

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE
CITY OF PRINCETON, MINNESOTA

HELD: May 14, 2020

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Princeton, Counties of Mille Lacs and Sherburne, Minnesota, was duly called and held at the City Hall on May 14, 2020, at 7:00 P.M., for the purpose, in part, of authorizing the issuance and awarding the sale of \$552,000 Taxable General Obligation Tax Abatement Bonds, Series 2020B.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION 20-39

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF
\$552,000 TAXABLE GENERAL OBLIGATION TAX ABATEMENT BONDS, SERIES
2020B AND PLEDGING TAX ABATEMENTS FOR THE SECURITY THEREOF AND
LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City Council of the City of Princeton, Minnesota (the "City"), has heretofore determined and declared that it is necessary and expedient to issue \$552,000 aggregate principal amount Taxable General Obligation Tax Abatement Bonds, Series 2020B (the "Bonds" or individually, a "Bond"), pursuant to Minnesota Statutes, Chapter 475, and Sections 469.1812 through 469.1815, as amended, to finance land acquisition for an industrial park in the City (the "Project"); and

B. WHEREAS, on April 23, 2020, following duly published notice thereof, the Council held an abatement public hearing on the Project and all persons who wished to speak or provide written information relative to the public hearing were afforded an opportunity to do so; and

C. WHEREAS, the City has heretofore established a tax abatement program (the "Program"), pursuant to the provisions of Minnesota Statutes, Sections 469.1812 through 469.1815, with respect to providing for the abatement of property taxes for a period of up to 15 years on various properties in the City, as described in the Resolution adopted by the City Council on April 23, 2020, approving the Program (the "Abatement Resolution"); and

D. WHEREAS, the amount of the property taxes abated are estimated to be at least equal to the principal of the Bonds and pursuant to the provisions of the Abatement Resolution, Bonds proceeds are to be expended to provide money to pay for Project; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Princeton, Minnesota, as follows:

1. Acceptance of Offer. The offer of _____, in _____, Minnesota, to purchase the Bonds and to pay therefor the sum of \$_____, all in accordance with the terms and at the rates of interest hereinafter set forth, is hereby accepted.

2. Original Issue Date; Denominations; Maturities; Interest. The Bonds shall be dated June 10, 2020, as the date of original issue, be issued forthwith on or after such date in fully registered form, be numbered R-1 in the denomination of \$_____, maturing on February 1, 2029 and bearing interest at ___%, and R-2 in the denomination of \$_____, maturing on February 1, 2036 and bearing interest at ____%. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2021, calculated on the basis of a 360-day year of twelve 30-day months.

3. Purpose; Findings. The Bonds shall provide funds to finance the Project. The principal amount of the Bonds, does not exceed the estimated amount of Tax Abatements of \$_____. Proceeds of the Bonds shall be expended on costs or uses permitted by Minnesota Statutes, Sections 469.1812 through 469.1815, and shall not be expended on any costs or devoted to any other uses. The total cost of the Project, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

4. Registrar. The Administrator of the City of Princeton, Minnesota, is appointed to act as registrar with respect to the Bonds (the "Registrar"), and shall do so unless and until a successor Registrar is duly appointed, all pursuant to any contract the City and Registrar shall execute which is consistent herewith. The Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered holder (or record holder) of the Bonds in the manner set forth in the form of Bonds.

5. Form of Bond. The Bonds, together with the Certificate of Registration, shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTIES OF MILLE LACS AND SHERBURNE
CITY OF PRINCETON

R-1

\$266,000

TAXABLE GENERAL OBLIGATION TAX ABATEMENT BOND, SERIES 2020B

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
%	February 1, 2029	June 10, 2020

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: TWO HUNDRED SIXTY-SIX THOUSAND DOLLARS

THE CITY OF PRINCETON, COUNTIES OF MILLE LACS AND SHERBURNE, MINNESOTA (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or assigns, duly certified on the Certificate of Registration attached to and made a part of this Bond (the "Registered Owner"), in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2021, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. On the maturity date of this Bond, the principal of this Bond shall be paid only upon presentation and surrender of such Bond to the Finance Director of the City of Princeton, Minnesota (the "Registrar"). The principal of and premium, if any, and interest on this Bond is payable in lawful money of the United States of America.

ISSUER HAS ELECTED TO ISSUE THIS BOND AS A TAXABLE BOND, AND THE INTEREST IS INTENDED TO BE INCLUDED IN GROSS INCOME FOR FEDERAL INCOME TAXATION PURPOSES AND, TO THE SAME EXTENT, INCLUDED IN BOTH GROSS INCOME AND TAXABLE NET INCOME FOR STATE INCOME TAXATION PURPOSES.

Optional Redemption. This Bond shall be subject to redemption and prepayment at the option of the Issuer on February 1, 2027 and on any date thereafter at a price of par plus accrued interest, in whole or in multiples of \$1,000, upon written notice to the Registered Owner, at the redemption price equal to par plus accrued interest to date of prepayment.

Mandatory Redemption. This Bond shall be redeemed by lot on February 1 in the following years and principal amounts, without any premium plus accrued interest thereon to such redemption date (after any credits are made as provided below):

Mandatory Redemption Schedule

<u>Year</u>	<u>Principal Amount</u>
2022	\$30,000
2023	31,000
2024	32,000
2025	33,000
2026	34,000
2027	35,000
2028	35,000
2029 (maturity)	36,000

or, if less than such amount is then outstanding, an amount equal to the aggregate principal amount of the Bond then outstanding.

The Issuer may, at its option to be exercised on or before the thirtieth day next preceding any date specified in the Mandatory Redemption Schedule above, shall (i) specify a principal amount of the Bond previously redeemed (otherwise than pursuant to the above Mandatory Redemption Schedule) or purchased and cancelled by the Registrar and not theretofore applied as a credit against any redemption of Bond pursuant to the above Mandatory Redemption Schedule, and (ii) apply the principal amount of the Bond so delivered or previously redeemed or purchased and cancelled for credit against the principal installments to be prepaid pursuant to the Mandatory Redemption Schedule and selected by the Issuer.

Prior to the date on which the Bond is directed by the Issuer to be optionally redeemed in advance of maturity, the Issuer will cause notice of the call thereof for redemption identifying the Bond to be redeemed to be mailed to the Registered Owner, at the address shown on the Register. The Bond so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited.

Date of Payment Not a Business Day. If the nominal date for payment of any principal of or interest on this Bond shall not be a business day of the Issuer or of the Registered Owner, then the date for such payment shall be the next such business day and payment on such business day shall have the same force and effect as if made on the nominal date of payment.

Transfer. This Bond is transferable, as provided in the Resolution, upon the Register kept by the Registrar upon surrender of this Bond together with a written instrument of transfer duly executed by the Registered Owner or the Registered Owner's attorney duly authorized in writing, and thereupon a new, fully registered Bond in the same aggregate principal amount shall be issued to the transferee in exchange therefor (or the transfer shall be duly recorded on the Register and the Certificate of Registration hereof), upon the payment of charges and satisfaction of applicable conditions, if any, as therein prescribed; provided that such transfer may occur only with respect to the entire Bond and all of the remaining principal amount of the sole final maturity hereof. The Issuer may treat and consider the person in whose name this Bond is

registered as the absolute Registered Owner hereof for the purpose of receiving payment of or on account of the principal of and interest on this Bond and for all other purposes whatsoever.

Issuance; Purpose; General Obligation. This Bond in the total principal amount of \$552,000, is issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on May 14, 2020 (the "Resolution"), for the purpose of providing money to finance land acquisition for an industrial park within the City. This Bond is payable out of the Taxable General Obligation Tax Abatement Bonds, Series 2020B Fund, constitutes a general obligation of the Issuer and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Fees upon Transfer or Loss. The Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

Treatment of Registered Owners. The Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except as otherwise provided herein with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and the Registrar shall be affected by notice to the contrary.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Registration hereon shall have been executed by the Registrar

Not a Qualified Tax-Exempt Obligation. This Bond has not 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.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Princeton, Counties of Mille Lacs and Sherburne, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the manual or facsimile signatures of its Mayor and its Administrator, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

June 10, 2020

CITY OF PRINCETON,
COUNTIES OF MILLE LACS AND
SHERBURNE, MINNESOTA

REGISTRABLE BY AND PAYABLE AT:

Finance Director
City of Princeton, Minnesota

Mayor

Administrator

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Bond may be made only by the registered owner or the registered owner's legal representative last noted below:

<u>DATE OF REGISTRATION</u>	<u>REGISTERED OWNER</u>	<u>SIGNATURE OF REGISTRAR</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTIES OF MILLE LACS AND SHERBURNE
CITY OF PRINCETON

R-2

\$286,000

TAXABLE GENERAL OBLIGATION TAX ABATEMENT BOND, SERIES 2020B

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
%	February 1, 2036	June 10, 2020

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: TWO HUNDRED EIGHTY-SIX THOUSAND DOLLARS

THE CITY OF PRINCETON, COUNTIES OF MILLE LACS AND SHERBURNE, MINNESOTA (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or assigns, duly certified on the Certificate of Registration attached to and made a part of this Bond (the "Registered Owner"), in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2021, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. On the maturity date of this Bond, the principal of this Bond shall be paid only upon presentation and surrender of such Bond to the Finance Director of the City of Princeton, Minnesota (the "Registrar"). The principal of and premium, if any, and interest on this Bond is payable in lawful money of the United States of America.

ISSUER HAS ELECTED TO ISSUE THIS BOND AS A TAXABLE BOND, AND THE INTEREST IS INTENDED TO BE INCLUDED IN GROSS INCOME FOR FEDERAL INCOME TAXATION PURPOSES AND, TO THE SAME EXTENT, INCLUDED IN BOTH GROSS INCOME AND TAXABLE NET INCOME FOR STATE INCOME TAXATION PURPOSES.

Optional Redemption. This Bond shall be subject to redemption and prepayment at the option of the Issuer on February 1, 2027 and on any date thereafter at a price of par plus accrued interest, in whole or in multiples of \$1,000, upon written notice to the Registered Owner, at the redemption price equal to par plus accrued interest to date of prepayment.

Mandatory Redemption. This Bonds shall be redeemed by lot on February 1 in the following years and principal amounts, without any premium plus accrued interest thereon to such redemption date (after any credits are made as provided below):

Mandatory Redemption Schedule

<u>Year</u>	<u>Principal Amount</u>
2030	\$37,000
2031	38,000
2032	40,000
2033	41,000
2034	42,000
2035	43,000
2036 (maturity)	45,000

or, if less than such amount is then outstanding, an amount equal to the aggregate principal amount of the Bond then outstanding.

The Issuer may, at its option to be exercised on or before the thirtieth day next preceding any date specified in the Mandatory Redemption Schedule above, shall (i) specify a principal amount of the Bond previously redeemed (otherwise than pursuant to the above Mandatory Redemption Schedule) or purchased and cancelled by the Registrar and not theretofore applied as a credit against any redemption of Bond pursuant to the above Mandatory Redemption Schedule, and (ii) apply the principal amount of the Bond so delivered or previously redeemed or purchased and cancelled for credit against the principal installments to be prepaid pursuant to the Mandatory Redemption Schedule and selected by the Issuer.

Prior to the date on which the Bond is directed by the Issuer to be optionally redeemed in advance of maturity, the Issuer will cause notice of the call thereof for redemption identifying the Bond to be redeemed to be mailed to the Registered Owner, at the address shown on the Register. The Bond so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited.

Date of Payment Not a Business Day. If the nominal date for payment of any principal of or interest on this Bond shall not be a business day of the Issuer or of the Registered Owner, then the date for such payment shall be the next such business day and payment on such business day shall have the same force and effect as if made on the nominal date of payment.

Transfer. This Bond is transferable, as provided in the Resolution, upon the Register kept by the Registrar upon surrender of this Bond together with a written instrument of transfer duly executed by the Registered Owner or the Registered Owner's attorney duly authorized in writing, and thereupon a new, fully registered Bond in the same aggregate principal amount shall be issued to the transferee in exchange therefor (or the transfer shall be duly recorded on the Register and the Certificate of Registration hereof), upon the payment of charges and satisfaction of applicable conditions, if any, as therein prescribed; provided that such transfer may occur only with respect to the entire Bond and all of the remaining principal amount of the sole final maturity hereof. The Issuer may treat and consider the person in whose name this Bond is registered as the absolute Registered Owner hereof for the purpose of receiving payment of or on account of the principal of and interest on this Bond and for all other purposes whatsoever.

Issuance; Purpose; General Obligation. This Bond in the total principal amount of \$552,000, is issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on May 14, 2020 (the "Resolution"), for the purpose of providing money to finance land acquisition for an industrial park within the City. This Bond is payable out of the Taxable General Obligation Tax Abatement Bonds, Series 2020B Fund, constitutes a general obligation of the Issuer and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Fees upon Transfer or Loss. The Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

Treatment of Registered Owners. The Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except as otherwise provided herein with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and the Registrar shall be affected by notice to the contrary.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Registration hereon shall have been executed by the Registrar

Not a Qualified Tax-Exempt Obligation. This Bond has not 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.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Princeton, Counties of Mille Lacs and Sherburne, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the manual or facsimile signatures of its Mayor and its Administrator, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

June 10, 2020

CITY OF PRINCETON,
COUNTIES OF MILLE LACS AND
SHERBURNE, MINNESOTA

REGISTRABLE BY AND PAYABLE AT:

Finance Director
City of Princeton, Minnesota

Mayor

Administrator

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Bond may be made only by the registered owner or the registered owner's legal representative last noted below:

<u>DATE OF REGISTRATION</u>	<u>REGISTERED OWNER</u>	<u>SIGNATURE OF REGISTRAR</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

6. Execution. The Bonds shall be in typewritten form, shall be executed on behalf of the City by the signatures of its Mayor and Administrator and be sealed with the seal of the City; provided, as permitted by law, both signatures may be photocopied facsimiles and the corporate seal has been omitted. In the event of disability or resignation or other absence of either officer, the Bonds may be signed by the manual or facsimile signature of the officer who may act on behalf of the absent or disabled officer. In case either officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

7. Delivery; Application of Proceeds. The Bonds when so prepared and executed shall be delivered by the Finance Director to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

8. Fund and Accounts. There is hereby created a special fund to be designated the "Taxable General Obligation Tax Abatement Bonds, Series 2020B Fund" (the "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 Fund shall be maintained in the manner herein specified until the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund the following separate accounts:

(a) Capital Account. To the Capital Account there shall be credited the proceeds of the sale of the Bonds, less capitalized interest. From the Capital Account there shall be paid all costs and expenses of constructing the Project and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65; and the moneys in the Capital Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bonds may also be used to the extent necessary to pay interest on the Bonds due prior to the receipt of the taxes levied herein.

(b) Debt Service Account. To the Debt Service Account there is hereby pledged and irrevocably appropriated and there shall be credited: (i) Tax Abatements in an amount sufficient to pay the annual principal payments on the Bonds; (ii) any collections of all taxes herein and hereafter levied for the payment of the Bonds and interest thereon; (iii) capitalized interest in the amount of \$_____ (together with interest earnings thereon and subject to such other adjustments as are appropriate to provide sufficient funds to pay interest due on the Bonds on or before February 1, 2021) (iv) all funds remaining in the Capital Account after completion of the Project and payment of the costs thereof; (v) all investment earnings on funds held in the Debt Service Account; and (vi) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Debt Service Account. The Debt Service Account shall be used solely to pay the principal and interest and any premiums for redemption of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said account as provided by law.

9. Tax Abatements; Use of Tax Abatements. The Council has adopted the Abatement Resolution and has thereby approved the Tax Abatements, including the pledge thereof to the payment of principal of the Bonds. As provided in the Abatement Resolution, the estimated total amount of principal and interest on the Tax Abatements, if received as estimated

for the full maximum term thereof, is \$552,000 and therefore the principal amount of the Bonds does not exceed the maximum projected amount of the Tax Abatements. The Council hereby confirms the Abatement Resolution, which is hereby incorporated as though set forth herein.

10. Tax Levy; Coverage Test. To provide moneys for payment of the interest on the Bonds, there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
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See Attached Tax Levy Schedule

The tax levies are such that if collected in full they, together with estimated collections of Tax Abatements, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levies shall be irrevocable so long as the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

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

12. Defeasance. When the Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to the Bonds which is due on any date by irrevocably depositing on or before that date a sum sufficient for the payment thereof in full; or if any Bonds should not be paid when due, it may nevertheless be discharged by depositing a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to the prepayment of the Bonds called for redemption on any date when it is prepayable according to its terms, by depositing on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The City may also at any time discharge its obligations with respect to the Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

13. Taxable Status of the Bonds. The City does not qualify the Bonds as tax-exempt under the Internal Revenue Code of 1986, as amended. It is hereby determined that the Bonds is to be issued as fully taxable obligations, and all interest received on the Bonds are to be included in the gross income of the Holder of any Bonds for federal income taxation purposes and, to the same extent, in both gross income and taxable net income for state income taxation purposes.

14. Certificate of Registration. The Administrator is hereby directed to file a certified copy of this resolution with the County Auditor of Mille Lacs County and with the County Auditor of Sherburne County, Minnesota, together with such other information as each of the County Auditors shall require, and to obtain from each of the County Auditors a certificate that the Bonds have been entered in the County Auditor's Bond Register and that the tax levy required by law has been made.

15. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Bonds, certified copies of all proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Bonds as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

16. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

17. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

The motion for the adoption of the foregoing resolution was duly seconded by member _____ and, after a full discussion thereof and upon a 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.

STATE OF MINNESOTA
COUNTIES OF MILLE LACS AND SHERBURNE
CITY OF PRINCETON

I, the undersigned, being the duly qualified and acting Clerk of the City of Princeton, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council, duly called and held on the date therein indicated, insofar as such minutes relate to providing for the issuance and sale of \$552,000 Taxable General Obligation Tax Abatement Bonds, Series 2020B.

WITNESS my hand on May 14, 2020.

Clerk

