

**RESOLUTION BY THE DIRECTORS
OF ROCHESTER STEM ACADEMY CHARTER SCHOOL
TO ADOPT A COST REIMBURSEMENT RESOLUTION
IN CONJUNCTION WITH
ISSUANCE OF 2018 QUALIFIED 501C3 TAX-EXEMPT
AND TAXABLE CHARTER SCHOOL
LEASE REVENUE BONDS
(ROCHESTER MATH AND SCIENCE ACADEMY PROJECT)
BY THE CITY OF ROCHESTER, MINNESOTA
(OR ANOTHER GOVERNMENTAL ENTITY)**

BE IT RESOLVED by the Board of Directors of Rochester STEM Academy (the "Corporation") and effective as of March 1, 2018 the date the following resolution was adopted by the Board,

1. Recitals.

(a) The Department of Treasury has promulgated final regulations governing the use of proceeds of tax exempt bonds, all or a portion of which are to be used to reimburse the Corporation for project expenditures made by the Corporation prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the "Regulations") require that the issuer or the Corporation adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds within 18 months after the later of the date the expenditure is paid or the date the project is placed in service or abandoned, but in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

(b) The Corporation desires to comply with requirements of the Regulations with respect to the project hereinafter identified.

2. Official Intent Declaration.

(a) The Corporation has determined to undertake a facilities project (the "Project") for its occupancy and operation of a Minnesota

public (charter) school having capital expenditures and costs of issuance which are yet to be determined.

(b) Other than (i) expenditures to be paid or reimbursed from sources other than the Bonds (as hereinafter defined), (ii) expenditures permitted to be reimbursed under prior Treasury Regulations pursuant to the transitional provision contained in Section 1.150-2(j)(2) of the Regulations, (iii) expenditures constituting "preliminary expenditures" within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iv) expenditures in a "de minimis" amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the Project have been paid by the Corporation more than 60 days before the date of adoption of this Resolution.

(c) The Corporation reasonably expects to reimburse all or a portion of the expenditures made for costs of the Project out of the proceeds of debt to be issued by the City of Rochester, Minnesota or another political subdivision at the request of and on behalf of the Corporation in an estimated maximum aggregate principal amount of \$8,000,000 (the "Bonds") after the date of payment of all or a portion of the costs of the Project. All reimbursed expenditures shall be capital expenditures, a cost of issuance of the Bonds or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations.

3. Budgetary Matters. As of the date hereof, there are no Corporation funds reserved, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Project, other than pursuant to the issuance of the Bonds. This resolution, therefore, is determined to be consistent with the Corporation's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof.

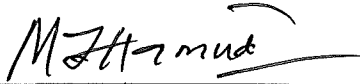
4. Reimbursement; Allocations. The Corporation's financial officer shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the Corporation to make payment of the prior costs of the Project. Each allocation shall be evidenced by an entry on the official books and

records of the Corporation maintained for the Project and shall specifically identify the actual original expenditure being reimbursed.

<u>Description of the Project</u>	<u>Estimated Cost</u>
Tax Exempt and Taxable Charter School Lease Revenue Bonds to fund certain property acquisitions, renovations and expansion.	(not to exceed) \$18,000,000

Effective March 1, 2018

Attest:



Secretary