

**EXTRACT OF MINUTES OF MEETING OF THE
COUNCIL OF THE CITY OF MARSHALL
LYON COUNTY, MINNESOTA**

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Marshall, Minnesota, was duly held [remotely by telephone or other electronic means] [at the MERIT Center in said City] on Tuesday, May 11, 2021, commencing at 5:30 p.m.

The following members were present:

and the following were absent:

The Mayor announced that the next order of business was consideration of the proposals which had been received for the purchase of the City's General Obligation Bonds, Series 2021A, proposed to be issued in the aggregate principal amount of \$[Par Amount].

The City Administrator presented a tabulation of the proposals that had been received in the manner specified in the Terms of Proposal for the Bonds. The tabulation of the proposals are as set forth in EXHIBIT A attached.

After due consideration of the proposals, Council Member _____ introduced the following written Resolution No. 21-040 attached hereto and moved its adoption. The motion for the adoption of the resolution was duly seconded by Council Member _____ and upon a vote being taken thereon, the following Council Members voted AYE:

and the following voted NAY:

Passed, adopted, approved and filed this 11th day of May, 2021.

CITY OF MARSHALL, MINNESOTA

RESOLUTION NO. 21-040

**AWARDING THE SALE OF GENERAL OBLIGATION BONDS,
SERIES 2021A, IN THE AGGREGATE PRINCIPAL AMOUNT OF
\$[Par Amount]; FIXING THEIR FORM AND SPECIFICATIONS;
DIRECTING THEIR EXECUTION AND DELIVERY; AND
PROVIDING FOR THEIR PAYMENT**

BE IT RESOLVED by the City Council of the City of Marshall, Lyon County, Minnesota (the “City”) as follows:

Section 1. Sale of Bonds.

1.01. Authorization for Sale of Bonds. Pursuant to a resolution adopted by the City Council on April 13, 2021, the City authorized the sale of its General Obligation Bonds, Series 2021A (the “Series 2021A Bonds” or “Bonds”), for the following purposes:

(a) to finance certain street reconstruction described in a five-year street reconstruction plan, adopted by the City Council on March 23, 2021, including the N 1st Street/W Marshall/W Redwood Reconstruction, and James Ave Reconstruction & Storm Outfall Improvement (the “Street Reconstruction”), pursuant to Minnesota Statutes, Chapter 475, as amended (“Chapter 475”), including specifically Section 475.58, subdivision 3b (collectively, the “Street Reconstruction Act”);

(b) to finance certain public improvements, including the construction of a restroom at Patriot Park in the City (the “Public Improvements”), pursuant to Chapter 475 and Minnesota Statutes, Sections 469.1812 through 469.1815, as amended (collectively, the “Abatement Act”), and a resolution adopted by the City Council on March 23, 2021 following a duly noticed public hearing, approving a property tax abatement (the “Abatements”) for certain property in the City (the “Abatement Parcels”) over a period of eight (8) years, in an amount sufficient to pay the principal amount of and interest on bonds issued to finance the Public Improvements;

(c) to finance the purchase of certain items of capital equipment, including a front end loader snowblower and an articulating wheel loader (the “Capital Equipment”), pursuant to Chapter 475 and Minnesota Statutes, Sections 410.32 and 412.301, as amended (collectively, the “Capital Equipment Act”);

(d) to finance certain capital improvements under an approved five-year capital improvement plan, adopted by the City Council on March 23, 2021, including the construction of a new roof on a fire station in the City (the “Capital Improvements”), pursuant to Chapter 475, including in particular, Section 475.521 (the “CIP Act”).

1.02. Award to the Purchaser and Interest Rates. The proposal of _____ (the “Purchaser”) to purchase the Bonds of the City is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$_____ (par amount of \$[Par Amount].00, plus original issue premium of \$_____, [less plus original issue discount of \$_____,] less underwriter’s discount of \$_____), plus accrued interest to date of delivery, if any, for Bonds bearing interest as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Year of</u>	<u>Interest Rate</u>
2023	%	2027	%
2024		2028	
2025		2029	
2026		2030	

[_____
* *Term Bond*]

True interest cost: _____%

1.03. Purchase Contract. Any amount paid by the Purchaser over the minimum purchase price shall be deposited in the accounts of the Debt Service Fund hereinafter created or deposited in the accounts of the Construction Fund hereinafter created, as determined by the Finance Director of the City (the "Finance Director") in consultation with Baker Tilly Municipal Advisors, LLC, the City's municipal advisor (the "Municipal Advisor"). The Finance Director is directed to deposit the good faith check or deposit of the Purchaser, pending completion of the sale of the Bonds, and to return the good faith deposits of the unsuccessful proposers. The Mayor and City Administrator are directed to execute a contract with the Purchaser on behalf of the City.

1.04. Terms and Principal Amounts of the Bonds. The City will forthwith issue and sell the Bonds pursuant to the Street Reconstruction Act, the Abatement Act, the Capital Equipment Act, and the CIP Act (collectively, the "Act") in the total principal amount of \$_____, originally dated the date of issue, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as above set forth, and maturing serially on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	\$	2027	\$
2024		2028	
2025		2029	
2026		2030	

[_____
* *Term Bond*]

(a) \$_____ of the Bonds (the "Street Reconstruction Bonds"), maturing on February 1 in the years and amounts set forth below, are being used to finance the Street Reconstruction:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	\$	2027	\$
2024		2028	
2025		2029	
2026		2030	

[_____
* *Term Bond*]

(b) \$_____ of the Bonds (the “Abatement Bonds”), maturing on February 1 in the years and amounts set forth below, are being used to finance the Public Improvements:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	\$	2026	\$
2024		2027	
2025			

[_____
* *Term Bond*]

(c) \$_____ of the Bonds (the “Equipment Certificates”), maturing on February 1 in the years and amounts set forth below, are being used to finance the Capital Equipment:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	\$	2027	\$
2024		2028	
2026		2029	
2026		2030	

[_____
* *Term Bond*]

(d) \$_____ of the Bonds (the “CIP Bonds”), maturing on February 1 in the years and amounts set forth below, are being used to finance the CIP Improvements:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	\$	2026	\$
2024		2027	
2025			

[_____
* *Term Bond*]

1.05. Optional Redemption. The Bonds are not subject to optional redemption prior to maturity.

1.06. [Mandatory Redemption; Term Bond. The Bond maturing on February 1, 20__ shall hereinafter be referred to as the “Term Bond.” The principal amount of the Term Bond subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bond credited against future mandatory sinking fund redemption of such Term Bond in such order as the City shall determine. The Term Bond is subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on February 1 of the following years and in the principal amounts as follows:

Sinking Fund Installment Date

<u>February 1, [] Term Bond</u>	<u>Principal Amount</u>
20__	\$
20__*	

* Maturity]

Section 2. Registration and Payment.

2.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2022, to the registered owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not that day is a business day.

2.03. Registration. The City will appoint a bond registrar, transfer agent, authenticating agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) Register. The Registrar must keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. When Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. Bonds surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the

requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name a Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes and payments so made to registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bonds, sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver any new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for a Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the City and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

2.04. Appointment of Initial Registrar. The City appoints U.S. Bank National Association, Saint Paul, Minnesota, as the initial Registrar. The Mayor and the City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Council, the City Administrator must transmit to the Registrar monies sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the City Administrator and executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that those signatures may be printed, engraved or lithographed facsimiles of the

originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of a Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed and authenticated, the City Administrator will deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

2.06. Temporary Bonds. The City may elect to deliver in lieu of printed definitive Bonds one or more typewritten temporary Bonds in substantially the form set forth in EXHIBIT B attached hereto, with such changes as may be necessary to reflect more than one maturity in a single temporary bond. Upon the execution and delivery of definitive Bonds the temporary Bonds will be exchanged therefor and cancelled.

Section 3. Form of Bond.

3.01. Execution of the Bonds. The Bonds will be printed or typewritten in substantially the form as attached hereto as EXHIBIT B.

3.02. Approving Legal Opinion. The City Administrator is directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, which is to be complete except as to dating thereof and to cause the opinion to be printed on or accompany each Bond.

Section 4. Payment; Security; Pledges and Covenants.

4.01. Debt Service Fund. The Bonds are payable from the General Obligation Bonds, Series 2021A Debt Service Fund (the "Debt Service Fund") hereby created. The Debt Service Fund shall be administered and maintained by the Finance Director as a bookkeeping fund separate and apart from all other funds maintained in the official financial records of the City. The City will maintain the following accounts in the Debt Service Fund: the "Street Reconstruction Bonds Account," the "Abatement Bonds Account," the "Equipment Certificates Account," and the "CIP Bonds Account." Amounts in the Street Reconstruction Bonds Account are irrevocably pledged to the Street Reconstruction Bonds, amounts in the Abatement Bonds Account are irrevocably pledged to the Abatement Bonds, amounts in the Equipment Certificates Account are irrevocably pledged to the Equipment Certificates, and amounts in the CIP Bonds Account are irrevocably pledged to the CIP Bonds.

(a) Street Reconstruction Bonds Account. Ad valorem taxes herein levied for the payment of the principal of, premium, if any, and interest on the Street Reconstruction Bonds are hereby pledged to the Street Reconstruction Bonds Account of the Debt Service Fund. A portion of the proceeds of the Street Reconstruction Bonds shall be deposited in the Street Reconstruction Bonds Account of the Debt Service Fund and shall be applied to the payment of the first interest payment due on the Street Reconstruction Bonds on February 1, 2022. There is appropriated to the Street Reconstruction Bonds Account of the Debt Service Fund a pro rata portion of (i) capitalized interest financed from Bond proceeds, if any; (ii) amounts over the minimum purchase price of the Bonds paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03 hereof; and (iii) accrued interest, if any.

(b) Abatement Bonds Account. Abatements from the Abatement Parcels and ad valorem taxes levied for the payment of interest on the Abatement Bonds are hereby pledged to the Abatement Bonds Account of the Debt Service Fund. A portion of the proceeds of the Abatement Bonds shall be deposited in the Abatement Bonds Account of the Debt Service Fund and shall be applied to the payment of the first interest payment due on the Abatement Bonds on February 1, 2022. There is appropriated to the Abatement Bonds Account of the Debt Service Fund a pro rata portion of (i) capitalized interest financed from Bond proceeds, if any; (ii) amounts over the minimum purchase price of the Bonds paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03 hereof; and (iii) accrued interest, if any.

(c) Equipment Certificates Account. Ad valorem taxes herein levied for the Capital Equipment are hereby pledged to the Equipment Certificates Account of the Debt Service Fund. A portion of the proceeds of the Equipment Certificates shall be deposited in the Equipment Certificates Account of the Debt Service Fund and shall be applied to the payment of the first interest payment due on the Equipment Certificates on February 1, 2022. There is appropriated to the Equipment Certificates Account a pro rata portion of (i) capitalized interest financed from Bond proceeds, if any; (ii) amounts over the minimum purchase price of the Bonds paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03 hereof; and (iii) accrued interest.

(d) CIP Bonds Account. Ad valorem taxes herein levied for payment of the principal of, premium, if any, and interest on the CIP Bonds are hereby pledged to the CIP Bonds Account of the Debt Service Fund. A portion of the proceeds of the CIP Bonds shall be deposited in the CIP Bonds Account of the Debt Service Fund and shall be applied to the payment of the first interest payment due on the CIP Bonds on February 1, 2022. There is also appropriated to the CIP Bonds Account of the Debt Service Fund a pro rata portion of (i) capitalized interest financed from Bond proceeds, if any; (ii) amounts over the minimum purchase price of the Bonds paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03 hereof; and (iii) accrued interest, if any.

4.02. Construction Fund. The City hereby creates the General Obligation Bonds, Series 2021A Construction Fund (the "Construction Fund"). The City will maintain the following accounts in the Construction Fund: the "Street Reconstruction Bonds Account," the "Abatement Bonds Account," the "Equipment Certificates Account," and the "CIP Bonds Account." Amounts in the Street Reconstruction Bonds Account are irrevocably pledged to the Street Reconstruction Bonds, amounts in the Abatement Bonds Account are irrevocably pledged to the Abatement Bonds, amounts in the Equipment Certificates Account are irrevocably pledged to the Equipment Certificates, and amounts in the CIP Bonds Account are irrevocably pledged to the CIP Bonds.

(a) Street Reconstruction Bonds Account. Proceeds of the Street Reconstruction Bonds, less the appropriations made in Section 4.01(a), together with any other funds appropriated for the Street Reconstruction and ad valorem taxes collected during the construction of the Street Reconstruction, will be deposited in the Street Reconstruction Bonds Account of the Construction Fund to be used solely to defray expenses of the Street Reconstruction. When the Street Reconstruction is completed and the costs thereof paid, the Street Reconstruction Bonds Account of the Construction Fund is to be closed and any balance therein is to be deposited in the Street Reconstruction Bonds Account of the Debt Service Fund.

(b) Abatement Bonds Account. Proceeds of the Abatement Bonds, less the appropriations made in Section 4.01(b), together with any other funds appropriated for the Public Improvements, Abatements and ad valorem taxes collected during the construction of the Public

Improvements, will be deposited in the Abatement Bonds Account of the Construction Fund to be used solely to defray expenses of the Public Improvements. When the Public Improvements are completed and the costs thereof paid, the Abatement Bonds Account of the Construction Fund is to be closed and any balance therein is to be deposited in the Abatement Bonds Account of the Debt Service Fund.

(c) Equipment Certificates Account. The proceeds of the Equipment Certificates, less the appropriations made in Section 4.01(c) hereof, together with any other funds appropriated for the purchase of Capital Equipment, will be deposited in the Equipment Certificates Account of the Construction Fund to be used solely to defray expenses of the Capital Equipment. When the Capital Equipment is purchased and the costs thereof paid, the Equipment Certificates Account of the Construction Fund is to be closed and any balance therein is to be deposited in the Equipment Certificates Account of the Debt Service Fund.

(d) CIP Bonds Account. Proceeds of the CIP Bonds, less the appropriations made in Section 4.01(d), together with any other funds appropriated for the Capital Improvements and ad valorem taxes collected during the construction of the Capital Improvements, will be deposited in the CIP Bonds Account of the Construction Fund to be used solely to defray expenses of the Capital Improvements. When the Capital Improvements are completed and the costs thereof paid, the CIP Bonds Account of the Construction Fund is to be closed and any balance therein is to be deposited in the CIP Bonds Account of the Debt Service Fund.

4.03. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City will be and are hereby irrevocably pledged. If the balance in the Debt Service Fund is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency will be promptly paid out of monies in the general fund of the City which are available for such purpose, and such general fund may be reimbursed with or without interest from the Debt Service Fund when a sufficient balance is available therein.

4.04. Pledge of Tax Levy. For the purpose of paying the principal of and interest on the Street Reconstruction Bonds, the Equipment Certificates, and the CIP Bonds, and the interest on the Abatement Bonds, there is levied a direct annual irrevocable ad valorem tax (the "Taxes") upon all of the taxable property in the City, which will be spread upon the tax rolls and collected with and as part of other general taxes of the City. The Taxes in the years and amounts as attached hereto as EXHIBIT C will be credited to the Street Reconstruction Bonds Account, the Equipment Certificates Account, the Abatement Bonds Account, and the CIP Account of the Debt Service Fund, respectively, as provided above.

4.05. Certification to County Auditor/Treasurer as to Debt Service Fund Amount. It is hereby determined that the estimated collections of Taxes, Abatements, and Net Revenues will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levy herein provided for the Bonds is irrevocable until all of the Bonds are paid, provided that at the time the City makes its annual tax levies the Finance Director may certify to the County Auditor/Treasurer of Lyon County, Minnesota (the "County Auditor/Treasurer") the amount available in the Debt Service Fund to pay principal and interest due during the ensuing year, and the County Auditor/Treasurer will thereupon reduce the levy collectible during such year by the amount so certified.

4.06. Filing of Resolution. The City Administrator is authorized and directed to file a certified copy of this resolution with the County Auditor/Treasurer and to obtain the certificate required by Section 475.63 of the Act.

Section 5. Authentication of Transcript.

5.01 City Proceedings and Records. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, may be deemed representations of the City as to the facts stated therein.

5.02 Certification as to Official Statement. The Mayor and City Administrator are authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

5.03 Other Certificates. The Mayor and City Administrator are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor and City Administrator shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Finance Director shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

5.04 Electronic Signatures. The electronic signature of the Mayor, City Manager, and Finance Director, to this resolution or to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

Section 6. Tax Covenants.

6.01 Tax-Exempt Bonds. The City covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds. To that end, the City will comply with all requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States (unless the City qualifies for any exemption from rebate requirements based on timely expenditure of proceeds of the Bonds, in accordance with the Code and applicable Treasury Regulations).

6.02 Not Private Activity Bonds. The City further covenants not to use the proceeds of the Bonds or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be “private activity bonds” within the meaning of Sections 103 and 141 through 150 of the Code.

6.03 Qualified Tax-Exempt Obligations. In order to qualify the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the City makes the following factual statements and representations:

- (a) the Bonds are not “private activity bonds” as defined in Section 141 of the Code;
- (b) the City designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;
- (c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which will be issued by the City (and all subordinate entities of the City) during calendar year 2021 will not exceed \$10,000,000; and
- (d) not more than \$10,000,000 of obligations issued by the City during calendar year 2021 have been designated for purposes of Section 265(b)(3) of the Code.

6.04 Procedural Requirements. The City will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

6.05 Reimbursement. The City has or may have incurred certain expenditures with respect to the Street Reconstruction, the Public Improvements, the Capital Equipment, and the Capital Improvements that were financed temporarily from other sources but are expected to be reimbursed with proceeds of the Street Reconstruction Bonds, the Abatement Bonds, the Equipment Certificates, and the CIP Bonds, respectively. The City hereby declares its intent to reimburse certain costs of the Street Reconstruction, the Public Improvements, the Capital Equipment, and the Capital Improvements from proceeds of the Street Reconstruction Bonds, the Abatement Bonds, the Equipment Certificates, and the CIP Bonds, respectively (the “Declaration”). This Declaration is intended to constitute a declaration of official intent for purposes of the Section 1.150-2 of the Treasury Regulations promulgated under the Code.

Section 7. Book-Entry System; Limited Obligation of City.

7.01 The Depository Trust Company. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.04 hereof. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (“DTC”). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02 Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar) of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder

and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the City Administrator of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." will refer to such new nominee of DTC; and upon receipt of such a notice, the City Administrator will promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03 Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which shall govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds will agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04 Transfers Outside Book-Entry System. In the event the City, by resolution of the City Council, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05 Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and notices with respect to the Bond will be made and given, respectively in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure. The City covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the Mayor and the City Administrator and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Notwithstanding any other provision of this resolution, failure of the City to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Bonds; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section.

Section 9. Defeasance. When all the Bonds (or all of any of the Street Reconstruction Bonds, Abatement Bonds, Equipment Certificates, or CIP Bonds portion thereof) have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution (with respect to the Street Reconstruction Bonds, Abatement Bonds, Equipment Certificates, or CIP Bonds portion of the Bonds, as the

case may be) to holders of the Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The City may discharge all Bonds (or all of any of the Street Reconstruction Bonds, Abatement Bonds, Equipment Certificates, or CIP Bonds portion thereof) which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full or by depositing irrevocably in escrow, with a suitable institution qualified by law as an escrow agent for this purpose, cash or securities which are backed by the full faith and credit of the United States of America, or any other security authorized under Minnesota law for such purpose, bearing interest payable at such times and at such rates and maturing on such dates and in such amounts as shall be required and sufficient, subject to sale and/or reinvestment in like securities, to pay said obligation(s), which may include any interest payment on such Bond and/or principal amount due thereon at a stated maturity (or if irrevocable provision shall have been made for permitted prior redemption of such principal amount, at such earlier redemption date). If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

(The remainder of this page is intentionally left blank.)

Passed and adopted this May 11, 2021.

CITY OF MARSHALL, MINNESOTA

Robert J. Byrnes
Mayor

Attest:

Kyle Box
City Clerk

EXHIBIT A
PROPOSALS

EXHIBIT B

FORM OF SERIES 2021A BOND

No. R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF LYON
CITY OF MARSHALL

GENERAL OBLIGATION BOND
SERIES 2021A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____ %	February 1, 20__	June 10, 2021	572500 ____

Registered Owner: CEDE & CO.

The City of Marshall Minnesota, a duly organized and existing municipal corporation in Lyon County, Minnesota (the "City"), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal sum of \$_____ on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above, payable February 1 and August 1 in each year, commencing February 1, 2022, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by U.S. Bank National Association, Saint Paul, Minnesota, as Bond Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

The Bonds are not subject to optional redemption prior to maturity.

[The Bond maturing on February 1, 20__ shall hereinafter be referred to as the "Term Bond." The principal amount of the Term Bond subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bond credited against future mandatory sinking fund redemption of such Term Bond in such order as the City shall determine. The Term Bond is subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on February 1 of the following years and in the principal amounts as follows:

Sinking Fund Installment Date

February 1, 20[] Term Bond

Principal Amount

\$

* Maturity]

This Bond is one of an issue in the aggregate principal amount of \$[Par Amount] all of like original issue date and tenor, except as to number, maturity date, interest rate, and redemption privilege, all issued pursuant to a resolution adopted by the City Council on May 11, 2021 (the “Resolution”), for the purpose of financing certain street reconstruction, certain public improvements to a park in the City, the purchase of certain items of capital equipment, and certain capital improvements in the City, pursuant to and in full conformity with the City’s home rule charter and the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 410.32 and 412.301, as amended, Minnesota Statutes, Sections 469.1812 through 469.1815, as amended, Minnesota Statutes, Chapter 475, as amended, Minnesota Statutes, Section 475.521, and Minnesota Statutes, Section 475.58, subdivision 3b, and the principal hereof and interest hereon are payable in part from ad valorem taxes and in part from tax abatement revenues, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the City Council has obligated itself to levy additional ad valorem taxes on all taxable property in the City in the event of any deficiency in taxes and abatement pledged, which taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

The City Council has designated the issue of Bonds of which this Bond forms a part as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) relating to disallowance of interest expense for financial institutions and within the \$10 million limit allowed by the Code for the calendar year of issue.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Bond Registrar, by the registered owner hereof in person or by the owner’s attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the owner’s attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Bond Registrar will be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota, to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Bond Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Marshall, Lyon County, Minnesota, by its City Council, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Mayor and City Administrator and has caused this Bond to be dated as of the date set forth below.

Dated: June 10, 2021

CITY OF MARSHALL, MINNESOTA

(Facsimile)
Mayor

(Facsimile)
City Administrator

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

U.S. BANK NATIONAL ASSOCIATION

By _____
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

Notice: The assignor’s signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program (“STAMP”), the Stock Exchange Medallion Program (“SEMP”), the New York Stock Exchange, Inc. Medallion Signatures Program (“MSP”) or other such “signature guarantee program” as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Bond Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address: _____

(Include information for all joint owners if this Bond is held by joint account.)

Please insert social security or other identifying number of assignee

PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Bond has been registered on the books of the Registrar in the name of the person last noted below.

Date of Registration

Registered Owner

Signature of
Officer of Registrar

Cede & Co.
Federal ID #13-2555119

EXHIBIT C
TAX LEVY SCHEDULES

[Insert Street Reconstruction Bonds Tax Levy Schedule]

[Insert Abatement Bonds Tax Levy Schedule]

[Insert Equipment Certificates Tax Levy Schedule]

[Insert CIP Bonds Tax Levy Schedule]

STATE OF MINNESOTA)
)
COUNTY OF LYON) SS.
)
CITY OF MARSHALL)

I, the undersigned, being the duly qualified and acting City Clerk of the City of Marshall, Minnesota (the “City”), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on May 11, 2021, with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes insofar as they relate to the issuance and sale of the City’s General Obligation Bonds, Series 2021A, in the original aggregate principal amount of \$[_____].

WITNESS My hand officially as such City Clerk and the corporate seal of the City this ____ day of _____, 2021.

City Clerk
City of Marshall, Minnesota