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March 15, 2018

Economic Development Authority in and for the City of Northfield, Minnesota  
801 Washington Street  
Northfield, MN 55057  
Attn: Brenda Angelstad, Finance Director

Re: Proposed amendment of \$2,300,000 School Lease Revenue Note, Series 2008 (Prairie Creek Community School Project) issued by Economic Development Authority in and for the City of Northfield, Minnesota

Dear Brenda and EDA Board Members,

On December 23, 2008, the Economic Development Authority in and for the City of Northfield, Minnesota (the "EDA") issued its \$2,300,000 School Lease Revenue Note, Series 2008 (Prairie Creek Community School Project) (the "Note"). Western Bank (the "Lender") purchased and continues to hold the Note. The proceeds of the Note were loaned to Prairie Creek, Inc., a Minnesota nonprofit corporation (the "Borrower") in order to finance the acquisition, construction and equipping of an approximately 11,000 square foot addition to the existing public charter school facility leased to and operated by Prairie Creek Community School, in the City of Northfield, Minnesota (the "Project").

The Lender has agreed to (i) reduce the interest rate on the Note prior to the scheduled interest rate adjustment date; (ii) reduce the interest rate floor on the Note; (iii) reduce the interest rate ceiling on the Note and (iv) make adjustments to repayment of the Note.

The Note was designated by the EDA as a "bank-qualified" tax-exempt bond. The designation of bonds as "bank-qualified" creates more demand for the bonds and generally results in a lower interest cost and also enables banks to realize the full benefit of the tax exempt interest on such bonds. The amendment of the Note does not affect the previous designation of the Note or the ability of the EDA or the City of Northfield issue their own bonds as bank-qualified bonds in 2018.

The Note does not constitute a general or moral obligation of the EDA and is not and will not be secured by or payable from any property or assets of the EDA or the City of Northfield (other than the interests of the EDA in a loan agreement (the "Loan Agreement") between the EDA and the Borrower, related to the payment of the Note, which has been assigned to the Lender). The Note is not and will not be secured by any taxing power of the EDA or the City of Northfield. The Note is not included in any debt limitation imposed on the EDA or the City of Northfield and the Note will not have any adverse impact on the credit rating of the EDA or the City of Northfield, even if Borrower encounters financial difficulties with respect to the facilities financed with the proceeds of the Note.

The proposed amendments do not necessitate a public hearing and can simply be approved by a resolution which has been provided to the EDA.

Under the terms of the Loan Agreement, the Borrower will pay all of the EDA's fees and expenses in connection with the amendments.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Jenny Boulton". The signature is written in dark ink and is positioned above the printed name.

Jenny Boulton