

**CITY OF NORTHFIELD, MINNESOTA
CITY COUNCIL RESOLUTION 2018-090**

**A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF
\$1,765,000 GENERAL OBLIGATION IMPROVEMENT AND ABATEMENT BONDS,
SERIES 2018B**

A. WHEREAS, 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 \$1,765,000 General Obligation Improvement and Abatement Bonds, Series 2018B (the "Bonds")

B. WHEREAS, the City Finance Director presented a tabulation of the proposals that had been received in the manner specified in the Notice of Sale for the Bonds. The proposals were as set forth in **EXHIBIT A** attached.

After due consideration of the proposals, Member _____ then introduced the following written resolution, the reading of which was dispensed with by unanimous consent, and moved its adoption:

BE IT RESOLVED By the City Council of the City of Northfield, Dakota and Rice Counties, Minnesota (the "City") as follows:

Section 1. Sale of Bonds.

1.01. Background; Findings. It is determined that:

(a) Certain assessable public street improvements in the City (the "Improvement Project"), will be made, duly ordered, or contracts let for the construction thereof, pursuant to Minnesota Statutes, Chapters 429, and 475, as amended (collectively, the "Improvement Act").

(b) The City is authorized by Minnesota Statutes, Chapter 475 and Sections 469.1812 through 469.1815, as amended (collectively, the "Abatement Act") to utilize property tax abatements on specified parcels in order to accomplish certain public purposes, including construction of certain City parking lot components of various public improvements as part of the 2018 improvement projects (the "Abatement Project").

(c) On August 21, 2018 the City held a public hearing regarding, and adopted a resolution (the "Abatement Resolution") approving property tax abatements pursuant to the Abatement Act.

(d) It is determined that it is necessary and expedient that the City issue the Bonds to finance the Improvement Project and the Abatement Project.

(e) The City is authorized by Minnesota Statutes, Section 475.60, subdivision 2(9) to negotiate the sale of the Bonds, it being determined that the City has retained an independent municipal advisor in connection with such sale. The City has retained Ehlers and Associates, Inc. as

its municipal advisor. The actions of the City staff and the City’s municipal advisor in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

1.02 Award to Purchaser and Interest Rates. The proposal of _____ (the “Purchaser”) to purchase the Bonds of the City described in the official statement thereof is found and determined to be the most favorable offer received and is hereby, the proposal being to purchase the Bonds at a price of \$_____ (par amount of \$1,765,000.00, plus a premium of \$_____ and less an underwriter’s discount of \$_____), plus accrued interest to the date of delivery, for Bonds bearing interest as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Interest Rate</u>
2020	___%	2025	___%
2021	___	2026	___
2022	___	2027	___
2023	___	2028	___
2024	___	2029	___

1.03. Purchase Contract. Any amount paid by the Purchaser over the minimum purchase price shall be credited to the Debt Service Fund hereinafter created, or deposited in the Construction Fund hereinafter created, as determined by the City Finance Director after consultation with the City’s municipal advisor. The City Finance Director is directed to retain the good faith check of the Purchaser, pending completion of the sale of the Bonds, and to return the good faith checks of the unsuccessful proposers. The Mayor and City Clerk are directed to execute a contract with the Purchaser on behalf of the City.

1.04 Terms and Principal Amounts of Bonds. The City will forthwith issue and sell the Bonds pursuant to the Improvement Act and the Abatement Act (collectively, the “Act”), in the total principal amount of \$1,765,000, originally dated the date of issuance, in fully registered form, 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>
2020	\$150,000	2025	\$180,000
2021	170,000	2026	180,000
2022	170,000	2027	185,000
2023	170,000	2028	190,000
2024	175,000	2029	195,000

\$1,515,000 of the Bonds (the “Improvement Bonds”) maturing in the amounts and on the dates set forth below are being issued to finance the Improvement Project:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2020	\$130,000	2025	\$155,000
2021	145,000	2026	155,000
2022	145,000	2027	160,000
2023	145,000	2028	165,000
2024	150,000	2029	165,000

\$250,000 of the Bonds (the “Abatement Bonds”) maturing in the amounts and on the dates set forth below are being issued to finance the Abatement Project:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2020	\$20,000	2025	\$25,000
2021	25,000	2026	25,000
2022	25,000	2027	25,000
2023	25,000	2028	25,000
2024	25,000	2029	30,000

As may be requested by the Purchaser, one or more term Bonds (the “Term Bonds”) may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

1.05. Optional Redemption. The City may elect on February 1, 2027, and on any day thereafter to prepay Bonds due on or after February 1, 2028. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

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 August 1, 2019, to the

registered owners of record as of the close of business on the 15th 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 15th day of the month preceding each interest payment date and until that interest payment date.

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

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

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer such 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 at any time registered in the bond register as the absolute owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to a 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 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 such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar 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. All 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) in accordance with the requirements of DTC 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 Bond Trust Services Corporation, Roseville, Minnesota, as the initial Registrar. The Mayor and the City 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 authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Council, the City Finance Director 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 Finance Director and executed on behalf of the City by the signatures of the Mayor and the City Clerk, 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 any 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 Finance Director will deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

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

Section 3. Form of Bond.

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

3.02. Approving Legal Opinion. The City Finance Director is authorized and 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 cause the opinion to be printed on or accompany each Bond.

Section 4. Payment; Security; Pledges; and Covenants.

4.01. Debt Service Fund and Accounts Maintained Therein. For the convenience and proper administration of the moneys to be borrowed and repaid on the Bonds, and to provide adequate and specific security for the Purchaser and holders from time to time of the Bonds, there is hereby created a special fund to be designated the “General Obligation Improvement and Abatement Bonds, Series 2018B Debt Service Fund” (the “Debt Service Fund”) to 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 Bonds and the interest thereon will have been fully paid. There will be maintained in the Debt Service Fund two separate accounts, to be designated the “Improvement Project Account,” and the “Abatement Account.” Amounts in the Improvement Project Account are irrevocably pledged to the Improvement Bonds portion of the Bonds and amounts in the Abatement Account are irrevocably pledged to the Abatement Bonds portion of the Bonds.

(a) *Improvement Project Account.* To the Improvement Project Account in the Debt Service Fund there is hereby pledged and irrevocably appropriated and there will be credited: (i) proceeds of general taxes herein or hereafter levied and special assessments levied or to be levied for the Improvement Project (the “Assessments”), which ad valorem taxes and Assessments are pledged to the Improvement Project Account; (ii) capitalized interest financed from Improvement Bond proceeds, if any; (iii) a pro rata portion of the amount 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; (iv) all investment earnings on amounts in the Improvement Project Account of the Debt Service Fund; and (v) any other funds appropriated for the payment of principal or interest on the Improvement Bonds.

(b) *Abatement Account.* To the Abatement Account in the Debt Service Fund there is hereby pledged and irrevocably appropriated and there will be credited: (i) proceeds of general taxes herein or hereafter levied and tax abatements in accordance with the Abatement Resolution (the “Abatements”), (ii) capitalized interest financed from Improvement Bond proceeds, if any; (iii) a pro rata portion of the amount 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; (iv) all investment earnings on amounts in the Abatement Account of the Debt Service Fund; and (v) any other funds appropriated for the payment of principal or interest on the Abatement Bonds.

4.02 Improvement Project Construction Fund. The proceeds of the Improvement Bonds, net of the amounts deposited in accordance with Section 4.01(a), together with any other funds appropriated during the construction of the Improvement Project and ad valorem taxes and Assessments collected during the construction of the Improvement Project, will be deposited in a separate construction fund (the “Improvement Project Construction Fund”) to be used solely to defray expenses of the Improvement Project and the payment of principal of and interest on the Improvement Bonds prior to the completion and payment of all costs of the Improvement Project. Any balance remaining in the Improvement Project Construction Fund after the Improvement Project is completed and the costs thereof have been paid may be used as provided in Minnesota Statutes, section 475.65, under the direction of the City Council. Thereafter, the Improvement Project Construction Fund is to be closed and any balance remaining therein and subsequent collections of Taxes and Assessments for the Improvement Project are to be deposited in the Improvement Project Account of the Debt Service Fund.

4.02 Abatement Project Construction Fund. The proceeds of the Abatement Bonds, net of the amounts deposited in accordance with Section 4.01(b), together with any other funds appropriated during the construction of the Abatement Project and ad valorem taxes collected during the construction of the Abatement Project, will be deposited in a separate construction fund (the “Abatement Project Construction Fund”) to be used solely to defray expenses of the Abatement Project and the payment of principal of and interest on the Abatement Bonds prior to the completion and payment of all costs of the Abatement Project. Any balance remaining in the Abatement Project Construction Fund after the Abatement Project is completed and the costs thereof have been paid may be used as provided in Minnesota Statutes, section 475.65, under the direction of the City Council. Thereafter, the Abatement Project Construction Fund is to be closed and any balance

remaining therein and subsequent collections of Taxes for the Abatement Project are to be deposited in the Abatement Project Account of the Debt Service Fund.

4.04. General Obligation Pledge. For the prompt and full payment of the principal 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.

4.05. Pledge of Tax Levy; Improvement Bonds. For the purpose of paying the principal of and interest on the Improvement Bonds, there is hereby 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 Improvement Project Account of the Debt Service Fund above provided and will be in the years and amounts as attached hereto as EXHIBIT C.

The tax levy herein provided will be irrepealable until all of the Improvement Bonds are paid, provided that the City Clerk may annually, at the time the City makes its tax levies, certify to the County Auditor the amount available in the Improvement Account in the Debt Service Fund to pay principal and interest due during the ensuing year on the Improvement Bonds, and the County Auditor will thereupon reduce the levy collectible during such year by the amount so certified.

4.06. Pledge of Tax Levy; Abatement Bonds. For the purpose of paying the principal of and interest on the Abatement Bonds, there is hereby 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. Such tax will be credited to the Abatement Account in the Debt Service Fund above provided and will be in the years and amounts attached hereto as EXHIBIT D.

The tax levy herein provided will be irrepealable until all of the Abatement Bonds portion of Bonds are paid, provided that the City Clerk may annually, at the time the City makes its tax levies, certify to the County Auditor the amount available in the Abatement Account in the Debt Service Fund to pay principal and interest due during the ensuing year on the Abatement Bonds, and the County Auditor will thereupon reduce the levy collectible during such year by the amount so certified.

4.07. Filing. The City Clerk is authorized and directed to file a certified copy of this resolution with the County Auditor-Treasurers of Dakota and Rice Counties and to obtain the certificate required by Section 475.63 of the Act.

4.08. Covenants Regarding Improvement Project. The City hereby covenants with the holders from time to time of the Bonds as follows:

(a) It is hereby determined that the Improvements will directly and indirectly benefit abutting property, and that at least 20% of the costs of the Improvement Project to the City will be paid by Assessments. The City has caused or will cause the Assessments levied for the Improvement Project to be promptly levied so that the first installment will be collectible not later than 2019 and will take all steps necessary to assure prompt collection, and the levy of the Assessments is hereby authorized. The City Council will cause to be taken with due diligence all further actions that are required for the construction of each 2018 Improvement financed wholly or partly from the proceeds of the Improvement Bonds, and will take all further actions necessary for the final and valid levy of the Assessments and the appropriation of any other funds needed to pay the Improvement Bonds and interest thereon when due.

(b) In the event of any current or anticipated deficiency in the Assessments and ad valorem taxes, the City Council will levy additional ad valorem taxes in the amount of the current or anticipated deficiency.

(c) The City will keep complete and accurate books and records showing receipts and disbursements in connection with the Improvement Project, Assessments and Taxes levied therefor and other funds appropriated for their payment, collections thereof and disbursements therefrom, monies on hand and, the balance of unpaid Assessments.

(d) The City will cause its books and records to be audited at least annually and will furnish copies of such audit reports to any interested person upon request.

4.09. Abatement Pledge. It is determined that the principal amount of the Abatement Bonds does not exceed the estimated sum of the Abatements for the years authorized under the Abatement Resolution.

4.10. Debt Service Coverage. It is hereby determined that the estimated collection of the foregoing Taxes, Abatements and Assessments will produce at least 5% in excess of the amount needed to pay when due, the principal and interest payments on the Bonds.

Section 5. Authentication of Transcript.

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

5.02. Certificates as to Official Statement. The Mayor, City Clerk and Finance Director are hereby authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of

their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

5.03. Other Certificates. The Mayor, City Clerk, and 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, City Clerk, and Finance Director shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Finance Director shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

5.04. Payment of Costs of Issuance. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to KleinBank, 1550 Audobon Road, Chaska, Minnesota on the closing date for further distribution as directed by the City's municipal adviser, Ehlers & Associates, Inc.

Section 6. Tax Covenants.

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

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

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

- (a) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;

(b) the City hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;

(c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, that are not qualified 501(c)(3) bonds) which will be issued by the City (and all subordinate entities of the City) during calendar year 2018 will not exceed \$10,000,000;

(d) not more than \$10,000,000 of obligations issued by the City during calendar year 2018 have been designated for purposes of Section 265(b)(3) of the Code; and

(e) the Bonds are not issued as part of an issue the aggregate face amount of which exceeds \$10,000,000.

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

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

7.01. DTC. 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 1.03 hereof. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (“DTC”). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

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

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

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

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

Section 8. Continuing Disclosure.

8.01. City Compliance with Provisions of Continuing Disclosure Certificate. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Continuing Disclosure Certificate will not 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.

8.02. Execution of Continuing Disclosure Certificate. "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the Mayor and City Clerk 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.

Section 9. Defeasance. When all Bonds (or any portion thereof) and all accrued 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 (or respective portion thereof) will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The City may discharge all Bonds (or respective portion thereof) which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. 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.

Section 10. Effective Date. This resolution shall be in full force and effect from and after its passage.

PASSED by the City Council of the City of Northfield, Minnesota this 18th day of September, 2018.

ATTEST:

City Clerk

Mayor

VOTE:

___ POWNELL
___ NESS

___ COLBY
___ PETERSON WHITE

___ DELONG
___ ZWEIFEL

___ NAKASIAN

STATE OF MINNESOTA)
)
COUNTIES OF DAKOTA)
AND RICE) SS.
)
CITY OF NORTHFIELD)

I, the undersigned, being the duly qualified and acting City Clerk of the City of Northfield, Dakota and Rice Counties, Minnesota, 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 Tuesday, September 18, 2018 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 \$1,765,000 General Obligation Improvement and Abatement Bonds, Series 2018B of the City.

WITNESS My hand officially as such City Clerk of the City this ___ day of September, 2018.

City Clerk
Northfield, Minnesota

EXHIBIT A
Proposals

**EXHIBIT B
FORM OF BOND**

No. R-_____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTIES OF DAKOTA AND RICE
CITY OF NORTHFIELD

\$_____

GENERAL OBLIGATION IMPROVEMENT
AND ABATEMENT BOND, SERIES 2018B

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
-------------	-----------------	-----------------------------------	--------------

October ____, 2018

Registered Owner: Cede & Co.

The City of Northfield, Minnesota, a duly organized and existing municipal corporation in Dakota and Rice Counties, 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 set forth above (calculated on the basis of a 360 day year of twelve 30 day months) on the maturity date specified above, unless called for earlier redemption, with interest thereon from the date hereof at the annual rate specified above, payable February 1 and August 1 in each year, commencing August 1, 2019, to the person in whose name this Bond is registered at the close of business on the 15th 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 Bond Trust Services Corporation, Roseville, Minnesota, as 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 City may elect on February 1, 2027, and on any date thereafter to prepay Bonds due on or after February 1, 2028. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify the Depository Trust Company ("DTC") of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

This Bond is one of an issue in the aggregate principal amount of \$1,765,000 all of like original issue date and tenor, except as to number, maturity date, interest rate, denomination and redemption privilege, all issued pursuant to a resolution adopted by the City Council on September

18, 2018 (the “Resolution”), for the purpose of providing money to finance public street and parking lot improvements within the City, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapters 429, 469, and 475, as amended. The principal hereof and a portion of the interest hereon are payable from special assessments levied against property specially benefited by local improvements, tax abatements and ad valorem taxes for the City’s share of the cost of improvements, all 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 special assessments, ad valorem taxes, and tax abatements pledged, which taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

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.

This Bond has been designated by the Issuer as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

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 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, statutory or charter 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 Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Northfield, Dakota and Rice Counties, Minnesota, by its City Council, has caused this Bond to be executed on its behalf by the facsimile or manual

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

Name and Address: _____

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

Please insert social security or other identifying number of assignee

PROVISIONS AS TO REGISTRATION

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

Date of Registration

Registered Owner

Signature of Registrar

Cede & Co.
Federal ID #13-2555119

EXHIBIT C
Improvement Bonds Levies

<u>Levy Year</u>	<u>Tax Levy</u> <u>Collect Year</u>	<u>Amount</u>
2019	2020	\$
2020	2021	
2021	2022	
2022	2023	
2023	2024	
2024	2025	
2025	2026	
2026	2027	
2027	2028	
2028	2029	

EXHIBIT D
Abatement Bonds Levies

<u>Levy Year</u>	<u>Tax Levy</u> <u>Collect Year</u>	<u>Amount</u>
2019	2020	\$
2020	2021	
2021	2022	
2022	2023	
2023	2024	
2024	2025	
2025	2026	
2026	2027	
2027	2028	
2028	2029	

STATE OF MINNESOTA
COUNTY OF DAKOTA

COUNTY AUDITOR-TREASURER'S
CERTIFICATE AS TO
TAX LEVY AND REGISTRATION

I, the undersigned County Auditor of Dakota County, Minnesota, hereby certify that a certified copy of a resolution adopted by the governing body of the City of Northfield, Minnesota, on September 18, 2018, levying taxes for the payment of \$1,765,000 General Obligation Improvement and Abatement Bonds, Series 2018B of said municipality, dated October __, 2018, has been filed in my office and said bonds have been entered on the register of obligations in my office and that such tax has been levied as required by law.

WITNESS My hand and official seal this ____ day of _____, 2018.

(SEAL)

County Auditor-Treasurer
Dakota County, Minnesota

Deputy

STATE OF MINNESOTA
COUNTY OF RICE

COUNTY AUDITOR-TREASURER'S
CERTIFICATE AS TO
TAX LEVY AND REGISTRATION

I, the undersigned County Auditor of Rice County, Minnesota, hereby certify that a certified copy of a resolution adopted by the governing body of the City of Northfield, Minnesota, on September 18, 2018, levying taxes for the payment of \$1,765,000 General Obligation Improvement and Abatement Bonds, Series 2018B of said municipality, dated October __, 2018, has been filed in my office and said bonds have been entered on the register of obligations in my office and that such tax has been levied as required by law.

WITNESS My hand and official seal this ____ day of _____, 2018.

(SEAL)

County Auditor-Treasurer
Rice County, Minnesota

Deputy