CERTIFICATION OF MINUTES RELATING TO LEASE-PURCHASE AGREEMENT AND CERTIFICATES OF PARTICIPATION

Issuer: Independent School District No. 77 (Mankato), Minnesota

Governing Body: School Board

Kind, date, time and place of meeting: A regular meeting held January 3, 2022, at 5:30 p.m., local time, at the School District offices located at 10 Civic Center Plaza #1, Mankato, MN 56001, or by electronic means, as authorized by law.

Members present:

Members absent:

Documents Attached:

Minutes of said meeting (including):

RESOLUTION RELATING TO SCHOOL DISTRICT PROPERTY AND IMPROVEMENTS AND THE FINANCING THEREOF; SETTING PARAMETERS FOR THE AWARD OF A LEASE-PURCHASE AGREEMENT AND THE SALE OF CERTIFICATES OF PARTICIPATION THEREIN; AND ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE.

I, the undersigned, being the duly qualified and acting recording officer of the public school district 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 school district, 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 on January ____, 2022.

____

School District Clerk

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

RESOLUTION RELATING TO SCHOOL DISTRICT PROPERTY AND IMPROVEMENTS AND THE FINANCING THEREOF; SETTING PARAMETERS FOR THE AWARD OF A LEASE-PURCHASE AGREEMENT AND THE SALE OF CERTIFICATES OF PARTICIPATION THEREIN; AND ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE.

BE IT RESOLVED by the School Board (the "Board") of Independent School District No. 77 (Mankato), Minnesota (the "District"), as follows:

SECTION 1. AUTHORITY; PURPOSE. The District is authorized by Minnesota Statutes, Section 465.71, to execute lease-purchase agreements for the purpose of financing or refinancing real and personal property. This Board hereby finds it in the best interest of the District to enter into a Lease-Purchase Agreement (the "Lease") and issue certificates of participation therein (the "Certificates") for the purpose of (i) financing the purchase of a building and the remodel thereof to provide space for early childhood programming and additional school storage (the "Project"), and (ii) financing costs of issuing the Lease and Certificates.

SECTION 2. AWARD AUTHORIZATION; AWARD PARAMETERS; FINAL APPROVAL; NOT BINDING. In order to accomplish the purposes set forth above, the Board desires to proceed with the marketing and sale of the Certificates in the Lease by negotiated public offering to Northland Securities, Inc. (the "Purchaser"). The Superintendent and Director of Business Services of the District (the "Award Committee"), in consultation with and upon the advice of representatives of PMA Securities, LLC, municipal advisors to the District (the "Municipal Advisor"), are hereby authorized to approve the award of the Lease and sale of Certificates in the Lease in an aggregate principal amount not to exceed $12,250,000, provided that the true interest cost of the Lease and Certificates to the District is less than or equal to 3.00% per annum. Any member of the Award Committee is hereby authorized to execute an agreement with the Purchaser for the sale of Certificates provided the foregoing parameters are satisfied. *An award by the Award Committee will be binding upon the District*; however, after receipt of proposals satisfying the parameters set forth in the preceding sentence and award by the Award Committee, the Board will take action at its next regularly scheduled meeting to adopt an approving resolution as prepared by counsel to the District, Dorsey & Whitney LLP ("Dorsey"). Notwithstanding the foregoing, the adoption of this resolution alone will not be deemed to establish any obligation on the part of the District to approve the award of the Lease or the sale of the Certificates or to enter into the Lease or to cause the Certificates to be issued therein.

SECTION 3. OFFICIAL STATEMENT; LEGAL DOCUMENTS. The Municipal Advisor, on behalf of the District, and employees and officers of the District, are hereby authorized to prepare and distribute an Official Statement related to the Project, the Lease and the sale of the Certificates therein. Dorsey is hereby authorized to prepare forms of the Lease and the Certificates and other related legal agreements, documents, instruments and certificates as may be necessary or appropriate.

SECTION 4. NATURE OF DISTRICT'S OBLIGATIONS. The Lease and the obligations of the District thereunder will be special, limited obligations of the District, subject to termination at the end of each fiscal year in the event the Board does not appropriate funds sufficient to continue the same for the following fiscal year. The full faith and credit and ability of the District to levy ad valorem taxes without limitation as to rate or amount are not pledged to the payment of the Lease or any obligation of the District thereunder or under the documents relating thereto.

SECTION 5. REIMBURSEMENT.

1. Recitals.

(a) The Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the "Reimbursement Regulations") dealing with the issuance of tax-exempt obligations all or a portion of the proceeds of which are to be used to reimburse the District for project expenditures made by the District prior to the date of issuance of such obligations.

(b) The Reimbursement Regulations generally require that the District make a declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued series of tax-exempt obligations within 60 days after payment of the expenditures, that such obligations be issued and the reimbursement allocation be made from the proceeds of such obligations within the reimbursement period (as defined in the Reimbursement Regulations) and that the expenditures reimbursed be capital expenditures or costs of issuance of the obligations.

(c) The District desires to comply with requirements of the Reimbursement Regulations with respect to the Project, the Lease and the Certificates issued therein.

2. Official Intent Declaration.

(a) The District proposes to undertake the Project, to make original expenditures with respect to such Project prior to the issuance of the Lease and the Certificates therein, and reasonably expects to issue the Lease and the Certificates therein to finance such Project in the maximum principal amount of $12,250,000.

(b) Other than (i) de minimis amounts permitted to be reimbursed pursuant to Section 1.150-2(f)(1) of the Reimbursement Regulations or (ii) expenditures constituting preliminary expenditures as defined in Section

1.150-2(f)(2) of the Reimbursement Regulations, the District will not seek reimbursement for any original expenditures with respect to the Project paid more than 60 days prior to the date of adoption of this resolution.

(c) All original expenditures for which reimbursement is sought will be capital expenditures or costs of issuance of the Lease and the Certificates therein issued to finance the Project.

3. Budgetary Matters. As of the date hereof, there are no District funds reserved, pledged, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, pledged, allocated on a long term basis or otherwise set aside) to provide permanent financing for the original expenditures to be financed by the issuance of the Lease and the Certificates therein. Consequently, it is not expected that the issuance of the Lease and the Certificates therein will result in the creation of any replacement proceeds.

4. Reimbursement Allocations. The District's Director of Business Services or his or her designee shall be responsible for making the "reimbursement allocations" described in the Reimbursement Regulations, being generally the transfer of the appropriate amount of proceeds of the Lease and the Certificates therein to reimburse the source of temporary financing used by the District to make payment of the original expenditures relating to the Project. Each reimbursement allocation shall be made not later than (i) 18 months after the date of the original expenditure or (ii) 18 months after the date the Project is placed in service or abandoned (but in no event later than three years after the original expenditure is paid) and shall be evidenced by an entry on the official books and records of the District maintained for the Lease and the Certificates therein issued to finance the Project and shall specifically identify the original expenditures being reimbursed.

SECTION 6. EXPIRATION OF AUTHORITY. If an agreement with the Purchaser for the sale of Certificates has not been entered into by February 28, 2022, this resolution and all approvals hereunder shall expire.

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.