

**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 at the City Hall in said City on Tuesday, April 26, 2022, 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 Refunding Bonds, Series 2022B, proposed to be issued in the aggregate principal amount of \$[PAR B].

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. _____, Second Series, 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 26th day of April, 2022.

CITY OF MARSHALL, MINNESOTA

RESOLUTION NO. _____
SECOND SERIES

**AWARDING THE SALE OF GENERAL OBLIGATION
REFUNDING BONDS, SERIES 2022B, IN THE ORIGINAL
AGGREGATE PRINCIPAL AMOUNT OF \$[PAR B]; FIXING
THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR
EXECUTION AND DELIVERY; PROVIDING FOR THEIR
PAYMENT; AND PROVIDING FOR THE REDEMPTION OF
BONDS REFUNDED THEREBY**

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

Section 1. Findings; Sale of Bonds.

1.01. Authorization for Sale of Bonds. (a) Pursuant to a resolution adopted by the City Council on March 22, 2022 (the “Authorizing Resolution”), the City authorized the sale of its General Obligation Refunding Bonds, Series 2022B (the “Bonds” or Series 2022B Bonds”), pursuant to Minnesota Statutes, Chapter 475, as amended (“Chapter 475”), including Section 475.67, subdivision 3 (collectively, the “Refunding Act”), the Tax Increment Act (as hereinafter defined), the Improvement Act (as hereinafter defined), the Utilities Act (as hereinafter defined), and the Abatement Act (as hereinafter defined) (the Refunding Act, the Tax Increment Act, the Improvement Act, the Utilities Act, and the Abatement Act are hereinafter collectively referred to as the “Act”), to refund certain outstanding obligations of the City, including:

(i) General Obligation Tax Increment Bonds, Series 2011A, dated September 15, 2011 (the “Series 2011A Bonds”), issued pursuant to Minnesota Statutes, Chapter 469.174 through 469.179, as amended (the “Tax Increment Act”), and Minnesota Statutes, Chapter 444, as amended (the “Utilities Act”), to finance various infrastructure improvements in the City’s Industrial Park development (the “2011A Projects”);

(ii) General Obligation Bonds, Series 2011B, dated September 15, 2011 (the “Series 2011B Bonds”), issued pursuant to Minnesota Statutes, Chapter 429, as amended, and Chapter 475 (the “Improvement Act”), the Utilities Act, and Chapter 475 and Minnesota Statutes, Sections 469.1812 through 469.1815, as amended (the “Abatement Act”), to finance various street improvement projects and related utility improvements (the “2011B Projects”).

(b) Series 2011A Bonds and the Series 2011B Bonds (collectively, the “Prior Bonds”) due on or after February 1, 2023 may be called for redemption on any day at the option of the City. The Series 2011A Bonds are outstanding in the aggregate principal amount of \$900,000 and Series 2011B Bonds are outstanding the aggregate principal amount of \$585,000.

(c) The City is authorized by Section 475.67, subdivision 3 of the Act (“Section 475.67, subdivision 3”), to issue and sell its general obligation bonds to refund obligations and the interest thereon before the due date of the obligations, if consistent with covenants made with the holders thereof, when determined by the City Council to be necessary or desirable for the reduction of debt service costs to the

City or for the extension or adjustment of maturities in relation to the resources available for their payment.

(d) Pursuant to the Authorizing Resolution, this Council determined that it is necessary and desirable for the reduction of debt service costs to the City to issue the Series 2022B Bonds, in the original aggregate principal amount of \$[PAR B], pursuant to the Act and specifically Section 475.67, subdivision 3, and apply the proceeds of the Series 2022B Bonds to the redemption and prepayment of the outstanding Prior Bonds (the “Refunded Bonds”), on July 1, 2022 (the “Redemption Date”).

1.02. Award to the Purchaser and Interest Rates. The proposal of [] (the “Purchaser”), to purchase the Bonds 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 B].00, plus original issue premium of \$[], [less original issue discount of \$_____] less an 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</u>	<u>Interest Rate</u>
2023	[]%	2026	%
2024		2027	_____]
2025			

True interest cost: []%

1.03. Purchase Contract. The amount proposed by the Purchaser in excess of the minimum bid shall be credited to 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 of the City (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 Act in the original aggregate principal amount of \$[PAR B], originally dated May 26, 2022, 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	\$[_____]	2026	\$
2024		2027	_____]
2025			

(a) \$[] in principal amount of the Bonds (the “Series 2011A Refunding Bonds”), maturing serially on February 1 in the years and amounts set forth below, are being used to achieve the current refunding of the Series 2011A Bonds, and thereby refinance the portion of the 2011A Projects (hereinafter, the “Series 2011A Utility Refunding Portion”):

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

The remainder of the outstanding Series 2011A Bonds, in the principal amount of \$[_____] (the “Series 2011A Tax Increment Portion”), will be redeemed and prepaid by the City on the Redemption Date using available funds on hand.

(b) \$[_____] in principal amount of the Bonds (the “Series 2011B Refunding Bonds”), maturing serially on February 1 in the years and amounts set forth below, are being used to achieve the current refunding of the Series 2011B Bonds. and thereby refinance the 2011B Projects:

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

(i) Furthermore, \$[_____] of the principal of the Series 2011B Refunding Bonds shall be secured by Net Utility Revenues (the “Series 2011B Utility Refunding Portion”) and payable on the February 1 in the years and installment amounts as follows:

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

(ii) \$[_____] of the principal of the Series 2011B Refunding Bonds shall be secured by Taxes (as defined in Section 4.01(b) of this resolution (the “Series 2011B Tax Refunding Portion”) and payable on the February 1 in the years and installment amounts as follows:

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

(iii) \$[_____] of the principal of the Series 2011B Refunding Bonds shall be secured by Abatements (as defined in Section 4.01(c) of this resolution (the “Series 2011B Abatement Refunding Portion”) and payable on the February 1 in the years and installment amounts as follows:

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

1.05. Optional Redemption. The Series 2022B Bonds are not subject to optional redemption in advance of their respective stated maturity dates.

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, 2023, 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 shall 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 the 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 Trust Company, 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 City Council, the City Administrator must transmit to the Registrar moneys 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.

Section 3. Form of Bond.

3.01. Execution of the Bonds. The Bonds shall be printed or typewritten in substantially the form 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. Bonds; Security; Covenants.

4.01. Debt Service Fund. The Bonds are payable from the General Obligation Refunding Bonds, Series 2022B 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 account separate and apart from all other funds maintained in the official financial records of the City. The Debt Service Fund will be maintained in the manner herein specified until all of the Refunded Bonds have been paid and until all of the Bonds and the interest thereon have been fully paid. The City will maintain the following subaccounts in the Debt Service Fund: the “Utility Revenue Account,” the “Tax Account,” and the “Abatement Account.” Amounts in the Utility Revenue Account are irrevocably pledged to the Series 2011A Utility Refunding Portion and Series 2011B Utility Refunding Portion (collectively, the “Utility Refunding Bonds”). Amounts in the Tax Account are irrevocably pledged to Series 2011B Tax Refunding Portion. Amounts in the Abatement Account are irrevocably pledged to the Series 2011B Abatement Refunding Portion.

(a) Utility Revenue Account. The City will continue to operate and maintain its Wastewater Treatment Facilities Fund and Surface Water Management Fund to which will be credited all gross revenues of the City’s wastewater treatment and surface water systems, and out of which will be paid all normal and reasonable expenses of current operations of such systems. Any balance therein will be deemed net revenues (the “Net Utility Revenues”) and will be transferred from time to time to the Utility Revenue Account of the Debt Service Fund as set forth herein. To the Utility Revenue Account is hereby pledged and irrevocably appropriated and there will be credited: (i) Net Utility Revenues not otherwise pledged and applied to the payment of other obligations of the City, in an amount, together with other funds which may herein or hereafter from time to time be irrevocably appropriated to the account sufficient to meet the requirements of Section 475.61 of the Act for the payment of the principal of and interest on Utility Refunding Bonds; (ii) a pro rata portion of amounts over the minimum purchase price paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03 hereof; (iii) all investment earnings on funds in the Utility Revenue Account; and (iv) any and all other moneys which are properly available and are appropriated by the City Council to the Utility Revenue Account. The amount of any surplus remaining in the Utility Revenue Account when the Utility Refunding Bonds and interest thereon are paid will be used as provided in Section 475.61, subdivision 4 of the Act.

(b) Tax Account. To the Tax Account of the Debt Service Fund there is hereby pledged and irrevocably appropriated and there will be credited: (i) collection of all taxes hereafter levied (the “Taxes”) for the payment of the Series 2011B Tax Refunding Portion; (ii) a pro rata portion of amounts over the minimum purchase price paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03 hereof; (iii) all investment earnings on funds in the Tax Account; and (iv) any and all other moneys which are properly available and are appropriated by the City Council to the Tax Account. The amount of any surplus remaining in the Tax Account when the Series 2011B Tax Refunding Portion of Bonds and interest thereon are paid will be used as provided in Section 475.61, subdivision 4 of the Act.

(c) Abatement Account. To the Abatement Account of the Debt Service Fund there is hereby pledged and irrevocably appropriated and there will be credited: (i) the property tax abatement revenues collected by the City (the “Abatements”) pursuant to a resolution adopted by the City Council on August 15, 2011 (the “Abatement Resolution”) for the payment of the Series 2011B Abatement Refunding Portion; (ii) a pro rata portion of amounts over the minimum purchase price paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03 hereof; (iii) all investment earnings on funds in the Abatement Account; and (iv) any and all other moneys which are properly available and are appropriated by the City Council to the Abatement Account. The amount of any surplus remaining in the Abatement Account when the Series 2011B Abatement Refunding Portion and interest thereon are paid will be used as provided in Section 475.61, subdivision 4 of the Act. [The Abatement Resolution pledging the Abatements to the portion of the Series 2011B Bonds (including any refunding bonds) that financed certain improvements to County Club Drive in the City (the “2011 Abatement Project”), has not been modified and remains in effect.]

4.02. Redemption Fund. All proceeds of the Bonds along with funds on hand in the debt service funds created for the Prior Bonds, less the appropriations made in Section 4.01 hereof and the costs of issuance of the Bonds, will be deposited in a separate fund (the “Redemption Fund”) to be used to redeem and prepay the Refunded Bonds. Any balance remaining in the Redemption Fund after the redemption of the Refunded Bonds shall be deposited in the accounts established in the Debt Service Fund on a pro rata basis.

4.03. Prior Debt Service Funds.

(a) Series 2011A Bonds. The accounts of the debt service fund heretofore established for the Series 2011A Bonds pursuant to the resolution providing for the issuance and sale of the Series 2011A Bonds (the “2011A Prior Resolution”) shall be closed following the redemption of the Series 2011A Bonds, and all monies therein shall be transferred to the Utility Revenue Account of the Debt Service Fund herein.

(b) Series 2011B Bonds. The accounts of the debt service fund heretofore established for the Series 2011B Bonds pursuant to the resolution providing for the issuance and sale of the Series 2011B Bonds (the “2011B Prior Resolution”) shall be closed following the redemption of the Series 2011B Bonds, and all monies therein shall be transferred on a pro rata basis to the Utility Revenue Account, the Tax Account, and the Abatement Account of the Debt Service Fund herein created.

4.04. Prior Resolution Pledges. The pledges and covenants of the City made by the 2011A Prior Resolution and the 2011B Prior Resolution (collectively, the “Prior Resolutions”) relating to the ownership, protection of and other particulars governing the operation and financial management of the wastewater treatment and surface water systems of the City refinanced with the Utility Refunding Bonds and the collection of Abatements derived from certain parcels in the City benefitted from the Abatement

Project refinanced with the proceeds of the Series 2011B Abatement Refunding Portion, are restated and confirmed in all respects. The provisions of the Prior Resolutions are hereby supplemented to the extent necessary to give full effect to the provisions hereof.

4.05. 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.

4.06. No Tax Levy as to Utility Refunding Bonds. It is determined that the estimated collection Net Utility Revenues will produce at least five percent (5%) in excess of the amount needed to meet when due on the Utility Refunding Bonds, and that no tax levy is needed at this time with respect to the Utility Refunding Bonds.

4.07. Pledge of Tax Levy. For the purpose of paying the principal of and interest on the Series 2011B Tax Refunding Portion and the Series 2011B Abatement Refunding Portion, there is levied a direct annual irrepealable ad valorem tax 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 will be credited to the Tax Account and the Abatement Account of the Debt Service Fund above provided and will be in the years and amounts as set forth in EXHIBIT C attached hereto.

4.08. Certification to the Director of Property Records and Revenue as to Debt Service Fund Amount. It is hereby determined that the estimated collections of the foregoing ad valorem taxes levied, Net Utility Revenues, and Abatements will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levy herein provided is irrepealable 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"), the amount available in the Debt Service Fund to pay principal and interest due during the ensuing year, and the County Auditor will thereupon reduce the levy collectible during such year by the amount so certified.

4.09. Cancellation of Prior Levies after Redemption Date. Following the payment in full of all outstanding principal of and interest on the Prior Bonds on the Redemption Date (July 1, 2022), the Finance Director is hereby directed to certify such fact to and request the County Auditor to cancel any and all tax levies made for the Prior Bonds.

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

Section 5. Refunding; Findings; Redemption of Prior Bonds.

5.01. Purpose of Refunding. On the Redemption Date, the Refunded Bonds will be called for redemption in the principal amount of \$1,485,000. It is hereby found and determined that based upon information presently available from the Municipal Advisor, the issuance of the Bonds, a portion of which will be used to redeem and prepay the Refunded Bonds, is consistent with covenants made with the holders of the Prior Bonds and is necessary and desirable for the reduction of debt service costs to the City.

5.02. Application of Proceeds of Bonds. It is hereby found and determined that the proceeds of the Bonds deposited in the Redemption Fund, along with any other funds on hand of the City and in the debt service funds established for the Prior Bonds, will be sufficient to prepay all of the principal of, interest on, and redemption premium (if any) on the Refunded Bonds.

5.03. Notices of Call for Redemption. The Refunded Bonds will be redeemed and prepaid on the Redemption Date in accordance with their terms and in accordance with the terms and conditions set forth in the forms of Notice of Call for Redemption attached hereto as EXHIBITS D-1 and D-2, respectively, which terms and conditions are hereby approved and incorporated herein by reference. The registrars for the Prior Bonds are authorized and directed to send a copy of the respective Notice of Call for Redemption to each registered holder of each of the Refunded Bonds at least thirty (30) days prior to the Redemption Date.

Section 6. Authentication of Transcript.

6.01. 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.

6.02. Certification as to Official Statement. The Mayor and the 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.

6.03. Other Certificates. The Mayor, the City Administrator and the Finance Director 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.

6.04. Electronic Signatures. The electronic signature of the Mayor, the City Administrator, the Finance Director, and/or the City Clerk to this resolution and 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 7. Tax Covenants.

7.01. 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.

7.02. Rebate. 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).

7.03. 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.

7.04. 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 Prior Bonds were previously designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code, the average maturity of the Bonds is not longer than the average maturity of the Prior Bonds, and the Bonds mature not later than 30 years after the date the Prior Bonds were issued and therefore the Bonds issued to refund the outstanding principal amount of the Prior Bonds are deemed designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;
- (c) the City designates the portion of the Bonds exceeding the outstanding aggregate principal amount of the Prior Bonds (i.e., \$1,485,000), if any, as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;
- (d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds and other bonds described under Section 265(b)(3)(C)(ii) of the Code) which will be issued by the City (and all subordinate entities of the City) during calendar year 2022 will not exceed \$10,000,000; and
- (e) not more than \$10,000,000 of obligations issued by the City during calendar year 2022 have been designated for purposes of Section 265(b)(3) of the Code.
- (f) the aggregate face amount of the issue of the Bonds is not greater than \$10,000,000.

7.05. 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.

Section 8. Book-Entry System; Limited Obligation of City.

8.01. 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 such 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.

8.02. 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 Bonds, 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.

8.03. 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.

8.04. 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.

8.05. 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 9. Continuing Disclosure. The City hereby 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 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 10. Defeasance. When all Bonds and all interest thereon have been discharged as provided in this section, all pledges, covenants, and other rights granted by this resolution to the 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 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. 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 April 26, 2022.

CITY OF MARSHALL, MINNESOTA

Robert J. Byrnes
Mayor

Attest:

Kyle Box
City Clerk

EXHIBIT A
PROPOSALS

[insert]

EXHIBIT B
FORM OF BOND

No. R-_____ UNITED STATES OF AMERICA \$ _____
STATE OF MINNESOTA
COUNTY OF LYON
CITY OF MARSHALL

GENERAL OBLIGATION REFUNDING BOND
SERIES 2022B

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____ %	February 1, 20__	May 26, 2022	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, 2023, 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 Trust Company, 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 in advance of their respective stated maturity dates.

This Bond is one of an issue in the aggregate principal amount of \$[PAR B] all of like original issue date and tenor, except as to number, maturity date, and interest rate, all issued pursuant to a resolution adopted by the City Council on April 26, 2022 (the “Resolution”), for the purpose of providing money to redeem and prepay on February 1, 2022 (the “Redemption Date”) certain general obligation bonds of the City, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapters 429, 444, and 475, and Minnesota Statutes, Sections 469.1812 through 469.1815 and Section 475.67, subdivision 3, all as amended. The principal hereof and interest hereon are payable in part from revenues derived from the rates and charges imposed to support the operation of the Wastewater Treatment Facilities Fund and the Surface Water Management Fund of the City, in part from ad from a tax levy imposed against all taxable property in the City, and in part from abatement revenues derived from certain parcels in the City benefitted from the project refinanced with a portion of the proceeds of the Bonds, 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 utility rates and charges, ad valorem taxes, and abatement revenues of the City pledged, which additional 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: May 26, 2022

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 TRUST COMPANY,
NATIONAL ASSOCIATION**

By _____
Its 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.

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Officer of Registrar</u>
<hr/>	Cede & Co. Federal ID #13-2555119	<hr/>

EXHIBIT C
TAX LEVY SCHEDULES

Series 2011B Tax Refunding Portion

[insert]

Series 2011B Abatement Refunding Portion

[insert]

EXHIBIT D-1

**NOTICE OF CALL FOR REDEMPTION FOR
SERIES 2011A BONDS**

\$3,150,000
CITY OF MARSHALL, MINNESOTA
GENERAL OBLIGATION TAX INCREMENT BONDS
SERIES 2011A

NOTICE IS HEREBY GIVEN that, by order of the City Council of the City of Marshall, Lyon County, Minnesota (the "City"), there have been called for redemption and prepayment on

July 1, 2022

all outstanding bonds of the City designated as General Obligation Tax Increment Bonds, Series 2011A, dated September 15, 2011, having stated maturity dates of February 1 in the years 2023 through 2027, both inclusive, totaling \$900,000 in principal amount, and with the following CUSIP numbers:

<u>Year of Maturity</u>	<u>Amount</u>	<u>CUSIP Number</u>
2023	\$310,000	572495 6Q 7
2027*	590,000	572495 6U 8

* *Term Bond*

The bonds are being called at a price of par plus accrued interest to July 1, 2022, on which date all interest on said bonds will cease to accrue. Holders of the bonds hereby called for redemption are requested to present their bonds for payment at the main office of U.S. Bank Trust Company, National Association (formerly known as U.S. Bank National Association), Saint Paul, Minnesota, at the following address, on or before July 1, 2022:

If by mail:

U.S. Bank Trust Company, National Association
Corporate Trust Operations, 3rd Floor
P.O. Box 64111
St. Paul, MN 55164-0111

If by hand or overnight:

U.S. Bank Trust Company, National Association
60 Livingston Avenue
EP-MN-WS3C
Bond Drop Window, 1st Floor
St. Paul, MN 55107

Important Notice: In compliance with the Jobs and Growth Tax Relief Reconciliation Act of 2003, the Trustee is required to withhold a specified percentage of the principal amount of the redemption price payable to the holder of any bonds subject to redemption and prepayment on the redemption date, unless the Trustee is provided with the Social Security Number or Federal Employer Identification Number of the holder, properly certified. Submission of a fully executed Request for Taxpayer Identification Number and Certification, Form W-9 (Rev. December 2011), will satisfy the requirements of this paragraph.

Dated: _____, 2022.

BY ORDER OF THE CITY COUNCIL

By /s/ Sharon Hanson

City Administrator
City of Marshall, Minnesota

EXHIBIT D-2

**NOTICE OF CALL FOR REDEMPTION FOR
SERIES 2011B BONDS**

\$2,050,000
CITY OF MARSHALL, MINNESOTA
GENERAL OBLIGATION BONDS
SERIES 2011B

NOTICE IS HEREBY GIVEN that, by order of the City Council of the City of Marshall, Lyon County, Minnesota (the "City"), there have been called for redemption and prepayment on

July 1, 2022

all outstanding bonds of the City designated as General Obligation Bonds, Series 2011B, dated September 15, 2011, having stated maturity dates of February 1 in the years 2023 through 2027, both inclusive, totaling \$585,000 in principal amount, and with the following CUSIP numbers:

<u>Year of Maturity</u>	<u>Amount</u>	<u>CUSIP Number</u>
2023	\$110,000	572495 7F 0
2027*	475,000	572495 7K 9

* *Term Bond*

The bonds are being called at a price of par plus accrued interest to July 1, 2022, on which date all interest on said bonds will cease to accrue. Holders of the bonds hereby called for redemption are requested to present their bonds for payment at the main office of U.S. Bank National Association, Saint Paul, Minnesota, at the following address, on or before July 1, 2022:

If by mail:
U.S. Bank National Association
Corporate Trust Operations, 3rd Floor
P.O. Box 64111
St. Paul, MN 55164-0111

If by hand or overnight:
U.S. Bank National Association
60 Livingston Avenue
EP-MN-WS3C
Bond Drop Window, 1st Floor
St. Paul, MN 55107

Important Notice: In compliance with the Jobs and Growth Tax Relief Reconciliation Act of 2003, the Trustee is required to withhold a specified percentage of the principal amount of the redemption price payable to the holder of any bonds subject to redemption and prepayment on the redemption date, unless the Trustee is provided with the Social Security Number or Federal Employer Identification Number of the holder, properly certified. Submission of a fully executed Request for Taxpayer Identification Number and Certification, Form W-9 (Rev. December 2011), will satisfy the requirements of this paragraph.

Dated: _____, 2022.

BY ORDER OF THE CITY COUNCIL

By /s/ Sharon Hanson
City Administrator
City of Marshall, Minnesota

RESOLUTION NO. _____
SECOND SERIES

The attached resolution was adopted by the City Council of the City of Marshall on April 26, 2022.

The question was on the adoption of the resolution, and there were _____ AYE votes and _____ NAY votes as follows:

<u>CITY OF MARSHALL CITY COUNCIL MEMBERS</u>	<u>Yes</u>	<u>No</u>	<u>Other</u>
Robert J. Byrnes, Mayor	_____	_____	_____
John DeCramer (Ward I)	_____	_____	_____
[Vacant] (Ward I)	_____	_____	_____
Russ Labat (Ward II)	_____	_____	_____
Steven Meister (Ward II)	_____	_____	_____
James Lozinski (Ward III)	_____	_____	_____
Craig Schafer (Ward III)	_____	_____	_____

RESOLUTION ADOPTED.

ATTEST:

Secretary to the Council

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 April 26, 2022, 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 Refunding Bonds, Series 2022B, in the original aggregate principal amount of \$[PAR B].

WITNESS My hand officially as such City Clerk and the corporate seal of the City this ___ day of _____, 2022.

City Clerk
City of Marshall, Minnesota