaid in accordance with their terms and in accordance with the terms and conditions set forth in the form of Notice of Call for Redemption attached hereto as EXHIBIT D, which terms and conditions are hereby approved and incorporated herein by reference. The registrar for the Refunded Bonds is authorized and directed to send a copy of the Notice of Call for Redemption to each registered holder of the Refunded Bonds at least thirty (30) days prior to the Redemption Date.

Section 6. Authentication of Transcript.

6.01. Proceedings and Records. The officers of the District are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the District relating to the Bonds and to the financial condition and affairs of the District, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, will be deemed representations of the District as to the facts stated therein.

6.02. Certification as to Official Statement. The Chair, the District Clerk, and the District Treasurer are hereby authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

6.03. Other Certificates. The Chair, the District Clerk, and the District Treasurer are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the District or incumbency of its officers, at the closing the Chair, the District Clerk, and the District Treasurer shall also execute and deliver to the Purchaser a suitable certificate as to

absence of material litigation, and the District Treasurer shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

6.04. Electronic Signatures. The electronic signature of the Chair, the District Clerk, and/or the District Treasurer to this resolution and to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the District thereto. For purposes hereof, (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

6.05. Payment of Costs of Issuance. The District authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses in accordance with the closing memorandum to be prepared and distributed by Ehlers and Associates, Inc., the municipal advisor to the District, on the date of closing.

Section 7. Tax Covenant.

7.01. Tax-Exempt Bonds. The District covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds.

7.02. Rebate. The District will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments and limitations on amounts invested at a yield greater than the yield on the Bonds.

7.03. Not Private Activity Bonds. The District further covenants not to use the proceeds of the Bonds or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be “private activity bonds” within the meaning of Sections 103 and 141 through 150 of the Code.

7.04. Qualified Tax-Exempt Obligations. In order to qualify the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the District makes the following factual statements and representations:

(a) the Bonds are not “private activity bonds” as defined in Section 141 of the Code;

(b) the District hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;

(c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds which are not qualified 501(c)(3) bonds) which will be issued by the District (and all subordinate entities of the District) during calendar year 2021 will not exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations issued by the District during calendar year 2021 have been designated for purposes of Section 265(b)(3) of the Code.

7.05. Procedural Requirements. The District will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

Section 8. Book-Entry System; Limited Obligation of District.

8.01. The Depository Trust Company. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.04 hereof. Upon initial issuance, the ownership of each such Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (“DTC”). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

8.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the District, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar), of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The District, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the District’s obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the District Clerk of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words “Cede & Co.” will refer to such new nominee of DTC; and upon receipt of such a notice, the District Clerk will promptly deliver a copy of the same to the Registrar and Paying Agent.

8.03. Representation Letter. The District has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the “Representation Letter”) which will govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the District with respect to the Bonds will agree to take all action necessary for all representations of the District in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

8.04. Transfers Outside Book-Entry System. In the event the District, by resolution of the Board, determines that it is in the best interests of the persons having beneficial interest, in the Bonds that they be able to obtain Bond certificates, the District will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the District will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time

by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the District will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

8.05. Payments to Cede & Co. Notwithstanding any other provision of this resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and notices with respect to the Bond will be made and given, respectively in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 9. Continuing Disclosure.

9.01. Execution of Continuing Disclosure Certificate. "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the Chair and District Clerk and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

9.02. Compliance with Provisions of Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this resolution, failure of the District to comply with the Continuing Disclosure Certificate will not be considered an event of default with respect to the Bonds; however, any Bondholder may such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this section.

Section 10. Defeasance. When all Bonds and all interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease, except that the pledge of the full faith and credit of the District for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The District may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

The motion for the adoption of the foregoing resolution was duly seconded by Director Thein and upon vote being taken thereon, the following voted in favor thereof: *Brandt, Ruitter, Alsum, Thein*

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

