

RESOLUTION NO. 2025-08

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND
DELIVERY OF \$1,374,000 TEMPORARY GENERAL OBLIGATION
UTILITY REVENUE BONDS, SERIES 2025A**

BE IT RESOLVED, by the Council (the “Council”) of the City of Canton, Fillmore County, Minnesota (the “Issuer”), as follows:

Section 1. Purpose, Authorization, and Award.

1.01 Authority.

A. Under and pursuant to Minnesota Statutes, Chapter 475, and Sections 444.075 and 475.61 (collectively, the “Act”), the Issuer is authorized to issue temporary general obligation bonds for the purpose of financing certain costs associated with public infrastructure improvements to water, sanitary sewer, and storm sewer facilities (the “Facilities”) and to pay costs associated with the issuance of such bonds.

B. The Council determines that it is necessary, expedient, and in the best interests of the Issuer’s residents that the Issuer, as permitted by the Act, issue, sell, and deliver its \$1,374,000 Temporary General Obligation Utility Revenue Bond, Series 2025A (the “Bond”), for the purpose of temporarily financing certain costs associated with public infrastructure improvements to its Facilities, and to pay costs associated with the issuance of the Bond (the “Project”).

C. The principal of and interest the Bond shall be paid primarily from Net Revenues (as defined herein) of the Issuer’s municipal water and wastewater systems (the “Utilities”), anticipated grant funding, and long-term definitive bonds or additional temporary obligations which the Issuer shall offer for sale in advance of the maturity of the Bond (the “Permanent Obligations”).

1.02 Municipal Advisor. Section 475.60, Subdivision 2(9) of the Act waives the requirement for a public sale of obligations when a municipality has retained an independent financial advisor. The Issuer has retained the services of David Drown Associates, Inc., as its municipal advisor.

1.03 Award of Sale. The Issuer has received an offer from First Southeast Bank in Harmony, Minnesota (the “Purchaser”), to purchase the Bond at a cash price of \$1,374,000.00, plus accrued interest to the date of delivery of the Bond, if any, upon condition that the Bond matures and bears interest at the time and annual rate set forth in Section 2. The Issuer, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is accepted. All actions of the Mayor and Clerk taken with regard to the sale of the Bond are ratified and approved.

Section 2. Terms of the Bond.

2.01 Date and Maturities.

A. The Bond to be issued hereunder shall be issued as a fully-registered bond designated “\$1,374,000 Temporary General Obligation Utility Revenue Bond, Series 2025A,” dated the date of delivery to the Purchaser in exchange for the purchase price of the Bond, issued in the denomination of \$1,374,000, and lettered and numbered R-1.

B. The Bond shall mature on February 1 in the year and amount stated below and shall bear interest from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue until paid at the rate per annum set forth below opposite such year and amount:

| Year | Amount | Interest Rate |
|------|-------------|---------------|
| 2028 | \$1,374,000 | 4.50% |

C. The Bond, together with the maturities of all other outstanding general obligation bonds of the Issuer, meet the requirements of Minnesota Statutes, Section 475.54.

2.02 Prepayment. The Bond is callable and subject to prepayment on any date at a price of par plus accrued interest.

2.03 Payment Dates.

A. The interest on the Bond shall be payable semiannually on February 1 and August 1 of each year commencing on August 1, 2025 (each referred to herein as an “Interest Payment Date”). Interest will be computed upon the basis of a 360-day year, consisting of twelve 30-day months.

B. The Registrar designated below shall make all interest payments with respect to the Bond by check or draft mailed to the registered owner of the Bond shown on the Bond registration records maintained by the Registrar at the close of business on the 15th day (whether or not on a business day) of the month next preceding the Interest Payment Date at such owner’s address shown on such Bond registration records.

2.04 Preparation and Execution.

A. The Bond shall be prepared for execution in accordance with the approved form and shall be signed by the manual signature of the Mayor and attested by the manual signature of the Clerk. The corporate seal of the Issuer may be omitted from the Bond as permitted by law. In case any officer whose signature shall appear on the Bond shall cease to be an officer before delivery of the Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

B. The Clerk is authorized and directed to obtain a copy of the proposed approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota (“Bond Counsel”), which is to be complete thereof and cause the opinion to be attached to the Bond.

2.05 Registrar. The City Council hereby appoints Northland Bond Services, Inc. of Minneapolis, Minnesota, as registrar, authenticating agent, paying agent, and transfer agent for the Bond (the “Registrar”). The Bond shall not be valid or obligatory for any purpose unless and until the Bond has been executed by the manual signature of at least one officer of the Issuer or the Registrar’s Authentication Certificate on the Bond, substantially set forth in this resolution, shall have been duly executed by an authorized representative of the Registrar. Authentication certificates on different bonds need not be signed by the same representative. The executed Authentication Certificate or manual signature of an officer of the Issuer on the Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

2.06 Registered Owner. The Bond shall be registered in the name of the Purchaser.

2.07 Bond Register. The Issuer shall cause to be kept by the Registrar a bond register in which, subject to such reasonable regulations as the Registrar may prescribe, the Issuer shall provide for the registration of the Bond and the registration of transfers of the Bond entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Registrar as may be appointed by the Issuer.

2.08 Payment.

A. The Issuer and the Registrar may treat the person in whose name the Bond is registered as the owner of the Bond for the purpose of receiving payment of principal of and interest on the Bond and for all other purposes whatsoever, whether or not the Bond be overdue, and neither the Issuer nor the Registrar shall be affected by notice to the contrary.

B. The principal of and interest on the Bond shall be payable by the Registrar in such funds as are legal tender for the payment of debts due the United States of America. The Issuer shall pay the reasonable and customary charges of the Registrar for the disbursement of principal and interest.

2.09 Delivery. Delivery of the Bond and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Purchaser. A typewritten and executed Bond shall be furnished by the Issuer without cost to the Purchaser. The Bond, when prepared in accordance with this resolution and executed, shall be delivered by or under the direction of the Clerk to the Purchaser upon receipt of the purchase price plus accrued interest, if any.

Section 3. Form of the Bond.

3.01 The Bond shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
FILLMORE COUNTY

R-1

\$1,374,000

CITY OF CANTON
TEMPORARY GENERAL OBLIGATION UTILITY REVENUE BOND,
SERIES 2025A

| <u>Rate</u> | <u>Maturity Date</u> | <u>Date of Original Issue</u> |
|-------------|----------------------|-------------------------------|
| 4.50% | February 1, 2028 | February 26, 2025 |

REGISTERED OWNER: FIRST SOUTHEAST BANK

PRINCIPAL AMOUNT: ONE MILLION THREE HUNDRED SEVENTY
FOUR THOUSAND DOLLARS

The City of Canton, Fillmore County, Minnesota (the “Issuer”), certifies that it is indebted and for value received, promises to pay to the registered owner specified above or on the Registration Certificate attached hereto, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon semiannually on February 1 and August 1 of each year (each referred to herein as an “Interest Payment Date”) commencing on August 1, 2025, at the rate per annum specified above, calculated on the basis of a 360-day year, consisting of twelve 30-day months, until the principal amount is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof set forth above.

Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the main office of Northland Bond Services, Inc., of Minneapolis, Minnesota, as Registrar, authenticating agent, paying agent and transfer agent (the “Registrar”), or at the office of such successor Registrar as may be designated by the governing body of the Issuer. The Registrar shall make all payments with respect to this Bond directly to the registered owner hereof shown on the Bond registration records maintained on behalf of the Issuer by the Registrar at the close of business on the 15th day of the month next preceding the payment date (whether or not a business day) at such owner’s address shown on said Bond registration records, without, except for payment of principal of this Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligation of the Issuer to the extent of the payments so made. The final payment of principal on this Bond shall be made upon presentation and surrender of this Bond to the Registrar when due.

The Issuer has qualified this Bond for participation in the State of Minnesota Public Facilities Credit Enhancement Program under which the State of Minnesota guarantees payment of city debt obligations pursuant to Minnesota Statutes, Section 446A.086. If the Issuer is unable to make any portion of the principal or interest payments on the Bond as they become due, the State of Minnesota has agreed to make such payment in the Issuer's place.

For the prompt and full payment of such principal and interest as they become due, the full faith and credit and taxing power of the Issuer are irrevocably pledged. The Issuer has designated the Bond as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond comprises the entire series issued by the Issuer in the aggregate amount of \$1,374,000, pursuant to the authority contained in Minnesota Statutes, Chapter 475, and Sections 444.075 and 475.61, and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the Issuer on February 12, 2025 (the "Resolution"), for the purpose of temporarily financing certain costs associated with public infrastructure improvements to its Facilities (as defined in the Resolution), and to pay costs associated with the issuance of the Bond (the "Project"). The principal of and interest on this Bond is payable from net revenues (the "Net Revenues") derived from the operation of the Issuer's municipal water and wastewater systems (the "Utilities") in excess of normal, reasonable, and current costs of the operation and maintenance of the Utilities. The Issuer has covenanted and agreed that it will impose and collect just and equitable charges for all use and for the availability of all Facilities of the Utilities at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining the Utilities, and also to produce Net Revenues, which will be at least adequate at all times to pay the principal and interest due on the Bond. Reference is made to the Resolution for a full statement of rights and powers thereby conferred.

In the Resolution the Issuer has covenanted and agreed that if this Bond cannot be paid at maturity from the pledged revenues or from other funds appropriated by the governing body of the Issuer, this Bond will be paid from the proceeds of additional definitive obligations which will be issued and sold prior to the maturity date of this Bond. The holder of this Bond shall have and may enforce, by mandamus or other appropriate proceedings, all rights respecting the levy and collection of taxes that are granted by law to holders of permanent bonds, except the right to require the levies to be collected prior to the maturity of this Bond. If this Bond is not paid in full at maturity, the holder hereof may require the issuance in exchange for it, at par, of a new temporary bond maturing within one year from its date of issue but not subject to any other maturity limitation, and bearing interest at the maximum rate permitted by law. Reference is made to the Resolution to which reference is made for a full statement of rights and powers thereby conferred.

REGISTRATION CERTIFICATE

This Bond must be registered as to both principal and interest in the name of the owner on the books to be kept by Northland Bond Services, Inc., Minneapolis, Minnesota, as Registrar. No transfer of this Bond shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books.

| <u>Date</u> | <u>Registered Owner</u> | <u>Signature of Registrar</u> |
|-------------|---|-------------------------------------|
| 2/26/2025 | First Southeast Bank PO Box 429 3 Main Ave N Harmony, MN 55939 Federal Tax I.D. No.: 41-0300300 | <i>(form-no signature required)</i> |

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

Social Security or Other
Identifying Number of Assignee

the within Bond and all rights thereunder and irrevocably constitutes and appoints _____ attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

(Bank, Trust Company, member of
National Securities Exchange)

THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF FOR VALUE, OR TRANSFERRED, WITHOUT (i) AN OPINION OF COUNSEL THAT SUCH SALE, DISPOSITION OR TRANSFER MAY LAWFULLY BE MADE WITHOUT REGISTRATION UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED AND UNDER APPLICABLE STATE SECURITIES LAWS, OR (ii) SUCH REGISTRATION. THE TRANSFERABILITY OF THIS INSTRUMENT IS SUBJECT TO RESTRICTIONS REQUIRED BY (1) FEDERAL AND STATE SECURITIES LAWS GOVERNING UNREGISTERED SECURITIES; AND (2) THE RULES, REGULATIONS, AND INTERPRETATIONS OF THE GOVERNMENTAL AGENCIES ADMINISTERING SUCH LAWS. THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER CHAPTER 80A OF MINNESOTA STATUTES OR OTHER APPLICABLE STATE BLUE SKY LAWS AND MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF FOR VALUE EXCEPT PURSUANT TO REGISTRATION OR OPERATION OF LAW.

Section 4. Covenants, Accounts and Tax Levies.

4.01 Utility Fund. The Issuer covenants and agrees with the holder of the Bond and with its taxpayers as follows:

(i) It will impose and collect just and equitable charges for all use and for the availability of all Facilities of the Utilities at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining such Utilities, and also to produce Net Revenues (defined below), which together with other funds of the Issuer pledged herein, will be at least adequate at all times to pay the principal and interest due on the Bond and on all other notes and bonds heretofore or hereafter issued and made payable from said Net Revenues, and will operate the Utilities and segregate and account for the revenues thereof as provided in this Section.

(ii) It will place all such charges for the use and availability of the Utilities, when collected, and all money received from the sale of any Facilities or equipment of the Utilities in the utility fund previously established for the Utilities (the "Utility Fund"). Except as provided in this Section, this fund shall be used only to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Utilities, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time. Sums in excess of those required to make such payments and maintain such revenues constitute the net revenues

("Net Revenues") a portion of which are herein pledged and appropriated to pay the principal of and interest when due on the Bond.

(iii) Surplus revenues of the Utilities from time to time received in the Utility Fund, in excess of payments due from and reserves required to be maintained in the Utility Fund and in the Debt Service Fund, may be used for necessary capital expenditures for the improvement of the Utilities, for the prepayment and redemption of notes and bonds constituting a lien on the Utilities, and for any other proper municipal purpose consistent with policies established by resolution of the City Council.

4.02 Fund. There is created a special fund to be designated the "2025A Temporary General Obligation Utility Revenue Bond Fund" (the "Fund") to be administered and maintained by the Clerk as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Fund shall be maintained in the manner herein specified until the Bond and the interest thereon have been fully paid. There shall be established and maintained in the Fund two separate accounts, to be designated the "Construction Account" and "Debt Service Account," respectively:

A. *Construction Account*. On receipt of the purchase price of the Bond, the Issuer shall credit proceeds from the sale of the Bond, less any amounts used to pay part of the interest of the issue as allowed by Minnesota Statutes Section 475.56 (the "Additional Interest"), and less any accrued interest paid by the Purchaser upon closing and delivery of the Bond (the "Accrued Interest"), and less any rounding amount (the "Rounding Amount"), to the Construction Account. Proceeds from the Bond on deposit in the Construction Account, along with other monies of the Issuer available therefor, shall be used from time to time to pay, or reimburse the Issuer for payment of, the capital costs of the Project and costs of legal, financial advisory, and other professional services, printing and publication costs, and costs of issuance of the Bond, and interest due on the Bond prior to completion of the Project, as such become due.

B. *Debt Service Account*. The Debt Service Account shall be administered and maintained by the Clerk as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Debt Service Account shall be maintained in the manner herein specified until the principal of the Bond and the interest thereon have been fully paid:

(i) There is pledged and appropriated and there shall be credited to the Debt Service Account: (A) the Accrued Interest and the Additional Interest, if any; (B) the Rounding Amount, if any; (C) Net Revenues of the Utilities in such amounts, which will be sufficient along with the Permanent Obligations to pay the principal of and interest on the Bond when due; (D) all funds remaining in the Construction Account after completion of the Project and payment of the costs thereof; (E) proceeds of the Permanent Obligations; (F) any and all other moneys which are properly available and are appropriated by the governing body of the Issuer to the Debt Service Account; and (G) investment earnings on the monies identified in the foregoing clauses (A) through (F). The proceeds of the Bond described in clauses (A) and (B) of the preceding sentence shall be used for payment of interest on the Bond.

(ii) The money in such account shall be used for no purpose other than the payment of principal and interest and redemption premium, if any, on the Bond and any other general obligation bonds of the Issuer hereafter issued by the Issuer and made payable from said account as provided by law; provided, however, that if any payment of principal or interest shall become due when there is not sufficient money in the Debt Service Account, the Clerk shall pay the same from another fund of the Issuer as provided in paragraph (iv) below, which fund shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

(iii) Prior to each Interest Payment Date, the Clerk shall transfer to the Debt Service Account amounts of Net Revenues of the Utilities which are sufficient, along with funds then on deposit in the Debt Service Account, for the payment of all interest and principal then due on the Bond.

(iv) If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bond, the Clerk shall nevertheless provide sufficient money first from the Construction Account, second from the Utility Fund, and third from any other funds of the Issuer which are available for that purpose, and such other funds shall be reimbursed from the Debt Service Account when the balance therein is sufficient. All such reimbursements shall comply with Treasury Regulations, Section 1.150-2.

C. *Surplus Revenues.* Surplus revenues of the Utilities from time to time received in the Fund, in excess of payments due from and reserves required to be maintained in the Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Utilities, for the prepayment and redemption of notes and bonds issued pursuant to Section 444.075 of the Act, and for any other proper municipal purpose consistent with law and policies established by resolution of the Issuer.

D. *Investments.* Monies on deposit in the Fund and accounts therein may, at the discretion of the Issuer, be invested in securities permitted by Minnesota Statutes, Chapter 118A; provided, that any such investments shall mature at such times and in such amounts as will permit for payment of the principal and interest on the Bond when due.

4.03 No Tax Levy.

A. It is determined that the estimated Net Revenues of the Utilities, the proceeds of any Permanent Obligations, and other funds of the Issuer pledged and appropriated for payment of principal and interest on the Bond will produce at least five percent in excess of the amount needed to meet when due, the principal and interest payments on the Bond and that no tax levy is needed at this time.

B. It is recognized that the Issuer's liability on the Bond is not limited to the Net Revenues of the Utilities so pledged, and the City Council covenants and agrees that in the event of any current or anticipated deficiency in Net Revenues of the Utilities, it will levy upon all taxable property within the Issuer and cause to be extended, assessed, and collected, any additional

taxes found necessary for full payment of the principal of and interest on the Bond, without limitation as to rate or amount.

4.04 Definitive Bonds. In accordance with its statutory duties under Minnesota Statutes, Section 475.61, the Issuer covenants and agrees with the holders of the Bond that if the Bond cannot be paid at maturity from the Net Revenues and Permanent Obligations or from other funds appropriated by the Issuer, the Bond will be paid from the proceeds of permanent bonds which the City Council shall offer for sale in advance of their maturity but the indebtedness funded by the Bond shall not be extended by the issue of additional temporary bonds for more than six years from the date of the Bond. The holder of the Bond shall have and may enforce, by mandamus or other appropriate proceedings, all rights respecting the levy and collection of taxes that are granted by law to holders of permanent bonds, except the right to require the levies to be collected prior to the maturity of the Bond. If the Bond is not paid in full at maturity, the holder may require the issuance in exchange for them, at par, of new temporary bonds maturing within one year from their date of issue but not subject to any other maturity limitation, and bearing interest at the maximum rate permitted by law

Section 5. Tax Covenants. A. The Issuer covenants and agrees with the holders of the Bond that the Issuer will (i) take all action on its part necessary to cause the interest on the Bond to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bond and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Bond to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Bond and investment earnings thereon on certain specified purposes.

B. For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the Issuer finds, determines and declares:

- (i) the Issuer is a governmental unit with general taxing powers;
- (ii) the Bond is not a “private activity bond;”
- (iii) 95% or more of the net proceeds of the Bond are to be used for local governmental activities of the Issuer; and
- (iv) the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Bond is issued is not reasonably expected to exceed \$5,000,000.

C. In order to qualify the Bond as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code, the Issuer makes the following factual statements and representations:

- (i) the Bond is not a “private activity bond” as defined in Section 141 of the Code;

(ii) the Issuer designates the Bond as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code;

(iii) 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 whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Bond is being issued will not exceed \$10,000,000; and

(iv) not more than \$10,000,000 of obligations issued by the Issuer during the calendar year in which the Bond is being issued have been designated for purposes of Section 265(b)(3) of the Code.

Section 6. Certificate of Proceedings; Miscellaneous.

6.01 The Clerk or its designee is directed to file with the County Auditor a certified copy of this resolution and such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the Bond herein authorized has been duly entered on the County Auditor’s register.

6.02 The officers of the Issuer are authorized and directed to prepare and furnish to the Purchaser of the Bond and to Bond Counsel certified copies of all proceedings and records of the Issuer relating to the authorization and issuance of the Bond and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Bond as such facts appear from the official books and records of the officers’ custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of facts recited therein and the actions stated therein to have been taken.

6.03 In the event of the absence or disability of the Mayor or the Clerk, such officers or members of the Issuer as in the opinion of the Issuer’s attorney may act on their behalf shall, without further act or authorization, execute and deliver the Bond, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

6.04 Offering Materials. The Mayor and Clerk are hereby authorized and directed to certify that they have examined the Offering Circular prepared and circulated in connection with the issuance and sale of the Bond and that to the best of their knowledge and belief the Offering Circular is a complete and accurate representation of the facts and representations made therein as of the date of the Offering Circular.

Section 7. Pre- and Post-Issuance Compliance Policy and Procedures. The Issuer has been provided with a Pre- and Post-Issuance Compliance Policy and Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the “Policy and Procedures”). The Issuer hereby approves the Policy and Procedures which have been presented to the City Council.

The Clerk is designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

Section 8. Loan Agreement. The proceeds of the Bond will be advanced to the Issuer in accordance with the terms of this Resolution and with a Loan Agreement between the Issuer, and the Purchaser (the “Loan Agreement”). The Mayor and Clerk of the Issuer are hereby authorized and directed to execute the Loan Agreement substantially in the form currently on file in the office of the Issuer.

Section 9. Minnesota Public Facilities Authority Credit Enhancement Program.

A. The Issuer has heretofore covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 446A.086, and hereby ratifies the same. The Issuer has entered into the State of Minnesota Public Facilities Authority Credit Enhancement Program Agreement (the “PFA Agreement”) with the Minnesota Public Facilities Authority (the “PFA”), which is incorporated by reference as if fully set forth herein.

B. The Issuer understands that as a result of its entering into the PFA Agreement, the provisions of Minnesota Statutes, Section 446A.086, shall be binding as long as any portion of the Bond remains outstanding.

C. The Registrar is authorized and directed to notify the Minnesota Commissioner of Finance if it becomes aware of a potential default in the payment of principal or interest on the Bond or if, on the day two business days prior to the date a payment is due on the Bond, there are insufficient funds to make that payment on deposit with the Registrar.

Adopted: February 12, 2025

Mayor 

ATTEST:

Anne Kwikha
Clerk