

## City of Canton

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### Resolution #2025-04

**RESOLUTION COVENANTING AND OBLIGATING THE CITY OF BE BOUND BY AND TO USE THE PROVISIONS OF MINNESOTA STATUTES, SECTION 446a.086 TO GUARANTEE THE PAYMENT OF THE PRINCIPAL AND INTEREST ON ITS \$1,390,000 TEMPORARY GENERAL OBLIGATION UTILITY REVENUE BONDS, SERIES 2025A**

**WHEREAS**, the City will issue bonds pursuant to an authorizing resolution; and

**WHEREAS**, the City chooses to apply for the State of Minnesota Public Facilities Authority Credit Enhancement Program;

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Canton, Minnesota, as follows:

Minnesota Public Facilities Authority Credit Enhancement Program

The following documents have been submitted to the Council and are on file in the office of the City Clerk:

- A. Form of Minnesota Public Facilities Authority (the "PFA") Credit Enhancement Program Agreement (the "Agreement"); and
  - B. Application for Participation in the PFA Credit Enhancement Program (the "Application").
1. The Agreement and the Application are authorized and approved in substantially the forms presented to the Council. Submission of the Application to the PFA and payment of related fees are approved. The City hereby covenants and obligates itself to be bound by the provisions of Minnesota Statutes, Section 446A.086, as it may be amended from time to time. The City understands that as a result of its covenant to be bound by the provisions of Minnesota Statutes, Section 446A.086, the provisions of that section shall be binding as long as any Bonds of this issue remain outstanding.
  2. The City hereby covenants and obligates itself to notify the Minnesota Public Facilities Authority of a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 446A.086 to guarantee payment of the principal and interest on the Bonds when due. The City further covenants to deposit with the Bond Registrar or any successor paying agent three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Minnesota Public Facilities Authority that it will be unable to make all or a portion of that payment. The Bond Registrar for the Bonds is authorized and directed to notify the Minnesota Public Facilities Authority if it becomes aware of a potential default in the payment of principal or interest on the Bonds or if, on the day

two (2) business days prior to the payment is due on the Bonds, there are insufficient funds to make that payment on deposit with the Bond Registrar.

3. The City further covenants to comply with all procedures now or hereafter established by the Department of Finance and Minnesota Public Facilities Authority pursuant to Minnesota Statutes, Section 446A.086 subdivision 3 and otherwise to take such actions as necessary to comply with that section. The Mayor and City Clerk are authorized to execute any applicable Minnesota Public Facilities Authority forms and to provide for the payment of the City's application fee of \$500 to the Authority, or will reimburse DDA for their payment of the fee on the City's behalf, which fee is required to be submitted with the executed forms.

**Passed and adopted by the City Council of Canton, Minnesota this 8<sup>th</sup> day of January 2025.**



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**Kristy Ziegler, Mayor**

**ATTEST:**



**Anne Koliha, City Clerk**