

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

HELD: AUGUST 24, 2023

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 August 24, 2023, at 7:00 p.m., for the purpose, in part, of authorizing the issuance and awarding the sale of a \$845,000 General Obligation Improvement Bond, Series 2023A.

The following members were present: _____

and the following were absent: _____

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION 23-65

PROVIDING FOR THE ISSUANCE AND SALE OF A \$845,000 GENERAL OBLIGATION IMPROVEMENT BOND, SERIES 2023A, PLEDGING FOR THE SECURITY THEREOF SPECIAL ASSESSMENTS 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 a \$845,000 General Obligation Improvement Bond, Series 2023A (the "Bond"), pursuant to Minnesota Statutes, Chapters 475 and 429, to finance public improvement projects within the City, including infrastructure improvements to the Princeton Business Park (the "Improvements") and to pay costs associated with issuance of the Bond; and

B. WHEREAS, the Improvements and all their components have been ordered prior to the date hereof, after a hearing thereon for which notice was given describing the Improvements or all their components by general nature, estimated cost, and area to be assessed; and

C. WHEREAS, no other obligations have been sold pursuant to a private sale within the last twelve calendar months of the date hereof which when combined with this issue would exceed the \$1,200,000 limitations on negotiated sales as required by Minnesota Statutes, Section 475.60, Subdivision 2(2); and

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

1. Acceptance of Offer. The offer of _____, in _____, _____ (the "Purchaser"), to purchase the Bond and to pay therefor the sum of \$ _____ (the "Purchase Price"), all in accordance with the terms and at the rate of interest hereinafter set forth, is hereby accepted.

2. Original Issue Date; Denomination; Maturities; Interest Rate. The Bond shall be dated September 20, 2023, 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 \$845,000, maturing on February 1, 2034 and bearing interest at ____%. The Bond shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2024, calculated on the basis of a 360-day year of twelve 30-day months.

3. Purpose. The Bond shall provide funds to finance the Improvements. The total cost of the Improvements, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bond. Work on the Improvements shall proceed with due diligence to completion. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Improvements proceeds with due diligence to completion and that any and all permits and studies required under law for the Improvements are obtained.

4. Optional Redemption. The Bond is subject to redemption and prepayment at the option of the Issuer on any date, in whole or in multiples of \$1,000, upon 30-day written notice to the Registered Owner, at the redemption price equal to par plus accrued interest to date of prepayment. If redemption is in part, the City may select the specific principal installments hereof, or applicable portions thereof, to be prepaid.

5. Mandatory Redemption. The 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>
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	

6. Registrar. The City Administrator, in Princeton, Minnesota, is appointed to act as Registrar and transfer agent with respect to the Bond (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 Bond shall be paid to the registered holder (or record holder) of the Bond in the manner set forth in the form of Bond.

7. Form of Bond. The Bond, 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

\$845,000

GENERAL OBLIGATION IMPROVEMENT BOND, SERIES 2023A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
____%	February 1, 2034	September 20, 2023

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: EIGHT HUNDRED FORTY-FIVE 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 registered assigns duly certified on the Certificate of Registration attached to and made a part of this Bond (the "Registered Owner"), unless called for earlier redemption, 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 August 1, 2024, 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. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issuer hereof. The principal of and premium, if any, and interest on this Bond is payable in lawful money of the United States of America.

Payment Instructions. Payments of Principal and Interest and the payment due at the maturity of the Bond shall be paid by check, ACH debit, wire transfer or draft mailed to the Registered Owner at the address listed on the Certificate of Registration attached to and made a part of this Bond. At the time of final payment of all principal and interest on this Bond, the Registered Owner shall surrender this Bond to the City Administrator, City of Princeton, Minnesota (the "Registrar").

Optional Redemption. The Bond is subject to redemption and prepayment at the option of the Issuer on any date, in whole or in multiples of \$1,000, upon 30-day written notice to the Registered Owner, at the redemption price equal to par plus accrued interest to date of prepayment. If redemption is in part, the Issuer may select the specific principal installments hereof, or applicable portions thereof, to be prepaid.

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>
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	

or, if less than such amount is then outstanding, an amount equal to the aggregate principal amount of this 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, deliver to the Registrar written notice, which shall (i) specify a principal amount of this 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 this Bond pursuant to the above Mandatory Redemption Schedule, and (ii) instruct the Registrar to apply the principal amount of this 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 this Bond is directed by the Issuer to be redeemed in advance of maturity, the Issuer will cause notice of the call thereof for redemption to be mailed to the Registered Owner, at the address shown on the Register. This Bond so called for redemption will cease to bear interest on the specified redemption date, provided funds for its 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.

Issuance; Purpose; General Obligation. This Bond is issued as a single instrument in the total principal amount of \$845,000, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and a resolution adopted by the City Council on August 24, 2023 (the "Resolution"), for the purpose of providing money to finance the construction of public improvement projects within the jurisdiction of the City, including infrastructure improvements to the Princeton Business Park. This Bond is payable out of the General Obligation Improvement Bond, Series 2023A Fund of the City. This Bond constitutes a general obligation of the City, 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 City have been and are hereby irrevocably pledged.

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.

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 Bond.

Treatment of the Registered Owner. 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 and for all other purposes, whether or not this Bond shall be overdue, and the Registrar shall not be affected by notice to the contrary.

Qualified Tax-Exempt Obligation. 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.

Registration. 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.

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; that the Issuer has covenanted and agreed with the Holder of the Bond that it will levy a direct, annual, irrevocable ad valorem tax upon all of the taxable property of the Issuer, without limitation as to rate or amount, for the years and in amounts sufficient to pay the principal and interest on the Bond as they respectively become due, if any sums irrevocably appropriated to the Debt Service Account are insufficient therefor; 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 City Administrator.

Date of Registration:

September 20, 2023

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

REGISTRABLE BY AND
PAYABLE AT:

CITY ADMINISTRATOR
City of Princeton, Minnesota

(Do not sign) _____
Mayor

(Do not sign) _____
City 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:

DATE OF REGISTRATION	REGISTERED OWNER	SIGNATURE OF REGISTRAR (CITY ADMINISTRATOR)
September 20, 2023		(Do not sign)

8. Execution. The Bond shall be in typewritten form, shall be executed on behalf of the City by the manual or facsimile signatures of its Mayor and City Administrator, the seal of the City having been omitted as provided by law. In the event of disability or resignation or other absence of either officer, the Bond 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 manual or facsimile signature shall appear on the Bond shall cease to be such officer before the delivery of the Bond, the manual or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

9. Delivery; Application of Proceeds. The Bond when so prepared and executed shall be delivered by the City Administrator to the Purchaser upon receipt of the purchase price and the Purchaser shall not be obliged to see to the proper application thereof.

10. Fund and Accounts. There is hereby created a special fund to be designated the "General Obligation Improvement Bond, Series 2023A Fund" (the "Fund") to be administered and maintained by the City Administrator 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 all of the Bond and the interest thereon have been fully paid. There shall be maintained in the Fund the "Construction Account" and "Debt Service Account":

(a) Construction Account. To the Construction Account shall be credited the proceeds of the sale of the Bond, plus any special assessments levied with respect to the Improvements and collected prior to completion of the Improvements and payment of the costs thereof. From the Construction Account there shall be paid all costs and expenses of making the Improvements, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65; and the moneys in the Construction Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bond may also be used to the extent necessary to pay interest on the Bond due prior to the anticipated date of commencement of the receipt of the collection of taxes or special assessments herein levied or covenanted to be levied; and provided further that if upon completion of the Improvements there shall remain any unexpended balance in the Construction Account, the balance (other than any special assessments) may be transferred to the Debt Service Account or may be transferred to the fund of any other improvement instituted pursuant to Minnesota Statutes, Chapter 429, and provided further that any special assessments credited to the Construction Account shall only be applied towards payment of the costs of the Improvements upon adoption of a resolution by the City Council determining that the application of the special assessments for such purpose will not cause the City to no longer be in compliance with Minnesota Statutes, Section 475.61, Subdivision 1.

(b) Debt Service Account. There are hereby irrevocably appropriated and pledged to, and there shall be credited to, the Debt Service Account: (i) all collections of special assessments herein covenanted to be levied with respect to the Improvements and either initially credited to the Construction Account and not already spent as permitted above and required to pay any principal and interest due on the Bond or collected subsequent to the completion of the Improvements and payment of the costs thereof; (ii) all collections of taxes herein or hereafter levied for the payment of the Bond and the interest thereon; (iii) all funds remaining in the

Construction Account after completion of the Improvements and payment of the costs thereof; (iv) all investment earnings on funds held in the Debt Service Account; and (v) 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 on the Bond and any other general obligation bonds of the City hereafter issued by the City and made payable from said account as provided by law.

No portion of the proceeds of the Bond shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bond was issued and (2) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Bond or \$100,000. To this effect, any proceeds of the Bond and any sums from time to time held in the Construction Account or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the bond payable therefrom) in excess of amounts which under then applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bond to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

11. Special Assessments. It is hereby determined that no less than twenty percent (20%) of the cost to the City of each Improvement financed hereunder within the meaning of Minnesota Statutes, Section 475.58, Subdivision 1(3), shall be paid by special assessments to be levied against every assessable lot, piece and parcel of land benefited by any of the Improvements. The City hereby covenants and agrees that it will let all construction contracts not heretofore let within one year after ordering each Improvement financed hereunder unless the resolution ordering the Improvement specifies a different time limit for the letting of construction contracts. The City hereby further covenants and agrees that it will do and perform, as soon as they may be done, all acts and things necessary for the final and valid levy of such special assessments, and in the event that any such assessment be at any time held invalid with respect to any lot, piece or parcel of land due to any error, defect, or irregularity in any action or proceedings taken or to be taken by the City or the City Council or any of the City officers or employees, either in the making of the assessments or in the performance of any condition precedent thereto, the City and the City Council will forthwith do all further acts and take all further proceedings as may be required by law to make the assessments a valid and binding lien upon such property.

The special assessments have heretofore been authorized. Subject to such adjustments as are required by conditions in existence at the time the assessments are levied, it is hereby determined that the assessments shall be payable in equal, consecutive, annual installments, including both principal and interest, with interest at a rate per annum set forth below:

<u>Improvement Designation(s)</u>	<u>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>	<u>Rate</u>
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See attached schedule in Exhibit A

At the time the assessments are in fact levied the City Council shall, based on the then-current estimated collections of the assessments, make any adjustments in any ad valorem taxes required to be levied in order to assure that the City continues to be in compliance with Minnesota Statutes, Section 475.61, Subdivision 1.

12. Tax Levy. To provide moneys for payment of the principal and 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>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
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See attached schedule in Exhibit A

13. Coverage Test. The tax levies are such that if collected in full they, together with estimated collections of special assessments and other revenues herein pledged for the payment of the Bonds, will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levies shall be irrevocable so long as any of 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.

14. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Bond, 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 Bond and any other bonds payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed with or without interest from the Debt Service Account when a sufficient balance is available therein.

15. Defeasance. When the Bond has been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bond shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to the Bond which are due on any date by irrevocably depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or if the Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to the portion of the Bond called for redemption on any date when they are prepayable according to their terms, by depositing with the Registrar 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 Bond, 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.

16. Certificate of Registration and Tax Levy. A certified copy of this resolution is hereby directed to be filed with the County Auditors of Mille Lacs and Sherburne Counties, together with such other information as each respective County Auditor shall require and there shall be obtained from each County Auditor a certificate that the Bonds have been entered in their respective Bond Register and that the tax levy required by law have been made.

17. 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 Bond, certified copies of all proceedings and records of the City relating to the Bond 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 Bond 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.

18. Compliance With Reimbursement Bond Regulations. The provisions of this paragraph are intended to establish and provide for the City's compliance with United States Treasury Regulations Section 1.150-2 (the "Reimbursement Regulations") applicable to the "reimbursement proceeds" of the Bond, being those portions thereof which will be used by the City to reimburse itself for any expenditure which the City paid or will have paid prior to the closing date (a "Reimbursement Expenditure").

The City hereby certifies and/or covenants as follows:

(a) Not later than sixty days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Project"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Project; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Project, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed twenty percent of the "issue price" of the Bond, and (ii) a de minimis amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or five percent of the proceeds of the Bond.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Bond or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.

(c) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Bonds, and in all events within the period ending on the date which is the later of not later than three years after the later of (i) the date of the payment of the Reimbursement Expenditure, or (ii) one year after the date on which the Project to which the Reimbursement Expenditure relates is first placed in service.

(d) Each such reimbursement allocation will be made in a writing that evidences the City's use of Bond proceeds to reimburse the Reimbursement Expenditure and, if made within 30 days after the Bond is issued, shall be treated as made on the day the Bond is issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph upon receipt of an opinion of its Bond Counsel for the Bond stating in effect that such action will not impair the tax-exempt status of the Bond.

19. Negative Covenant as to Use of Proceeds and Improvements. The City hereby covenants not to use the proceeds of the Bond or to use the Improvements, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Improvements, in such a manner as to cause the Bond to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

20. Tax-Exempt Status of the Bond; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Bond, including without limitation (a) requirements relating to temporary periods for investments, (b) limitations on amounts invested at a yield greater than the yield on the Bond, and (c) the rebate of excess investment earnings to the United States, if the Bond (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceeds the small issuer exception amount of \$5,000,000.

For purposes of qualifying for the exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that (a) the Bond is issued by a governmental unit with general taxing powers, (b) the Bond is not a private activity bond, (c) ninety five percent or more of the net proceeds of the Bond are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City), and (d) the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities thereof, and all entities treated as one issuer with the City) during the calendar year in which the Bond is issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

21. Designation of Qualified Tax-Exempt Obligations. In order to qualify the Bond as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:

- (a) the Bond is issued after August 7, 1986;
- (b) the Bond is not a "private activity bond" as defined in Section 141 of the Code;
- (c) the City hereby designates the Bond as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code;
- (d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2023 will not exceed \$10,000,000;
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2023 have been designated for purposes of Section 265(b)(3) of the Code; and
- (f) the aggregate face amount of the Bond does not exceed \$10,000,000.

The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

22. 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.

23. 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 City 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 the minutes relate to authorizing the issuance and awarding the sale of a \$845,000 General Obligation Improvement Bond, Series 2023A.

WITNESS my hand on August 24, 2023.

City Clerk

EXHIBIT A
SCHEDULES

[To be supplied by Northland]