

**A RESOLUTION OF THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 831 (FOREST
LAKE AREA SCHOOLS), STATE OF MINNESOTA TO
DECLARE ITS OFFICIAL INTENT UNDER THE
INTERNAL REVENUE CODE OF 1986, AS AMENDED, TO
REIMBURSE CERTAIN CAPITAL EXPENDITURES FROM
THE PROCEEDS OF TAX-EXEMPT OR TAX-FAVORED
DEBT OBLIGATIONS**

WHEREAS, the United States Department of the Treasury has promulgated final regulations under the Internal Revenue Code of 1986, as amended (the “**Code**”), that impose requirements on Independent School District No. 831 (Forest Lake Area Schools) State of Minnesota (the “**Issuer**”) when it desires to reimburse itself for capital expenditures relating to the capital projects described herein from the proceeds of its tax-exempt or tax-favored debt obligations or such other debt obligations issued on its behalf; and

WHEREAS, the Issuer has determined that it is necessary for the Issuer to acquire, construct, improve, equip and furnish certain of its school sites and educational facilities for use by the District (collectively, the “**Project**”) and to finance the costs of such Project with the proceeds of tax-exempt or tax-favored debt obligations to be issued by the Issuer or by an entity authorized to issue such obligations; and

WHEREAS, the Issuer anticipates that the Issuer will spend its moneys to pay Project costs (the “**Prior Capital Expenditures**”) prior to the issuance of any tax-exempt or tax-favored debt obligations; and

WHEREAS, the Issuer reasonably expects to be reimbursed for such Prior Capital Expenditures with proceeds of tax-exempt or tax-favored debt obligations to be issued by the Issuer or by an entity authorized to issue such obligations (the “**Reimbursement Debt**”) in the maximum principal amount of \$143,000,000 plus such additional principal amount necessary to pay costs of issuance and to fund any reserves; and

WHEREAS, the Issuer expects that the Reimbursement Debt will be incurred and allocated to reimburse the Prior Capital Expenditures no later than 18 months after the later of (a) the date on which it pays the Prior Capital Expenditures, or (b) the date on which the Project is placed in service, but in no event not later than 3 years after the original date of such Prior Capital Expenditures, or (c) such other date that is permitted by law; and

WHEREAS, the Issuer finds it necessary to adopt this resolution to ensure that its declaration of intent to reimburse itself for such Prior Capital Expenditures satisfies the “Official Intent Requirement” described in Treasury Regulations Section 1.150-2 (the “**Regulations**”).

**NOW, THEREFORE, BE IT RESOLVED BY THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 831 (FOREST LAKE AREA SCHOOLS),
STATE OF MINNESOTA, AS FOLLOWS:**

Section 1. The Issuer hereby declares its official intent to reimburse itself for the Prior Capital Expenditures relating to the Project out of the proceeds of the Reimbursement Debt to be issued by the Issuer or by an entity authorized to issue such obligations on its behalf. With such declaration, the Issuer hereby satisfies the “Official Intent Requirement” of the Regulations.

Section 2. Other than (a) expenditures to be paid or reimbursed from sources other than the Reimbursement Debt, (b) expenditures constituting “preliminary expenditures” within the meaning of Section 1.150-2(f)(2) of the Regulations or (c) expenditures in a “de minimus” amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the Project have been paid by the Issuer more than 60 days prior to the date of execution and delivery of this Resolution.

Section 3. This resolution does not constitute approval of any kind with respect to the issuance of the Reimbursement Debt or any other tax-exempt or tax-favored debt obligations and does not legally or morally obligate the Issuer or other entity to issue such obligations on its behalf.

Section 4. This resolution shall be operative, effective and valid upon its passage by the Issuer’s School Board.

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APPROVED by the School Board of Independent School District No. 831 (Forest Lake Area Schools) State of Minnesota on this 3rd day of March, 2016.

**INDEPENDENT SCHOOL DISTRICT NO. 831
(FOREST LAKE AREA SCHOOLS), STATE
OF MINNESOTA**

Secretary, School Board