

Extract of Minutes of a Meeting of the
City Council of the City of Cologne, Minnesota

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Cologne, Minnesota was duly held in the City of Cologne, Minnesota on Monday, September 20, 2021, at 7:00 o'clock P.M.

The following members were present:

and the following were absent:

During said meeting Councilmember
Kells introduced the following resolution and moved its adoption:

RESOLUTION NO. 21-17

RESOLUTION RELATING TO FINANCING FOR
A PROJECT ON BEHALF OF WLS BUILDING COMPANY,
AUTHORIZING THE ISSUANCE AND SALE OF EDUCATIONAL FACILITIES REVENUE
NOTES (WORLD LEARNER SCHOOL PROJECT), SERIES 2021 AND AUTHORIZING
EXECUTION AND DELIVERY OF VARIOUS RELATED DOCUMENTS

WHEREAS,

(a) Minnesota Statutes, Sections 469.152 through 469.165, as amended (the "Act"), confers upon cities and agencies the power to issue revenue obligations for the purpose of the encouragement and development of economically sound industry and commerce to prevent so far as possible the emergence of blighted and marginal lands and areas of chronic unemployment; and

(b) The City Council of the City of Cologne, Minnesota (the "Issuer") has received from WLS Building Company, a Minnesota nonprofit corporation organized under the laws of the State of Minnesota and a 501(c)(3) organization (the "Borrower"), a proposal that the Issuer assist in financing a project hereinafter described through the issuance of revenue notes, pursuant to the Act; and

(c) In authorizing the financing of the Project (as hereinafter defined), and the issuance of the Notes (as hereinafter defined), the Issuer's purpose is, and in its judgment the effect thereof will be, to promote the public welfare by providing facilities within the meaning of the Act, such purpose to be accomplished in the manner and upon the terms and conditions set forth in the Act and in this Resolution; and

(d) The "Project" to be financed by the revenue notes consists of the redemption of the City of Chaska, Minnesota's Lease Revenue Bonds (World Learner School Project) Series 2011A (the "Prior Bonds"), the proceeds of which were used to finance the

acquisition, construction, reconstruction, improvement, betterment or extension of an approximately 24,000 square-foot public (charter) school facility located at 112050 Hundertmark Road, in the City of Chaska, Minnesota (the "City"). The Project will be owned by the Borrower and leased to and operated by The World Learner School of Chaska, Inc., a Minnesota nonprofit corporation having federal income tax-exempt 501(c)(3) status as a public (charter) school (the "School"); and

(e) The Issuer has been advised by representatives of the Borrower that without the aid of municipal financing, and its resulting low borrowing cost, the Project and the provision of the services offered in connection therewith is not economically feasible; and

(f) No public official of the Issuer has either a direct or indirect financial interest in the Project nor will any public official either directly or indirectly benefit financially from the Project.

RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLOGNE, MINNESOTA:

SECTION 1 LEGAL AUTHORIZATION AND FINDINGS.

1.1 Findings. The Issuer hereby finds, determines, and declares as follows:

(a) The Issuer is, by the Constitution and Laws of the State of Minnesota, including Sections 469.152 to 469.165, Minnesota Statutes, as amended (the "Act"), authorized to issue and sell revenue obligations for the purpose of financing the cost of acquisition and construction of authorized projects and to enter into contracts necessary or convenient in the exercise of the powers granted by the Act.

(b) As required by Section 469.154, Subd. 4 of the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer held a public hearing on the date hereof on the issuance of revenue notes, in one or more series, or other obligations to finance the Project.

(c) The Borrower has advised the Issuer that, as required by Section 147(f) of the Code and the Act, the City held a public hearing on the financing of the Project on September 13, 2021, and this resolution is subject to the approval of the financing of the Project by the City pursuant to Section 147(f) of the Code and Minnesota Statutes, Section 471.656, subd. 2(2).

(d) The Project furthers the purposes and policies of the Act and constitutes a "project" within the meaning of Section 469.153 Subd. 2(d) of the Act.

(e) The Issuer has determined to proceed with the Project and the financing thereof as required by Section 469.154 Subd. 4 of the Act and authorizes application to the Department of Employment and Economic Development ("DEED") for the approval of the Project.

(f) The issuance and sale of revenue notes, to be issued in one or more series by the Issuer (the "Notes") for the Project, in an amount not to exceed \$3,250,000 by the

Issuer, pursuant to the Act, is in the best interest of the Issuer, and the Issuer hereby determines to issue the Notes and sell the Notes to American National Bank (the "Lender"), as provided herein. The Issuer will loan the proceeds of the Notes (the "Loan") to the Borrower in order to finance the Project and certain issuance costs related to the Notes.

(g) Pursuant to a Loan Agreement (the "Loan Agreement") to be entered into between the Issuer and the Borrower, the Borrower will agree to repay the Notes in specified amounts and at specified times sufficient to pay in full when due the principal of, premium, if any, and interest on the Notes. In addition, the Loan Agreement contains provisions relating to the maintenance and operation of the Project, indemnification, insurance, and other agreements and covenants which are required or permitted by the Act and which the Issuer and the Borrower deem necessary or desirable for the financing of the Project. A draft of the Loan Agreement has been submitted to the City Council of the Issuer.

(h) Pursuant to a Pledge Agreement to be entered into between the Issuer and the Lender, the Issuer will pledge and grant a security interest in all of its rights, title, and interest in the Loan Agreement to the Lender (except for certain rights of indemnification and to reimbursement for certain costs and expenses). A draft of the Pledge Agreement has been submitted to the City Council of the Issuer.

(i) Pursuant to a Combination Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement (the "Mortgage") to be executed by the Borrower in favor of the Lender, and an Assignment of Lease (the "Lease Assignment") to be executed by the Borrower in favor of the Lender, the Borrower will secure payment of amounts due under the Loan Agreement and Notes by granting to the Lender a mortgage and security interest in the property described in the Mortgage and a security interest in the leases described in the Lease Assignment. Drafts of the Mortgage and the Lease Assignment have been submitted to the City Council of the Issuer.

(j) The Notes will be special limited obligations of the Issuer. The Notes shall not be payable from or charged upon any funds other than the revenues pledged to the payment thereof, nor shall the City or the Issuer be subject to any liability thereon. No holder of a Note shall ever have the right to compel any exercise of the taxing power of the City or the Issuer to pay such Notes or the interest thereon, nor to enforce payment thereof against any property of the City or the Issuer. The Notes shall not constitute a debt of the City or the Issuer within the meaning of any constitutional or statutory limitation. A draft of the Notes has been submitted to the City Council of the Issuer.

1.2 Authorization of Project. The Issuer hereby approves the Project, and does hereby authorize the Borrower, in accordance with the provisions of the Act and subject to the terms and conditions imposed by the Lender, to provide for the financing of the Project by such means as shall be available to the Borrower and in the manner determined by the Borrower and without advertisement for bids as may be required for the construction and acquisition of other municipal facilities; and the Borrower is hereby authorized to make such expenditures and advances for cost of the Project, to be financed from the proceeds of the Notes as the Borrower

considers necessary, if and when delivered, but otherwise without liability on the part of the Issuer.

SECTION 2 THE NOTES.

2.1 Authorized Amount and Form of Note. The issuance of the Notes, payable from loan repayments to be made under the Loan Agreement, is hereby authorized. The Notes shall be designated "City of Cologne, Minnesota Educational Facilities Revenue Notes (World Learner School Project) Series 2021." The proceeds of the Notes shall be used to finance the Project and certain issuance costs related to the Notes.

The Notes issued pursuant to this Resolution shall be in substantially the form submitted to the City Council of the Issuer with such appropriate variations, omissions and insertions as are necessary and appropriate and are permitted or required by this Resolution, and in accordance with the further provisions hereof. The total aggregate principal amount of the Notes that may be outstanding hereunder is expressly limited to \$3,250,000, unless a duplicate Note is issued pursuant to Section 2.7. The Notes shall bear interest as set forth therein. The interest rate on the Notes shall be variable, subject to an optional Lender put substantially as set forth in the draft Loan Agreement or Note submitted to the City Council of the Issuer. The Notes shall contain a recital that they are issued pursuant to the Act and such recital shall be conclusive evidence of their validity and the regularity of their issuance.

2.2 The Notes. The Notes shall be dated, shall be payable at the times and in the manner, shall bear interest at the rates, and shall be subject to such other terms and conditions as are set forth therein.

2.3 Execution. The Notes shall be executed in the name and on behalf of the Issuer by the Mayor and the City Administrator, in substantially the forms on file, but with all such changes therein, not inconsistent with this resolution, the Act or other law, as may be approved by the officers executing the same, which approval shall be conclusively evidenced by the execution thereof. In case any officer whose signature shall appear on a Note shall cease to be such officer before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. In the event of the absence or disability of the Mayor or the City Administrator, such other officer of the Issuer as, in the opinion of the City Attorney, may act in their behalf, shall, without further act or authorization of the Issuer execute and deliver the Notes.

2.4 Delivery of Initial Note. Before delivery of the Notes there shall be filed with the Lender (except to the extent waived by the Lender) the following items:

- (1) an executed copy of each of the following documents:
 - (a) the Loan Agreement;
 - (b) the Pledge Agreement;
 - (c) the Mortgage; and

- (d) the Lease Assignment;
- (2) opinions of Counsel for the Borrower and the School as prescribed by the Lender and Bond Counsel;
- (3) the opinion of Bond Counsel as to the validity and tax exempt status of the Notes;
- (4) 501(c)(3) determination letters or comparable evidence from the Internal Revenue Service evidencing that the Borrower and the School are exempt from income taxation under Section 501(c)(3) of the Code; and
- (5) such other documents and opinions as Bond Counsel may reasonably require for purposes of rendering its opinion required in subsection (3) above or that the Lender may reasonably require for the closing.

2.5 Disposition of Proceeds of the Notes. Upon delivery of the Notes to Lender, the Lender is hereby authorized to disburse the proceeds of the Notes for payment of Project Costs in accordance with the terms of the Loan Agreement.

2.6 Registration of Transfer. The Issuer will cause to be kept at the office of the Issuer a Note Register for the Notes in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of transfers of ownership of the Notes. The Notes shall be initially registered in the name of the Lender and shall be transferable upon the Notes Register by the Lender in person or by its agent duly authorized in writing, upon surrender of the applicable Note together with a written instrument of transfer satisfactory to the Issuer, duly executed by the Lender or its duly authorized agent. The following form of assignment shall be sufficient for said purpose.

For value received _____ hereby sells, assigns and transfers unto _____ the within Note of the City of Cologne, Minnesota, and does hereby irrevocably constitute and appoint _____ attorney to transfer said Note on the books of said Issuer with full power of substitution in the premises. The undersigned certifies that the transfer is made in accordance with the provisions of Section 2.9 of the Resolution authorizing the issuance of the Notes.

Dated: _____

Registered Owner

Upon such transfer the Issuer shall note the date of registration and the name and address of the new holder in the applicable Note Register and in the registration blank appearing on the Notes.

2.7 Mutilated, Lost or Destroyed Note. In case the Notes issued hereunder shall become mutilated or be destroyed or lost, the Issuer shall, if not then prohibited by law, cause to be executed and delivered, a new Note of like outstanding principal amount, number and tenor in exchange and substitution for and upon cancellation of such mutilated Note, or in lieu of and in substitution for such Note destroyed or lost, upon the Lender's paying the reasonable expenses

and charges of the Issuer in connection therewith, and in the case of a Note destroyed or lost, the filing with the Issuer of evidence satisfactory to the Issuer with indemnity satisfactory to it. If the mutilated, destroyed or lost Note has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Note prior to payment.

2.8 Ownership of Notes. The Issuer may deem and treat the person in whose name the Notes are last registered in the applicable Note Register and by notation on the applicable Note whether or not such Notes shall be overdue, as the absolute owner of such Notes for the purpose of receiving payment of or on account of the Principal Balance, redemption price or interest and for all other purposes whatsoever, and the Issuer shall not be affected by any notice to the contrary.

2.9 Limitation on Note Transfers. The Notes will be issued to an "accredited investor" and without registration under state or other securities laws, pursuant to an exemption for such issuance; and accordingly a Note may not be assigned or transferred in whole or part, nor may a participation interest in the Notes be given pursuant to any participation agreement, except to another "accredited investor" or "financial institution" in accordance with an applicable exemption from such registration requirements and with full and accurate disclosure of all material facts to the prospective purchaser(s) or transferee(s).

2.10 Issuance of New Notes. Subject to the provisions of Section 2.9, the Issuer shall, at the request and expense of the Lender, issue new notes, in aggregate outstanding principal amount equal to that of the Notes surrendered, and of like tenor except as to number, principal amount, and the amount of the monthly installments payable thereunder, and registered in the name of the Lender or such transferee as may be designated by the Lender.

SECTION 3 GENERAL COVENANTS

3.1 Payment of Principal and Interest. The Issuer covenants that it will promptly pay or cause to be paid the principal of and interest on the Notes at the place, on the dates, solely from the source and in the manner provided herein and in the applicable Notes. The principal and interest are payable solely from and secured by revenues and proceeds derived from the Loan Agreement and the Pledge Agreement, which revenues and proceeds are hereby specifically pledged to the payment thereof in the manner and to the extent specified in the Notes, the Loan Agreement, and the Pledge Agreement; and nothing in the Notes or in this Resolution shall be considered as assigning, pledging or otherwise encumbering any other funds or assets of the City or the Issuer.

3.2 Performance of and Authority for Covenants. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Resolution, in the Notes executed, authenticated and delivered hereunder and in all proceedings of the City Council of the Issuer pertaining thereto.

3.3 Enforcement and Performance of Covenants. The Issuer agrees to enforce all covenants and obligations of the Borrower under the Loan Agreement upon request of the Lender and being indemnified to the satisfaction of the Issuer for all expenses and claims arising

therefrom, and to perform all covenants and other provisions pertaining to the Issuer contained in the Notes and the Loan Agreement and subject to Section 3.4.

3.4 Nature of Security. Notwithstanding anything contained in the Notes, the Loan Agreement, the Pledge Agreement, or any other document referred to in Section 2.4 to the contrary, under the provisions of the Act, the Notes may not be payable from or be a charge upon any funds of the City or the Issuer other than the revenues and proceeds pledged to the payment thereof, nor shall the City or the Issuer be subject to any liability thereon, nor shall the Notes otherwise contribute or give rise to a pecuniary liability of the City or the Issuer or, to the extent permitted by law, any of the City's or the Issuer's officers, employees and agents. No holder of a Note shall ever have the right to compel any exercise of the taxing power of the City or the Issuer to pay such Notes or the interest thereon, or to enforce payment thereof against any property of the City or the Issuer other than the revenues pledged under the Pledge Agreement; and the Notes shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City or the Issuer; and the Notes shall not constitute a debt of the City or the Issuer within the meaning of any constitutional or statutory limitation; but nothing in the Act impairs the rights of the Lender to enforce the covenants made for the security thereof as provided in this Resolution, the Loan Agreement, and the Pledge Agreement, and in the Act, and by authority of the Act the Issuer has made the covenants and agreements herein for the benefit of the Lender; provided that in any event, the agreement of the Issuer to perform or enforce the covenants and other provisions contained in the Notes, the Loan Agreement, and the Pledge Agreement shall be subject at all times to the availability of revenues under the Loan Agreement sufficient to pay all costs of such performance or the enforcement thereof, and the Issuer shall not be subject to any personal or pecuniary liability thereon.

SECTION 4 MISCELLANEOUS.

4.1 Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or paragraphs in this Resolution contained shall not affect the remaining portions of this Resolution or any part thereof.

4.2 Authentication of Transcript. The officers of the Issuer are directed to furnish to Bond Counsel certified copies of this Resolution and all documents referred to herein, and affidavits or certificates as to all other matters which are reasonably necessary to evidence the validity of the Notes. All such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute recitals of the Issuer as to the correctness of all statements contained therein.

4.3 Authorization to Execute Agreements. The forms of the proposed Loan Agreement, Pledge Agreement, and the Notes are hereby approved in substantially the forms heretofore presented to the City Council of the Issuer, together with such additional details

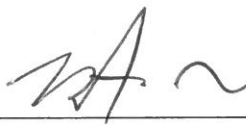
therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by Bond Counsel prior to the execution of the documents, and the Mayor and City Administrator or other officers authorized to act on behalf of the Issuer is authorized to execute the Loan Agreement, the Pledge Agreement and such other documents as required, appropriate or desirable in connection with the issuance of the Notes in the name of and on behalf of the Issuer. The execution of any instrument by the appropriate officer or officers of the Issuer herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof.

4.4 Certifications. The officers of the Issuer are authorized and directed to prepare and furnish to Bond Counsel, to the Borrower, to the Lender and to counsel for the Borrower and the Lender, certified copies of all proceedings and records of the Issuer relating to the Project and the Notes, and such other affidavits and certificates as may be required to show the facts appearing from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the Issuer as to the trust of all statements contained therein.

4.5 Bank Qualification Designation. The Issuer hereby designates the Notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code and makes the following factual statements and representations:

- (a) the Notes are issued after August 7, 1986;
- (b) the Notes are not "private activity bonds" as defined in Section 141 of the Code, treating "qualified 501(c)(3) bonds" as not being private activity bonds;
- (c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Issuer (and all entities treated as one issuer with the Issuer, and all subordinate entities whose obligations are treated as issued by Issuer) during calendar year 2021 will not exceed \$10,000,000; and
- (d) not more than \$10,000,000 (or such greater amount as may be permitted by the Code or other applicable federal law) of obligations issued by the Issuer during calendar year 2021 have been designated for purposes of Section 265(b)(3) of the Code.

Adopted by the City Council of the City of Cologne, Minnesota, this 20th day of September, 2021.



Mayor

ATTEST:



City Administrator

The motion for the adoption of the foregoing resolution was duly seconded by Member Lenzen, and after full discussion thereof and upon vote being taken thereon, the following voted in favor thereof:

Hells, Lein, Lenzen & Szarolett

and the following voted against the same:

n/a

whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTY OF CARVER
CITY OF COLOGNE

I, the undersigned, being the duly qualified and acting City Administrator of the City of Cologne, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council duly called and held on the date therein indicated, insofar as such minutes relate to a resolution authorizing the issuance of revenue notes.

WITNESS my hand this 20th day of September, 2021.



City Administrator