

**City of Long Prairie
Council meeting
7:00 P.M., Monday, August 20, 2018**

The Long Prairie City Council met in regular session at City Hall, 7:00 p.m., Monday, August 20, 2018. Mayor Don Rasmussen called the meeting to order with the following present: Council members Tony Towle, Lilah Gripne, and City Administrator Brenda Thomes. Devin Hines and Randy Mechels were not in attendance.

Councilor Gripne motioned Towle seconded to approve following additions to the agenda and the council minutes of August 6, 2018 and the August bills:

- 2018B Bond Resolution
- Temporary Permit for St. Mary of Mt. Carmel Church

Motion carried.

Mayor Rasmussen called to order a Public Hearing at 7:03 for Resolution No. 18-08-20:02 Notice of Order to Abate a Nuisance.

Councilor Towle motioned Gripne seconded to approve the following Resolution #18-08-20:02 giving Shannon Coyer 20 days to resolve the issue:

RESOLUTION NO. 18-08-02:02

**CITY OF LONG PRAIRIE
615 LAKE STREET SOUTH, LONG PRAIRIE, MN 56347**

TO: SHANNON COYER

On July 30, 2018, and other dates, your property in the City of Long Prairie, Todd County, located at 315 Todd Street North, Long Prairie, Todd County, Minnesota, was inspected for compliance pursuant to the Long Prairie City Code Section 11.105 pertaining to **ENVIRONMENTAL CONTROL AND PUBLIC SAFETY**. A “nuisance property” means any building or property, which because of inadequate maintenance, dilapidation, physical damage, unsanitary condition, or abandonment, constitutes a fire hazard or a hazard to public peace or safety.

Your property is determined by the City of Long Prairie to be a public nuisance affecting peace and safety of the general public. Specifically, the Council found that the following conditions exist:

1. Violation of Section 11.103(18) which prohibits the “depositing of, permitting or failing to remove, garbage, trash, rubbish, bottles, cans, discarded machinery, household appliance, automobile bodies, and any other refuse on any property, including large quantities of organic debris and materials that accumulated by other than natural means, except neatly maintained compost piles.”
2. Violation of Section 11.103(20) which requires that the accumulation of any piles of wood need to be neatly stacked: or stacked or secured in a stable manner in order to avoid collapse.
3. Violation of Section 11.103(28) which prohibits the parking of inoperable and unlicensed vehicles on residential property.

Pictures of the property are enclosed for identification.

THEREFORE, by this resolution, the City of Long Prairie hereby **ORDERS THE REMOVAL**

of all garbage, trash, rubbish, bottles, cans, discarded machinery, household appliances, automobile bodies, and any other refuse on any property, including large quantities of organic debris and materials that accumulated by other than natural means, except neatly maintained compost piles; the accumulations of any piles of wood need to be neatly stacked; or stacked or secured in a stable manner in order to avoid collapse; and abatement the parking of inoperable and unlicensed vehicles on residential property within _____ days after the date of service of this Order upon you.

If the property is not brought into compliance and the City enforces this Order, the City may sell the personal property, fixtures and/or salvage materials at a public auction after three (3) days poste notice.

FURTHERMORE, a Motion for Summary Enforcement of the Order will be made to the District Court of the county in which the property is situated unless the Order is complied with within the specified time, or unless an Answer is filed within twenty (20) days from the date of the service of this Order specifically denying such facts in the Order as are in dispute.

The foregoing resolution of Order to Abate a Nuisance was duly approved and adopted by the City Council of the City of Long Prairie on August 20, 2018.

Don Rasmussen, Mayor

Brenda Thomes, City Administrator

Roll call: Yes; Rasmussen, Gripne, and Towle. Motion carried.

Kent Louwagie of Bolton & Menk presented the council with a schedule for a bidding package to replace the entire water meter system within the City of Long Prairie. Bolton & Menk needed approval from city council to go forward with the submission of advertisement for bids for the water meter replacement, the publication to the Leader, and to publish on Quest CDN the bid openings. Consideration of award would be on September 17, 2018.

Councilor Gripne motioned Towle seconded to forward with the request for advertisement for bids for the water meter replacement 2018. Motion carried.

Kent Louwagie also presented council with the following bids to install the flashing signs that the City of Long Prairie Purchased last fall:

- | | |
|--------------------------------------|-------------------------------|
| • Arc Electric Service, Long Prairie | \$15,125.00 |
| • Design Electric, St. Cloud | \$9,071.00 |
| • Lennes Bros Electric, Long Prairie | Declined to Quote |
| • Levin Electric, Long Prairie | Decline to Quote |
| • Starr Electric, Foley | Unable to meet quote deadline |

The low bidder was Design Electric for \$9,071.00.

Councilor Towle motioned Rasmussen seconded to move forward with the bids from Design Electric to do the install of the flashing signs. They will be located by City Hall and TH 71 and TH 27. The new signs will include the two pedestrian crossing signs with Rectangular Rapid Flash Beacon flashers. They will add signs over by 287 and Second Street South. Bolten & Menk will go forward and get quotes for the additional signs in that location. Motion carried.

Lorna Hunter presented the 2017 Budget for the Christie Home Historical Society. She also noted that, next year, there will be more of a detailed breakout of some of the expenses as well along with some of the memberships, donations, etc.

Councilor Gripne motioned Towle seconded to accept the Christie Home Historical Society's 2017

Income and Expense Statement. Motion carried.

Councilor Towle motioned Rasmussen seconded to approve the Block Time Support Services Agreement with EX Consulting in the amount of \$2,200.00. Motion carried.

Council discussed the following bids for the repair and painting of the snow blower and how each one of them would be doing the project:

- MacQueen \$6,031.25
- Steve Becker \$2,750.00

Councilor Towle motioned Gripne seconded to approve Steve Becker's bid for \$2,750.00 and noted that this does not include sandblasting. Motion carried.

Tammy Cebulla presented the council with information regarding the first annual LPGE Thunder Dash Color Run. On October 2nd, the Long Prairie Grey Eagle Thunder Dash color will take place. This event will begin at 10:00 a.m. and finish around 1:00 p.m. The actual run will take only about 30-45 minutes per heat. They are looking for support from the city council.

Mayor Rasmussen motioned Gripne seconded to approve the first annual LPGE Thunder Dash Color Run. Motion carried.

Councilor Gripne motioned Towle seconded to approve the Hach Annual Contract in the amount of \$7,447.00. Motion carried.

The council reviewed the information received from the Hilltop Kitchen regarding providing nutritious meals and social support for Minnesota's central region. This is done out of the Eagle Bend kitchen. They are requesting \$3,324.00 from the city to help sustain the Hilltop Regional Kitchen. Since this was not put in the budget, for this first year, the council will donate \$1,662.00 which is half of the requested amount.

Councilor Gripne motioned Towle seconded to approve \$1,662.00 and, for 2019, to add in the full amount. Motion carried.

Council Gripne motioned Towle seconded to approve a Temporary Liquor License for the American Legion. Motion carried.

Community Concern for Youth submitted a resolution 18-08-20:01 requesting the City of Long Prairie to contribute \$2,758 for the year 2019.

Councilor Towle motioned Rasmussen seconded to approve the following resolution:

**RESOLUTION OF SPONSORSHIP
Resolution 18-8-20:01**

Resolution authorizing participation with the Community Concern for Youth Program with Todd-Wadena Community Corrections.

BE IT RESOLVED by the Long Prairie City Council that Todd County act as sponsoring unit of government for the project entitled Community Concern for Youth to be conducted by Todd-Wadena Community Corrections during the period from 01/10/19 through 12/31/19. Randy Newmann, Chairperson, Todd County Board of Commissioners, is hereby authorized to execute such agreements and funding as are necessary to implement the project on behalf of the Long Prairie City Council.

BE IT RESOLVED that the Long Prairie City Council hereby agrees to contribute \$2,758.00 for the project entitled Todd-Wadena Community concern for Youth during the period from 01/01/19 through 12/31/19, which is to be paid on 01/01/19.

It is understood that the Long Prairie-Grey Eagle School Board contributes \$3,481.00, and Grey Eagle City Council contributes \$328.00, for a total community contribution of \$6,567.00.

I hereby certify that the above resolution was adopted by the Long Prairie City Council on _____.

Signed: _____
Signature
Mayor _____
Date

Witnessed: _____
Signature
Administrator _____
Date

Motion carried unanimously.

Councilor Towle motioned Rasmussen seconded to approve working with Ameritrade for the bond funds for the 2018 Bond. Motion carried unanimously.

Councilor Gripne motioned Towle seconded to approve the following resolution:

CERTIFICATION OF MINUTES RELATING TO
\$1,940,000 GENERAL OBLIGATION BONDS, SERIES 2018B

Issuer: City of Long Prairie, Minnesota
Governing Body: City Council
Kind, date, time and place of meeting: A regular meeting held on August 6, 2018, at 7:00 p.m., at the Long Prairie City Hall.

Members present:

Members absent:

Documents Attached:

Minutes of said meeting (including):

RESOLUTION NO. _____

RESOLUTION AUTHORIZING ISSUANCE, AWARDED SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF \$1,940,000 GENERAL OBLIGATION BONDS, SERIES 2018B

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer on August ____, 2018.

City Administrator/Clerk

It was reported that three (3) sealed proposals for the purchase of \$1,940,000 General Obligation Bonds, Series 2018B, were received prior to 10:00 a.m., Central time, August 6, 2018, pursuant to the Preliminary Official Statement distributed to potential purchasers of the Bonds by Ehlers & Associates, Inc., municipal advisor to the City. The proposals have been publicly opened, read and tabulated and were found to be as follows:

(See Attached)

BID TABULATION
\$1,985,000* General Obligation Bonds, Series 2018B

City of Long Prairie, Minnesota

SALE: August 6, 2018

AWARD: BAIRD

 MN Credit Enhancement Rating: Moody's Investor's Service "Aa2"
 Underlying Rating: Moody's Investor's Service "A3"

 BBI: 3.95%
 Non-Bank Qualified

| NAME OF BIDDER | MATURITY (February 1) | RATE | REOFFERING YIELD | PRICE | NET INTEREST COST | TRUE INTEREST RATE |
|----------------------------------|--------------------------|--------|---------------------|----------------|-------------------------|--------------------------|
| BAIRD | | | | \$2,007,262.65 | \$509,222.67 | 3.0741% |
| Milwaukee, Wisconsin | 2020 | 4.000% | 1.710% | | | |
| C.L. King & Associates WMBE | 2021 | 4.000% | 1.860% | | | |
| Dougherty & Company, LLC | 2022 | 3.000% | 2.000% | | | |
| Edward Jones | 2023 | 3.000% | 2.100% | | | |
| Fidelity Capital Markets | 2024 | 3.000% | 2.250% | | | |
| Ross, Sinclair & Associates, LLC | 2025 | 3.000% | 2.380% | | | |
| SAMCO Capital Markets | 2026 | 3.000% | 2.510% | | | |
| Crews & Associates, Inc. | 2027 | 3.000% | 2.640% | | | |
| Davenport & Co. L.L.C. | 2028 ¹ | 3.000% | 3.000% | | | |
| Loop Capital Markets | 2029 ¹ | 3.000% | 3.000% | | | |
| Oppenheimer & Co. | 2030 ¹ | 3.000% | 3.000% | | | |
| R. Seelaus & Company, Inc. | 2031 ² | 3.375% | 3.375% | | | |
| IFS Securities | 2032 ² | 3.375% | 3.375% | | | |
| Country Club Bank | 2033 ² | 3.375% | 3.375% | | | |
| Sierra Pacific Securities | 2034 ² | 3.375% | 3.375% | | | |
| Wintrust Investments, LLC | 2035 ² | 3.375% | 3.375% | | | |
| SumRidge Partners | 2036 ³ | 3.500% | 3.570% | | | |
| Alamo Capital WMBE | 2037 ³ | 3.500% | 3.570% | | | |
| First Empire Securities | 2038 ³ | 3.500% | 3.570% | | | |
| Midland Securities | 2039 ³ | 3.500% | 3.570% | | | |
| FMS Bonds Inc. | | | | | | |
| Multi-Bank Securities Inc. | | | | | | |
| First Southern Securities | | | | | | |

* Subsequent to bid opening the issue size was decreased to \$1,940,000.

Adjusted Price - \$1,961,363.60 Adjusted Net Interest Cost - \$502,234.61 Adjusted TIC - 3.0782%

¹ \$130,000 Term Bond due 2030 with mandatory redemption in 2028-2029.

² \$240,000 Term Bond due 2035 with mandatory redemption in 2031-2034.

³ \$230,000 Term Bond due 2039 with mandatory redemption in 2036-2038.


| NAME OF BIDDER | MATURITY (February 1) | RATE | REOFFERING YIELD | PRICE | NET INTEREST COST | TRUE INTEREST RATE |
|--|--------------------------|--------|---------------------|----------------|-------------------------|--------------------------|
| RAYMOND JAMES & ASSOCIATES, INC. St. Petersburg, Florida | 2020 | 4.000% | | \$2,061,170.65 | \$524,086.91 | 3.1259% |
| | 2021 | 4.000% | | | | |
| | 2022 | 4.000% | | | | |
| | 2023 | 4.000% | | | | |
| | 2024 | 4.000% | | | | |
| | 2025 | 4.000% | | | | |
| | 2026 | 4.000% | | | | |
| | 2027 | 4.000% | | | | |
| | 2028 | 3.000% | | | | |
| | 2029 | 3.000% | | | | |
| | 2030 | 3.000% | | | | |
| | 2031 | 3.250% | | | | |
| | 2032 | 3.250% | | | | |
| | 2033 | 3.250% | | | | |
| | 2034 | 3.500% | | | | |
| | 2035 | 3.500% | | | | |
| | 2036 | 3.500% | | | | |
| | 2037 | 3.625% | | | | |
| | 2038 | 3.625% | | | | |
| | 2039 | 3.625% | | | | |
| NORTHLAND SECURITIES, INC. Minneapolis, Minnesota | 2020 | 4.000% | | \$2,050,179.35 | \$521,819.48 | 3.1314% |
| | 2021 | 4.000% | | | | |
| | 2022 | 4.000% | | | | |
| | 2023 | 4.000% | | | | |
| | 2024 | 4.000% | | | | |
| | 2025 | 4.000% | | | | |
| | 2026 | 4.000% | | | | |
| | 2027 | 4.000% | | | | |
| | 2028 | 3.000% | | | | |
| | 2029 | 3.000% | | | | |
| | 2030 | 3.000% | | | | |
| | 2031 | 3.125% | | | | |
| | 2032 | 3.125% | | | | |
| | 2033 | 3.125% | | | | |
| | 2034 | 3.250% | | | | |
| | 2035 | 3.250% | | | | |
| | 2036 | 3.375% | | | | |
| | 2037 | 3.375% | | | | |
| | 2038 | 3.500% | | | | |
| | 2039 | 3.500% | | | | |

Councilmember _____ introduced the following resolution and moved its adoption, which motion was seconded by Councilmember _____:

RESOLUTION NO. _____

RESOLUTION AUTHORIZING ISSUANCE, AWARDED SALE,
PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR
THE PAYMENT OF \$1,940,000 GENERAL OBLIGATION BONDS,
SERIES 2018B

BE IT RESOLVED by the City Council (the “Council”) of the City of Long Prairie, Minnesota (the “City”), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.1. Authorization. This Council, by resolution duly adopted on June 18, 2018 (the “Initial Resolution”), authorized the issuance and sale on the date hereof of its General Obligation Water Revenue Bonds, Series 2018B (the “Expected Bonds”), in an aggregate principal amount of not to exceed \$1,000,000, pursuant to Minnesota Statutes, Section 444.075 and Chapter 475, for the purpose of financing improvements to the City’s water utility (the “System”), including water meter replacements throughout the City (collectively, the “Utility Project”).

1.2. Amending Initial Resolution. This Council has determined it is now necessary and in the best interest of the City to issue with the Expected Bonds additional bonds pursuant to Minnesota Statutes, Section 429 and Chapter 475, for the purpose of financing cost overruns of approximately \$1,100,000 relating to the 2016 street and utility improvement project financed with proceeds of the City’s General Obligation Improvement Bonds, Series 2016A (the “Improvement Project”) (the “Series 2016A Bonds”). Accordingly, the provisions of the Initial Resolution are hereby amended to reflect such additional purpose and the City is hereby authorized to issue and sell its General Obligation Bonds, Series 2018B (the “Bonds”), in an aggregate principal amount of not to exceed \$2,000,000, for the purpose of financing the Utility Project and the Improvement Project (collectively, the “Projects”), pursuant to Minnesota Statutes, Section 444.075 and Chapters 429 and 475. The prior resolutions of this Council authorizing the application to and the execution of an agreement with the Minnesota Public Facilities Authority (the “Authority”) Credit Enhancement Program with respect to the Expected Bonds remain in full force and effect; provided, however, that all references in such prior resolutions to the Expected Bonds shall be deemed references to the Bonds.

1.3. Sale. Pursuant to the Preliminary Official Statement prepared on behalf of the City by Ehlers & Associates, Inc., sealed proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals; provided, however, that the date for the sale was delayed from July 16, 2018, to the date hereof, after adoption of the Initial Resolution, which delay is hereby ratified and approved in all respects. The proposals have been opened, publicly read and considered and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of Robert W. Baird & Co. Incorporated, in Milwaukee, Wisconsin, and associates (the “Purchaser”), to purchase the Bonds at a price of \$1,961,363.60 plus accrued interest on all Bonds to the day of delivery and payment, on the further terms and conditions hereinafter set forth.

1.5. Award. The sale of the Bonds is hereby awarded to the Purchaser and the Mayor and City Administrator/Clerk are hereby authorized and directed to execute a contract on behalf of the City for the sale of the Bonds in accordance with the terms of the proposal. The good faith deposit of the Purchaser shall be retained and deposited by the City until the Bonds have been delivered and shall be deducted from the purchase price paid at settlement.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.1. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for this Council to establish the form and terms of the Bonds, to provide and describe the security therefor and to issue the Bonds forthwith.

2.2. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of the date of issuance thereof, shall be in the denomination of \$5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from the date of original issue until paid or duly called for redemption at the annual rates set forth opposite such years and amounts, as follows:

| <u>Year</u> | <u>Amount</u> | <u>Rate</u> | <u>Year</u> | <u>Amount</u> | <u>Rate</u> |
|-------------|---------------|-------------|-------------|---------------|-------------|
| 2020 | \$125,000 | 4.000% | 2026 | \$185,000 | 3.000% |
| 2021 | 160,000 | 4.000 | 2027 | 190,000 | 3.000 |
| 2022 | 165,000 | 3.000 | 2030 | 130,000 | 3.000 |
| 2023 | 165,000 | 3.000 | 2035 | 240,000 | 3.375 |
| 2024 | 170,000 | 3.000 | 2039 | 230,000 | 3.500 |
| 2025 | 180,000 | 3.000 | | | |

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein; provided that, so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.8 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

The portion of the Bonds (\$880,000) that is being issued pursuant to Minnesota Statutes, Chapters 444.075 and 475 to finance the Utility Project, are hereinafter called the “Utility Bonds.” The portion of the Bonds (\$1,060,000) that is being issued pursuant to Minnesota Statutes, Chapters 429 and 475 to finance the Improvement Project, are hereinafter called the “Improvement Bonds.” Maturity schedules for each portion of the Bonds are attached hereto as Exhibit A.

2.3. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.7 and upon any subsequent transfer or exchange pursuant to Section 2.6, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on each February 1 and August 1, commencing August 1, 2019, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar’s close of business on

the fifteenth day of the calendar month next preceding such Interest Payment Date, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.4. Redemption. Bonds maturing in 2028 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures), in integral multiples of \$5,000, on February 1, 2027, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City Administrator / Clerk shall cause notice of the call for redemption thereof to be published if and as required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the Registrar and registered holders of any Bonds to be redeemed at their addresses as they appear on the Bond Register described in Section 2.6 hereof, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

Bonds maturing on February 1, 2030, February 1, 2035, and February 1, 2039 (the "Term Bonds") shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 2.4 at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Registrar shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts of such Bonds:

Term Bonds Maturing February 1, 2030

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-------------------------|
| 2028 | \$40,000 |
| 2029 | 45,000 |

The remaining \$45,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2030.

Term Bonds Maturing February 1, 2035

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-------------------------|
| 2031 | \$45,000 |
| 2032 | 45,000 |
| 2033 | 50,000 |

2034 50,000

The remaining \$50,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2035.

Term Bonds Maturing February 1, 2039

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-------------------------|
| 2036 | \$55,000 |
| 2037 | 55,000 |
| 2038 | 60,000 |

The remaining \$60,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2039.

Notice of redemption shall be given as provided in the preceding paragraph.

2.5. Appointment of Initial Registrar. The City hereby appoints Bond Trust Services Corporation, in Roseville, Minnesota, as the initial bond registrar, transfer agent and paying agent (the “Registrar”). The Mayor and City Administrator/Clerk 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 organized under the laws of the United States or one of the states of the United States and authorized by law to conduct such business, such corporation shall be 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, effective upon not less than thirty days’ written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the Bond Register to the successor Registrar.

2.6. Registration. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a bond register (the “Bond Register”) in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership, trust, governmental unit, or other legal entity) in whose name a Bond is registered in the Bond Register.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the Holder thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the Holder thereof or by an attorney duly authorized by the Holder in writing, the Registrar shall 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 such

interest payment date.

(c) Exchange of Bonds. At the option of the Holder of any Bond in a denomination greater than \$5,000, such Bond may be exchanged for other Bonds of authorized denominations, of the same maturity and a like aggregate principal amount, upon surrender of the Bond to be exchanged at the office of the Registrar. Whenever any Bond is so surrendered for exchange the City shall execute and the Registrar shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

(d) Cancellation. All Bonds surrendered for payment, transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall 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 any Bond is at any time registered in the Bond Register as the absolute owner of the Bond, whether the Bond shall be 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 all payments made to or upon the order of such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any 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, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall 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 shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall

be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

2.7. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the City Administrator/Clerk and shall be executed on behalf of the City by the signatures of the Mayor and the City Administrator/Clerk, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall 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 each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been prepared, executed and authenticated, the City Administrator/Clerk shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.8. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the sender agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any

Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of bond certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC by the Mayor or City Administrator/Clerk, if not previously filed with DTC, is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of bond certificates and the method of payment of principal of and interest on such Bonds in the form of bond certificates.

2.9. Form of Bonds. The Bonds shall be prepared in substantially the form attached hereto as Exhibit B.

SECTION 3. USE OF PROCEEDS.

3.1. Use of Proceeds. Upon payment for the Bonds by the Purchaser, the City Administrator/Clerk will apply the proceeds of the Bonds as follows: (a) the amount of \$1,911,588.00 shall be deposited in the Construction Fund as defined in Section 3.2 (\$850,000 from the Utility Bonds to the Utility Project Construction Account (as defined

herein) and \$1,061,588.00 from the Improvement Bonds to the Improvement Project Construction Account (as defined herein); and (b) the amount of \$49,775.60 shall be used to pay issuance expenses of the Bonds.

3.2. General Obligation Bonds, Series 2018B Construction Fund. There is hereby created a special bookkeeping fund to be designated as the “General Obligation Bonds, Series 2018B Construction Fund” (the “Construction Fund”), to be held and administered by the City Administrator/Clerk separate and apart from all other funds of the City. Within the Construction Fund are established separate accounts for the Utility Project and the Improvement Project (respectively, the “Utility Project Construction Account” and “Improvement Project Construction Account”). The City appropriates to the Construction Fund the proceeds of the sale of the Bonds as described in Section 3.1. The funds in the accounts within the Construction Fund shall be used solely to defray expenses of the applicable Projects, including but not limited to the transfer to the applicable accounts in the Bond Fund (as defined herein) of amounts sufficient for the payment of interest due upon the Bonds prior to the completion of the Projects. Upon completion and payment of all costs of each of the Projects, any balance of the proceeds of Bonds remaining in the Construction Fund may be used to pay the cost, in whole or in part, of any other improvements to the System, as directed by the City Council, but any balance of such proceeds not so used by August 30, 2021 shall be credited and paid to the applicable accounts in the Bond Fund. All funds on hand in the accounts in the Construction Fund when terminated shall be credited to the accounts in Bond Fund described in Section 3.3 hereof, unless and except as such proceeds may be transferred to some other fund or account as to which the City has received from bond counsel an opinion that such other transfer is permitted by applicable laws and does not impair the exemption of interest on the Bonds from federal income taxes.

3.3. General Obligation Bonds, Series 2018B Bond Fund. So long as any of the Bonds are outstanding and any principal of or interest thereon unpaid, the City Administrator/Clerk shall maintain a separate debt service fund on the official books and records of the City to be known as the General Obligation Bonds, Series 2018B Bond Fund (the “Bond Fund”), and the principal of and interest on the Bonds shall be payable from the Bond Fund. Within the Bond Fund are established separate accounts for the Utility Project and the Improvement Project (respectively, the “Utility Project Bond Account” and “Improvement Project Bond Account”). The City irrevocably appropriates to the accounts in the Bond Fund (a) the amounts specified in Section 3.1 above; (b) to the Utility Project Bond Account only, net revenues of the System as described in Section 4.1 hereof; (c) ad valorem taxes collected in accordance with the provisions of Section 4.2 hereof; (d) amounts received pursuant to Section 4.3 hereof; and (e) such other funds as may be appropriated from time to time by the City to the Bond Fund to pay principal of and interest on the Bonds. The moneys on hand in the Bond Fund from time to time shall be used solely to pay the principal of and interest on the Bonds.

SECTION 4. SECURITY

4.1. Imposition of Charges; Additional Bonds. It is hereby found, determined and declared that the City owns and operates the System as a revenue-producing utility and convenience, and that the net operating revenues of the System, after deducting from the gross receipts derived from charges for the service, use and availability of the System the normal, current and reasonable expenses of operation and maintenance thereof, will be sufficient, together with any other pledged funds, for the payment when due of the principal of and interest on the Utility Bonds herein authorized, and on any other bonds to which such revenues are pledged.

The City hereby covenants and agrees with the holders from time to time of the Bonds that so long as any of the Utility Bonds are outstanding, the City will impose and collect reasonable charges for the service, use and availability of the System to the City and its inhabitants according to schedules calculated to produce net revenues which will be sufficient to pay all principal and interest when due on the Utility Bonds and all other obligations payable from the net revenues of the System. Net revenues of the System, to the extent necessary, are hereby irrevocably pledged and appropriated to the payment of the principal of the Utility Bonds and interest thereon; provided that nothing herein shall preclude the City from hereafter making further pledges and appropriations of net revenues of the System for the payment of additional obligations of the City hereafter authorized if the Council determines before the authorization of such additional obligations that the estimated net revenues of the System will be sufficient, together with any other sources pledged to or projected to be used, for the payment of the principal of and interest on the Utility Bonds and paid therefrom and such additional obligations. Such further pledges and appropriations of said net revenues of the System may be made superior or subordinate to or on a parity with the pledge and appropriation herein made, as to the application of net revenues received from time to time.

4.2. Full Faith and Credit Pledged. The full faith and credit of the City are irrevocably pledged for the prompt and full payment of the principal of and the interest on the Bonds and any other obligations payable from the accounts in the Bond Fund, as such principal and interest comes due. If the money on hand in the accounts in the Bond Fund should at any time be insufficient for the payment of principal and interest then due, the City shall pay the principal and interest out of any fund of the City, and such other fund or funds shall be reimbursed therefor when sufficient money is available to the appropriate account in the Bond Fund. If on February 1 in any year the sum of the balance in the Bond Fund, plus, in the case of the Utility Bonds and the Utility Project Bond Account, the available net revenues of the System on hand and estimated to be received or before the end of the following calendar year, is not sufficient with any ad valorem taxes heretofore levied in accordance with the provisions of this resolution, to pay when due all principal and interest become due on all Bonds payable therefrom in said following calendar year, or the Bond Fund has incurred a deficiency in the manner provided in this section, a direct, irrevocable, ad valorem tax shall be levied on all taxable property within the corporate limits of the City for the purpose of restoring such accumulated or anticipated deficiency in an amount at least 5% in excess of the amount needed to make good the deficiency. In order to produce aggregate amounts which will produce amounts not less than 5% in excess of the amounts needed to meet when due the principal and interest payments on the Improvement Bonds, ad valorem taxes are hereby levied on all taxable property in the City, the taxes to be levied and collected in the years and amounts shown on Exhibit C hereto.

4.3. Credit Enhancement. Pursuant to Minnesota Statutes, Section 446A.086 (the "Credit Enhancement Statute"), and a resolution adopted by this Council on May 21, 2018, the City has entered into a Minnesota Public Facilities Authority County Credit Enhancement Program Agreement (the "Agreement") with the Authority and the Commissioner of Finance. The City hereby covenants and obligates itself to notify the Authority of a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 446A.086, to guarantee payment of the principal and interest on the Bonds when due. The City further covenants to deposit with the Registrar three (3) days prior to the date on which a payment is due an amount

sufficient to make that payment or to notify the Authority that it will be unable to make all or a portion of that payment. The Registrar is authorized and directed to notify the Authority if it becomes aware of a potential default in the payment of principal or interest on the Bonds or if, on the day two (2) business days prior to the date a payment is due on the Bonds, there are insufficient funds to make that payment on deposit with the Registrar. The City understands that as a result of its covenant to be bound by the provision of the Credit Enhancement Statute, the provisions of that section shall be binding as long as any Bonds remain outstanding.

4.4. Special Assessments. The City has done or will do and perform all acts and things necessary for the final and valid levy of special assessments in an amount not less than 20% of the combined cost of the Improvement Project and the improvement project financed by the Series 2016A Bonds. The City will levy special assessments and pledge the same to the payment of the Series 2016A Bonds; however, no special assessments are pledged to the payment of the Improvement Bonds and the City is under no obligation to levy further special assessments with respect to the Improvement Project. The Improvement Project Construction Account and the Improvement Project Bond Fund shall be funded only from (a) the amounts specified in Section 3.1 above; (b) ad valorem taxes collected in accordance with the provisions of Section 4.2 hereof; (c) amounts received pursuant to Section 4.3 hereof; and (d) such other funds as may be appropriated from time to time by the City.

SECTION 5. DEFEASANCE. When all of the Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the Holders of the Bonds shall cease. The City may discharge its obligations with respect to any 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, or 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 from the due date to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms by depositing with the Registrar on or before that date an amount equal to the principal, interest and redemption premium, if any, which are then due, provided that notice of such redemption has been duly given as provided herein. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with the Registrar or with a bank or trust company qualified by law to act as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited for such purpose, bearing interest payable at such times and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity or, if notice of redemption as herein required has been irrevocably provided for, to an earlier designated redemption date, provided, however, that if such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the City shall have received a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

SECTION 6. CERTIFICATION OF PROCEEDINGS.

6.1. Registration of Bonds. The City Administrator/Clerk is hereby authorized and directed to file a certified copy of this resolution with the County Auditor of Todd County (the “County Auditor”) and obtain a certificate that the Bonds and the taxes described herein have been duly entered upon the County Auditor’s bond register.

6.2. Authentication of Transcript. The officers of the City and the County Auditor are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the City as to the correctness of all statements contained therein.

6.3. Official Statement. The Preliminary Official Statement relating to the Bonds, dated August 7, 2018, prepared and distributed by Ehlers & Associates, Inc., is hereby approved. Ehlers & Associates, Inc. is hereby authorized on behalf of the City to prepare and deliver within seven business days from the date hereof a final Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934. The officers of the City are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

6.4. Authorization of Payment of Certain Costs of Issuance of the Bonds. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Klein Bank on the closing date for further distribution as directed by the City’s municipal advisor, Ehlers & Associates, Inc.

SECTION 7. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

7.1. Tax Covenants. The City agrees with the registered owners 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 that would cause interest on the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the “Code”) and applicable Treasury Regulations (the “Regulations”), and agrees to take any and all actions within its powers to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. All proceeds of the Bonds deposited in the Construction Fund will be expended solely for the payment of the costs of the Projects. The Projects are and will be owned and maintained by the City and available for use by members of the general public on a substantially equal basis. The City shall not enter into any lease, management contract, use agreement, capacity agreement or other agreement with any non-governmental person relating to the use of the Projects, or any portion thereof, or security for the payment of the Bonds which might cause the Bonds to be considered “private activity bonds” or “private loan bonds” pursuant to Section 141 of the Code.

7.2. Arbitrage Certification. The Mayor and City Administrator/Clerk, being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code and Section 1.148-2(b) of the Regulations stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be arbitrage bonds within the meaning of the Code and Regulations.

7.3. Arbitrage Rebate. The City acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no “gross proceeds” of the Bonds (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof.

7.5. Reimbursement. The City certifies that the proceeds of the Bonds will not be used by the City to reimburse itself for any expenditure with respect to the Project which the City paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the City shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations, provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, with respect to the Projects meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to “preliminary expenditures” for the Project as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the “issue price” of the Bonds.

7.6. Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the “Rule”), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The City is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, “Beneficial Owner” means,

in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

- (1) on or before twelve (12) months after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2018, the following financial information and operating data in respect of the City (the "Disclosure Information"):
 - (A) the audited financial statements of the City for such fiscal year, prepared in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and
 - (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: Current Property Valuations; Direct Debt; Tax Levies and Collections; Population Trend; and Employment/Unemployment, which information may be unaudited.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the City shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access System ("EMMA") or to the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect, provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the

amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events (each, a “Material Fact”):
- (A) Principal and interest payment delinquencies;
 - (B) Non-payment related defaults, if material;
 - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (E) Substitution of credit or liquidity providers, or their failure to perform;
 - (F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
 - (G) Modifications to rights of security holders, if material;
 - (H) Bond calls, if material, and tender offers;
 - (I) Defeasances;
 - (J) Release, substitution, or sale of property securing repayment of the securities, if material;
 - (K) Rating changes;
 - (L) Bankruptcy, insolvency, receivership or similar event of the obligated person;
 - (M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
 - (N) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used herein, for those events that must be reported if material, an event is “material” if it is an event as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, an event is also “material” if it is an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (3) In a timely manner, notice of the occurrence of any of the following events or conditions:
- (A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
 - (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);
 - (C) the termination of the obligations of the City under this section pursuant to subsection (d);
 - (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
 - (E) any change in the fiscal year of the City.
- (c) Manner of Disclosure.
- (1) The City agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).
 - (2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.
- (d) Term; Amendments; Interpretation.
- (1) The covenants of the City in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.
 - (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially

impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

- (3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

Upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted.

EXHIBIT A

Utility Bonds

| <u>Year</u> | <u>Amount</u> | <u>Rate</u> | <u>Year</u> | <u>Amount</u> | <u>Rate</u> |
|-------------|---------------|-------------|-------------|---------------|-------------|
| 2020 | \$20,000 | 4.000% | 2026 | \$ 40,000 | 3.000% |
| 2021 | 35,000 | 4.000 | 2027 | 40,000 | 3.000 |
| 2022 | 35,000 | 3.000 | 2030 | 130,000 | 3.000 |
| 2023 | 35,000 | 3.000 | 2035 | 240,000 | 3.375 |
| 2024 | 35,000 | 3.000 | 2039 | 230,000 | 3.500 |
| 2025 | 40,000 | 3.000 | | | |

Improvement Bonds

| <u>Year</u> | <u>Amount</u> | <u>Rate</u> | <u>Year</u> | <u>Amount</u> | <u>Rate</u> |
|-------------|---------------|-------------|-------------|---------------|-------------|
| 2020 | \$105,000 | 4.000% | 2026 | \$ 145,000 | 3.000% |
| 2021 | 125,000 | 4.000 | 2027 | 150,000 | 3.000 |
| 2022 | 130,000 | 3.000 | | | |
| 2023 | 130,000 | 3.000 | | | |
| 2024 | 135,000 | 3.000 | | | |
| 2025 | 140,000 | 3.000 | | | |

EXHIBIT B

FORM OF SERIES 2018B BOND

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF TODD

CITY OF LONG PRAIRIE
GENERAL OBLIGATION BOND,
SERIES 2018B

R-____ \$_____

| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Date of Original Issue</u> | <u>CUSIP No.</u> |
|----------------------|----------------------|-------------------------------|------------------|
| ___% | February 1, 20__ | August 30, 2018 | |

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

THE CITY OF LONG PRAIRIE, MINNESOTA (the “City”), acknowledges itself to be indebted and for value received hereby promises to pay to the registered owner named above, or registered assigns, the principal amount specified above on the maturity date specified above and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual interest rate specified above, payable on February 1 and August 1 of each year, commencing August 1, 2019 (each such date, an “Interest Payment Date”), all subject to the redemption of this Bond prior to maturity. The interest so payable on any Interest Payment Date shall be paid 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 calendar month next preceding such Interest Payment Date. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on Bond Trust Services Corporation, Roseville, Minnesota, as bond registrar, transfer agent and paying agent (the “Registrar”), 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.

This Bond is one of an issue (the “Bonds”) in the aggregate principal amount of \$1,940,000 issued pursuant to a resolution adopted by the City Council on August 6, 2018 (the “Resolution”), to be issued for the purpose of financing improvements to the City’s water utility (the “System”), including water meter replacement throughout the City, and certain street and utility improvements in the City, and is issued by authority of and in strict accordance with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Section 444.075, Chapter 429 and Chapter 475. For the full and prompt payment of the principal of and interest on the Bonds as the same become due, the full faith, credit and taxing power of the City have been and are hereby irrevocably pledged. The

Bonds are issuable only in fully registered form, in the denomination of \$5,000 or any integral multiple thereof, of single maturities.

Bonds maturing in 2028 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the Bond depository in accordance with its customary procedures) in multiples of \$5,000, on February 1, 2027, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City shall cause notice of the call for redemption thereof to be published if and to the extent required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail (or, if applicable, provided in accordance with the operational arrangements of the securities depository), to the registered holders of any Bonds, at the holders' addresses as they appear on the Bond register maintained by the Bond Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

Bonds maturing in the years 2030, 2035, and 2039 shall be subject to mandatory redemption, at a redemption price equal to their principal amount plus interest accrued thereon to the redemption date, without premium, on February 1 in each of the years shown below, in an amount equal to the following principal amounts:

| <u>Term Bonds Maturing in 2030</u> | | <u>Term Bonds Maturing in 2035</u> | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| <u>Sinking Fund Payment Date</u> | <u>Aggregate Principal Amount</u> | <u>Sinking Fund Payment Date</u> | <u>Aggregate Principal Amount</u> |
| 2028 | \$40,000 | 2031 | \$45,000 |
| 2029 | 45,000 | 2032 | 45,000 |
| 2030 (final maturity) | 45,000 | 2033 | 50,000 |
| | | 2034 | 50,000 |
| | | 2035 (final maturity) | 50,000 |
| <u>Term Bonds Maturing in 2039</u> | | | |
| | <u>Sinking Fund Payment Date</u> | <u>Aggregate Principal Amount</u> | |
| | 2036 | \$55,000 | |
| | 2037 | 55,000 | |
| | 2038 | 60,000 | |
| | 2039 (final maturity) | 60,000 | |

Notice of redemption shall be given as provided in the preceding paragraph.

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 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 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.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

The City and the 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 Registrar shall 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 precedent to and in the issuance of this Bond in order to make this Bond a valid and binding general obligation of the City according to its terms, have been done, do exist, have happened and have been performed in regular and due form as so required; that in and by the Resolution, the City has covenanted and agreed to collect and apply to payment of the Bonds ad valorem taxes levied on all taxable property in the City, and pledged to the payment of the principal of and interest on the Bonds net revenues of the System; that in and by the Resolution, the City has covenanted and agreed with the owner of the Bonds that it will impose and collect charges for the service, use and availability of its System at the time and in the amounts required to produce net revenues adequate to pay all principal of and interest on the Bonds and on all other bonds payable from net revenues of the System as such principal and interest respectively become due; that if needed to pay the principal and interest on this Bond, ad valorem taxes will be levied upon all taxable property in the City without limitation as to rate or amount; and that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional or statutory limitation.

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

IN WITNESS WHEREOF, the City of Long Prairie, Minnesota, by its City Council, has caused this Bond to be executed on its behalf by the facsimile signatures of the Mayor and City Administrator/Clerk and has caused this Bond to be dated as of the date set forth below.

CITY OF LONG PRAIRIE, MINNESOTA

(facsimile signature City Administrator/Clerk)

(facsimile signature Mayor)

CERTIFICATE OF AUTHENTICATION

Dated: _____

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

BOND TRUST SERVICES CORPORATION, as Bond Registrar

By _____
Authorized Representative

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to the applicable laws or regulations:

TEN COM --as tenants in common

UTMA as Custodian for

(Cust)

(Minor)

TEN ENT --as tenants by the entireties under Uniform Transfers to Minors Act

(State)

JT TEN --as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used.

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 enlargement or any change whatsoever.

Signature Guaranteed:

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

EXHIBIT C

TAX LEVY

TAX LEVY CALCULATION

Issue ID# 331727

City of Long Prairie, MN

Dated Date: 8/30/2018

\$1,940,000 General Obligation Bonds, Series 2018B

Call Date: 2/1/2027

2016 Reimbursement (429)

| Tax Levy Year | Tax Collect Year | Bond Pay Year | Total P & I | Funds Available (1) | P & I @ 105% | Net Levy |
|---------------------|------------------------|---------------------|---------------------|------------------------|---------------------|---------------------|
| 2018 / | 2019 / | 2020 | 153,403.06 | | 161,073.21 | 161,073.21 |
| 2019 / | 2020 / | 2021 | 154,900.00 | | 162,645.00 | 162,645.00 |
| 2020 / | 2021 / | 2022 | 154,900.00 | | 162,645.00 | 162,645.00 |
| 2021 / | 2022 / | 2023 | 151,000.00 | | 158,550.00 | 158,550.00 |
| 2022 / | 2023 / | 2024 | 152,100.00 | | 159,705.00 | 159,705.00 |
| 2023 / | 2024 / | 2025 | 153,050.00 | | 160,702.50 | 160,702.50 |
| 2024 / | 2025 / | 2026 | 153,850.00 | | 161,542.50 | 161,542.50 |
| 2025 / | 2026 / | 2027 | 154,500.00 | | 162,225.00 | 162,225.00 |
| Totals | | | 1,227,703.06 | | 1,289,088.21 | 1,289,088.21 |

TODD COUNTY AUDITOR'S CERTIFICATE
AS TO REGISTRATION AND TAX LEVY

The undersigned, being the duly qualified and acting County Auditor of Todd County, Minnesota, hereby certifies that there has been filed in my office a certified copy of a resolution duly adopted on August 6, 2018, by the City Council of the City of Long Prairie, Minnesota, setting forth the form and details of an issue of \$1,940,000 General Obligation Bonds, Series 2018B, dated as of August 30 2018.

I further certify that the issue has been entered on my bond register and the tax required by law for their payment has been levied and filed as required by Minnesota Statutes, Sections 475.61 through 475.63.

WITNESS my hand and official seal on August ____, 2018.

County Auditor

(SEAL)

Motion carried.

Fire Chief Jim Kreemer addressed the council regarding the standby generator. He is estimating it's going to be about \$46,659.00 for a 60 kilowatt. He did not present any of the breakdown yet. They are still working on it and he will present this at the next meeting. This will also be ran off of natural gas. Jim noted that the mainline pumper is down.

Police Chief Kevin Langer noted the following:

- National Night Out was a very good success – looking forward to next year again

Administrator Thomes noted the following:

- Pam is having difficulties with hiring part-time help at the liquor store. Administrator Thomes asked if we can move forward with increasing the wage to \$12.00 for part-timers starting at the beginning of next year along with their cost of living raise.

Councilor Gripne motioned Rasmussen seconded to approve the increase for the part-time help at the liquor store. Motion carried.

Councilor Gripne noted the following:

- There will be a variance application on August 27th
- The next EDA meeting will be September 19th

Mayor Rasmussen noted the following:

- Community Concern for Youth the resolution that was passed
- Tourism – everything is going good with Tourism
- Airport – still waiting on the start of that project

Administrator Thomes noted the following:

- Administrator Thomes will be attending the Health Insurance Meeting at Resource Training & Solutions on Thursday, August 23rd
- Rien – New Public Works employee will be starting on the August 22nd
- The next city council meeting has been moved to September 6th due to the Labor Day Holiday

Councilor Gripne motioned Towle seconded to approve that change. Motion carried.

Councilor Gripne motioned Towle seconded to adjourn the meeting at 8:10 p.m. Motion carried.

Brenda Thomes
City Administrator/Clerk

Don Rasmussen
Mayor