

The meeting was called to order by Jerome Haggemiller at 7:00 pm. Present were Steph Stueve, Matt Kugler, Tom Blank and 7 guests. All present stood and recited the Pledge of Allegiance. A motion by Matt and seconded by Jerome to accept the minutes of September, motion carried 2-0.

TREASURERS REPORT- Treasurers report showed a balance in Checking of \$ 6,412.97. Money Market Account with \$ 19,830.64 for total funds of \$ 26,243.61. Motion by Matt and seconded by Jerome to accept Treasurers report, motion carried 2-0.

A motion by Mat and seconded by Jerome to accept the bills, but checks won't be mailed until money from County ARPA funds is deposited, motion carried 2-0.

Old Business-Glenwood State Bank had the best terms for the purchase of the bond and Tom will finalize everything this month for a closing date of Monday 1 November. Motion by Matt and seconded by Jerome to accept Resolution 2021-14 Awarding the Sale of GO SSD Bond, motion carried 2-0. Special Assessment Hearings for Tamarac Circle & NW Irene Lane NE will be held on Monday 1 November at 7 pm prior to our regular scheduled township meeting.

New Business- Motion by Matt and seconded by Jerome to accept the renaming of a portion of Hidden Valley Road to Smokey Timbers Road and the creation of Hertwig Hills Lane NW and Hertwig Hills Court NW for the Shircliff project on Smokey Timbers Road, motion carried 2-0. Jerome discussed the Elwood Septic Survey and board had no issues with the request.

Floor-Fred Fuzak asked if they could be kept up to date with construction. Widseth will communicate with owners via email with updates as to what is being scheduled when. Need to move the pavement ends signs on N Lake Miltona Drive by Tamarac Circle. Install stop signs coming out of Tamarac Circle.

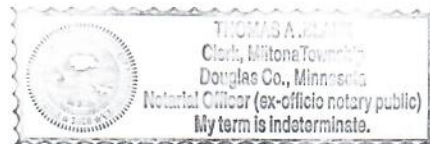
Next Meeting will be set for Monday 1 November 2021 at 7:00 pm at the Miltona Community Center.

Motion by Jerome to adjourn, seconded by Matt, motion carried 2-0, 7:39 pm.

[Handwritten signatures of witnesses]

Witness

Signed Thomas A. Blank Clerk



RESOLUTION NO. 2021-14

A RESOLUTION AWARDING THE SALE OF GENERAL OBLIGATION SUBORDINATE SERVICE DISTRICT BONDS, SERIES 2021A, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000; FIXING ITS FORM AND SPECIFICATIONS; DIRECTING ITS EXECUTION AND DELIVERY; AND PROVIDING FOR THE PAYMENT THEREOF

BE IT RESOLVED By the Town Board of Miliona Township, Douglas County, Minnesota (the "Town"), as follows:

Section 1. Sale of Bonds.

(a) The Town is authorized by Minnesota Statutes, Chapters 365A and 475, as amended (collectively, the "Act"), to finance all or a portion of the cost of special services provided in a duly established subordinate service district by the issuance of general obligation bonds of the Town payable primarily from subordinate service district charges levied against properties within the subordinate service district.

(b) In accordance with the Act, the Town received a petition signed by at least fifty percent (50%) of the property owners in the portion of the Town proposed to be included in the Krohnfeldt Sewer Extension Subordinate Service District (the "District"), held a public hearing regarding the establishment of the District on March 1, 2021, and adopted a resolution (the "Resolution") on March 1, 2021, approving the establishment of the District and specifying the special services to be provided, consisting of the planning, proposing, and installing a central sanitary sewer system within the District (the "Project") and allocation of the subordinate service district charges to be levied, all pursuant to the Act.

(c) The Town proposes to undertake the Project at an estimated cost of \$1,000,000 (the "Cost"). The Town is authorized by the Act to issue and sell its General Obligation Subordinate Service District Bonds, Series 2021A (the "Bonds"), in the original aggregate principal amount of \$1,000,000, to finance a portion of the Cost.

(d) The Town is authorized by Section 475.60, subdivision 2(2) of the Act to negotiate the sale of the Bonds, it being determined that the Town has not issued and sold more than \$1,200,000 in bonds pursuant to Section 475.60, subdivision 2(2) of the Act in the past twelve (12) month period.

1.02. Award to the Purchaser and Interest Rate. The proposal of Glenwood State Bank, Alexandria, Minnesota (the "Purchaser"), to purchase the Bond is found and determined to be a reasonable offer and is accepted. The proposal of the Purchaser to purchase the Bond at a price of \$1,000,000 for the Bond bearing interest at 1.89% per annum.

1.03. Terms and Principal Amount of the Bond. The Town will forthwith issue and sell the Bond to the Purchaser pursuant to the Act in the total principal amount of \$1,000,000, originally dated as of delivery, in the denomination of \$1,000,000, bearing interest as above set forth, and maturing on February 1, 2037. Principal of the Bond shall be payable on February 1 of the years and in the installment amounts set forth below:

| <u>Year</u> | <u>Amount</u> | <u>Year</u> | <u>Amount</u> |
|-------------|---------------|-------------|---------------|
| 2022 | \$ 24,365.30 | 2030 | \$67,399.79 |
| 2023 | 58,978.17 | 2031 | 68,697.52 |
| 2024 | 60,067.20 | 2032 | 70,000.96 |
| 2025 | 61,270.31 | 2033 | 71,368.07 |
| 2026 | 62,450.02 | 2034 | 72,742.20 |
| 2027 | 63,652.46 | 2035 | 74,142.81 |
| 2028 | 64,844.59 | 2036 | 75,566.37 |
| 2029 | 66,126.57 | 2037 | 38,327.66 |

1.04. Optional Redemption. The Town may elect on any date to prepay the Bond. Prepayments will be at a price of par plus accrued interest. Redemption may be in whole or in part and if in part, at the option of the Town and in such manner as the Town will determine.

1.05. Prepayment Penalty. If the Bond is refunded with a purchaser other than the Purchaser, a prepayment penalty shall apply as follows:

- (a) If prepayment is within 12 months after the date of the Bond, a prepayment penalty equal to 3% of any principal amount prepaid;
- (b) If prepayment is 12 to 24 months after the date of the Bond, a prepayment penalty equal to 2% of any principal amount prepaid;
- (c) If prepayment is 24 to 84 months after the date of the Bond, a prepayment penalty equal to 1% of any principal amount prepaid;
- (d) If prepayment is 84 months after the date of the Bond, no prepayment penalty will be due.

Section 2. Registration and Payment.

2.01. Registered Form. The Bond will be issued as a typewritten bond, numbered R-1, only in fully registered form. The interest thereon and, upon surrender of the Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. The Bond will be dated as of delivery to the Purchaser. The interest on this Bond shall be paid on February 1 and August 1, commencing August 1, 2022, to the registered owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not that day is a business day.

2.03. Registration. The Town appoints the Town Clerk, Miliona Township, Minnesota, as bond registrar, transfer agent, authenticating agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the Town and the Registrar with respect thereto are as follows:

- (a) Register. The Registrar must keep a bond register in which the Registrar provides for the registration of ownership of the Bond and the registration of the transfer and exchange of the Bond entitled to be registered, transferred or exchanged.
- (b) Transfer of the Bond. Upon surrender for transfer of the Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the

designated transferee or transferees, one or more new bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bond. When the Bond is 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. The Bond if surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the Town.

(e) Improper or Unauthorized Transfer. When the Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The Town and the Registrar may treat the person in whose name a Bond is registered in the register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to 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 the Bond 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 Bond. If the 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 the mutilated Bond or in lieu of and in substitution for the Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the Town and the Registrar must be named as obligees. The Bond so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the Town. 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 the Bond is called for redemption, notice thereof will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of the 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 the Bond. The Bond 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. Execution and Delivery. The Bond will be prepared under the direction of the Town Clerk and executed on behalf of the Town by the manual signatures of the Chair and the Town Clerk. If an officer whose signature or a facsimile of whose signature appears on the Bond 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. When the Bond has been so prepared, executed and authenticated, the Town Treasurer will deliver the same to the Purchaser upon payment of the purchase price, and the Purchaser is not obligated to see to the application of the purchase price.

Section 3. Form of Bond.

3.01. Execution of the Bond. The Bond will be printed or typewritten in substantially the form set forth in **EXHIBIT A** attached hereto.

3.02. Approving Legal Opinion. The Town Clerk 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 to cause the opinion to be printed on or accompany the Bond.

Section 4. Payment: Security; Pledges and Covenants.

4.01. Debt Service Fund. The Bond will be payable from the General Obligation Subordinate Service District Bonds, Series 2021A Debt Service Fund (the "Debt Service Fund") hereby created, and the proceeds of the subordinate service district charges (the "Service Charges") to be levied are pledged to the Debt Service Fund. If a payment of principal or interest on the Bond becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the Town Treasurer must pay such principal or interest from the general fund of the Town, and the general fund may be reimbursed for those advances out of the proceeds of the charges levied by this resolution, when collected.

4.02. Construction Fund. The proceeds of the Bond, together with any other funds appropriated for the Project and Service Charges collected during the construction of the Project will be deposited in a separate construction fund (the "Construction Fund") to be used solely to defray expenses of the Project and the payment of principal and interest on the Bond prior to the completion and payment of all costs of the Project. When the Project is completed and the cost thereof paid, the Construction Fund is to be closed and subsequent collections of Service Charges for the Project are to be deposited in the Debt Service Fund.

4.03. Pledge of Service Charges. The Town Board covenants and agrees with the holder of the Bond that so long as the Bond remains outstanding and unpaid, the Town will impose and collect Service Charges of the nature authorized by Section 365A.08 of the Act at the times and in the amounts required to produce funds adequate to pay all principal and interest when due on the Bond.

4.04. Debt Service Coverage. It is determined that the estimated collection of the Service Charges will produce at least five percent (5%) in excess of the amount needed to meet when due, the principal and interest payments on the Bond and that no tax levy is needed at this time.

4.05. County Auditor Certificate as to Registration. The Town Clerk is authorized and directed to file a certified copy of this resolution with the County Auditor of Douglas County, Minnesota, and to obtain the certificate required by Section 475.63 of the Act.

Section 5. Authentication of Transcript.

5.01. Town Proceedings and Records. The officers of the Town are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bond, certified copies of proceedings and records of the Town relating to the Bond and to the financial condition and affairs of the Town, 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 Bond and such instruments, including any heretofore furnished, will be deemed representations of the Town as to the facts stated therein.

5.02. No Official Statement or Prospectus. It is determined that no official statement or prospectus has been prepared or circulated by the Town in connection with the sale of the Bond and that the Purchaser has made its own investigations concerning the Town as set forth in an investment letter of even date, receipt of which is hereby acknowledged.

5.03. Certificates. The Chair, the Town Clerk, and the Town Treasurer 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 Bond or the organization of the Town or incumbency of its officers, at the closing the Chair, the Town Clerk, and the Town Treasurer shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Town Treasurer shall also execute and deliver a certificate as to payment for and delivery of the Bond.

Section 6. Tax Covenant.

6.01. Tax-Exempt Bond. The Town covenants and agrees with the Purchaser and any subsequent holders from time to time of the Bond that the Town will not take or permit to be taken by any Town officers, employees or agents any action which would cause the interest on the Bond 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 Bond.

6.02. No Rebate Required.

For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the Town hereby finds, determines and declares that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the Town (and all subordinate entities of the Town) 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.

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

6.04. 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 Town makes the following factual statements and representations:

- (a) the Bond is not a "private activity bond" as defined in Section 141 of the Code;

(b) the Town Board designates the Bond as a “qualified tax-exempt obligation” 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 Town (and all subordinate entities of the Town) during calendar year 2021 will not exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations issued by the Town during calendar year 2021 have been designated for purposes of Section 265(b)(3) of the Code.

6.05. Procedural Requirements. The Town 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. No Requirement of Continuing Disclosure. Participating underwriters need not comply with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”) because the Purchaser will hold the Bond until maturity. Consequently, the Town will not enter into any undertaking to provide continuing disclosure of any kind with respect to the Bond.

Section 8. Defeasance. When the Bond and all interest thereon has been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holder of the Bond will cease, except that the pledge of the full faith and credit of the Town for the prompt and full payment of the principal of and interest on the Bond will remain in full force and effect. The Town may discharge the Bond which is due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. 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 motion for the adoption of the foregoing resolution was duly seconded by Supervisor Jerome Haggemiller and upon vote being taken thereon, the following voted in favor thereof:

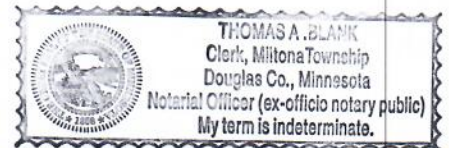
Haggemiller and Kugler

and the following voted against: none

whereupon said resolution was declared duly passed and adopted.

Thomas A. Blank
Jim Kugler

Thomas A. Blank, Clerk



Resolution # 2021-15

Milona Township of Douglas County, Minnesota

RESOLUTION DESIGNATING ANNUAL POLLING PLACE

WHEREAS, it is important that citizens exercise their right to vote at their local polling place;

WHEREAS, MINN. Stat. 204B.16 requires the town board to designate its local polling place for elections annually;

NOW, THEREFORE, BE IT RESOLVED, that the town board of Milona Township, Douglas County, Minnesota does hereby designate The Milona Community Center at 5590 County Rd 14 NE, Milona, MN 56354 in Douglas County as its polling place in 2021.

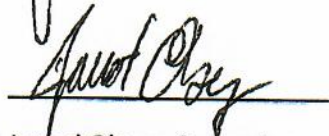
BE IT FINALLY RESOLVED, that the township notify residents of this designation by following the requirements of Minn. Stat. 205.16.

Adopted this 1st day of November, 2021

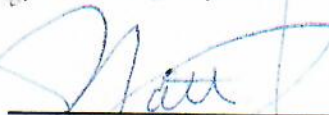
By the Milona Town Board



Jerome Haggemiller, Chair



Jarrod Oberg, Supervisor

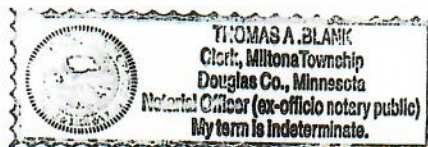


Matt Kugler, Supervisor

Attested to by



Thomas A Blank, Clerk



RESOLUTION NO. 2021-14

A RESOLUTION AWARDING THE SALE OF GENERAL OBLIGATION SUBORDINATE SERVICE DISTRICT BONDS, SERIES 2021A, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000; FIXING ITS FORM AND SPECIFICATIONS; DIRECTING ITS EXECUTION AND DELIVERY; AND PROVIDING FOR THE PAYMENT THEREOF

BE IT RESOLVED By the Town Board of Miliona Township, Douglas County, Minnesota (the "Town"), as follows:

Section 1. Sale of Bonds.

(a) The Town is authorized by Minnesota Statutes, Chapters 365A and 475, as amended (collectively, the "Act"), to finance all or a portion of the cost of special services provided in a duly established subordinate service district by the issuance of general obligation bonds of the Town payable primarily from subordinate service district charges levied against properties within the subordinate service district.

(b) In accordance with the Act, the Town received a petition signed by at least fifty percent (50%) of the property owners in the portion of the Town proposed to be included in the Krohnfeldt Sewer Extension Subordinate Service District (the "District"), held a public hearing regarding the establishment of the District on March 1, 2021, and adopted a resolution (the "Resolution") on March 1, 2021, approving the establishment of the District and specifying the special services to be provided, consisting of the planning, proposing, and installing a central sanitary sewer system within the District (the "Project") and allocation of the subordinate service district charges to be levied, all pursuant to the Act.

(c) The Town proposes to undertake the Project at an estimated cost of \$1,000,000 (the "Cost"). The Town is authorized by the Act to issue and sell its General Obligation Subordinate Service District Bonds, Series 2021A (the "Bonds"), in the original aggregate principal amount of \$1,000,000, to finance a portion of the Cost.

(d) The Town is authorized by Section 475.60, subdivision 2(2) of the Act to negotiate the sale of the Bonds, it being determined that the Town has not issued and sold more than \$1,200,000 in bonds pursuant to Section 475.60, subdivision 2(2) of the Act in the past twelve (12) month period.

1.02. Award to the Purchaser and Interest Rate. The proposal of Glenwood State Bank, Alexandria, Minnesota (the "Purchaser"), to purchase the Bond is found and determined to be a reasonable offer and is accepted. The proposal of the Purchaser to purchase the Bond at a price of \$1,000,000 for the Bond bearing interest at 1.89% per annum.

1.03. Terms and Principal Amount of the Bond. The Town will forthwith issue and sell the Bond to the Purchaser pursuant to the Act in the total principal amount of \$1,000,000, originally dated as of delivery, in the denomination of \$1,000,000, bearing interest as above set forth, and maturing on February 1, 2037. Principal of the Bond shall be payable on February 1 of the years and in the installment amounts set forth below:

| <u>Year</u> | <u>Amount</u> | <u>Year</u> | <u>Amount</u> |
|-------------|---------------|-------------|---------------|
| 2022 | \$ 24,365.30 | 2030 | \$67,399.79 |
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- (a) If prepayment is within 12 months after the date of the Bond, a prepayment penalty equal to 3% of any principal amount prepaid;
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2.01. Registered Form. The Bond will be issued as a typewritten bond, numbered R-1, only in fully registered form. The interest thereon and, upon surrender of the Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. The Bond will be dated as of delivery to the Purchaser. The interest on this Bond shall be paid on February 1 and August 1, commencing August 1, 2022, to the registered owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not that day is a business day.

2.03. Registration. The Town appoints the Town Clerk, Miliona Township, Minnesota, as bond registrar, transfer agent, authenticating agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the Town and the Registrar with respect thereto are as follows:

- (a) Register. The Registrar must keep a bond register in which the Registrar provides for the registration of ownership of the Bond and the registration of the transfer and exchange of the Bond entitled to be registered, transferred or exchanged.
- (b) Transfer of the Bond. Upon surrender for transfer of the Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the

designated transferee or transferees, one or more new bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bond. When the Bond is 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. The Bond if surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the Town.

(e) Improper or Unauthorized Transfer. When the Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

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2.04. Execution and Delivery. The Bond will be prepared under the direction of the Town Clerk and executed on behalf of the Town by the manual signatures of the Chair and the Town Clerk. If an officer whose signature or a facsimile of whose signature appears on the Bond 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. When the Bond has been so prepared, executed and authenticated, the Town Treasurer will deliver the same to the Purchaser upon payment of the purchase price, and the Purchaser is not obligated to see to the application of the purchase price.

Section 3. Form of Bond.

3.01. Execution of the Bond. The Bond will be printed or typewritten in substantially the form set forth in **EXHIBIT A** attached hereto.

3.02. Approving Legal Opinion. The Town Clerk 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 to cause the opinion to be printed on or accompany the Bond.

Section 4. Payment: Security; Pledges and Covenants.

4.01. Debt Service Fund. The Bond will be payable from the General Obligation Subordinate Service District Bonds, Series 2021A Debt Service Fund (the "Debt Service Fund") hereby created, and the proceeds of the subordinate service district charges (the "Service Charges") to be levied are pledged to the Debt Service Fund. If a payment of principal or interest on the Bond becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the Town Treasurer must pay such principal or interest from the general fund of the Town, and the general fund may be reimbursed for those advances out of the proceeds of the charges levied by this resolution, when collected.

4.02. Construction Fund. The proceeds of the Bond, together with any other funds appropriated for the Project and Service Charges collected during the construction of the Project will be deposited in a separate construction fund (the "Construction Fund") to be used solely to defray expenses of the Project and the payment of principal and interest on the Bond prior to the completion and payment of all costs of the Project. When the Project is completed and the cost thereof paid, the Construction Fund is to be closed and subsequent collections of Service Charges for the Project are to be deposited in the Debt Service Fund.

4.03. Pledge of Service Charges. The Town Board covenants and agrees with the holder of the Bond that so long as the Bond remains outstanding and unpaid, the Town will impose and collect Service Charges of the nature authorized by Section 365A.08 of the Act at the times and in the amounts required to produce funds adequate to pay all principal and interest when due on the Bond.

4.04. Debt Service Coverage. It is determined that the estimated collection of the Service Charges will produce at least five percent (5%) in excess of the amount needed to meet when due, the principal and interest payments on the Bond and that no tax levy is needed at this time.

4.05. County Auditor Certificate as to Registration. The Town Clerk is authorized and directed to file a certified copy of this resolution with the County Auditor of Douglas County, Minnesota, and to obtain the certificate required by Section 475.63 of the Act.

Section 5. Authentication of Transcript.

5.01. Town Proceedings and Records. The officers of the Town are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bond, certified copies of proceedings and records of the Town relating to the Bond and to the financial condition and affairs of the Town, 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 Bond and such instruments, including any heretofore furnished, will be deemed representations of the Town as to the facts stated therein.

5.02. No Official Statement or Prospectus. It is determined that no official statement or prospectus has been prepared or circulated by the Town in connection with the sale of the Bond and that the Purchaser has made its own investigations concerning the Town as set forth in an investment letter of even date, receipt of which is hereby acknowledged.

5.03. Certificates. The Chair, the Town Clerk, and the Town Treasurer 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 Bond or the organization of the Town or incumbency of its officers, at the closing the Chair, the Town Clerk, and the Town Treasurer shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Town Treasurer shall also execute and deliver a certificate as to payment for and delivery of the Bond.

Section 6. Tax Covenant.

6.01. Tax-Exempt Bond. The Town covenants and agrees with the Purchaser and any subsequent holders from time to time of the Bond that the Town will not take or permit to be taken by any Town officers, employees or agents any action which would cause the interest on the Bond 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 Bond.

6.02. No Rebate Required.

For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the Town hereby finds, determines and declares that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the Town (and all subordinate entities of the Town) 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.

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

6.04. 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 Town makes the following factual statements and representations:

- (a) the Bond is not a "private activity bond" as defined in Section 141 of the Code;

(b) the Town Board designates the Bond as a “qualified tax-exempt obligation” 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 Town (and all subordinate entities of the Town) during calendar year 2021 will not exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations issued by the Town during calendar year 2021 have been designated for purposes of Section 265(b)(3) of the Code.

6.05. Procedural Requirements. The Town 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. No Requirement of Continuing Disclosure. Participating underwriters need not comply with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”) because the Purchaser will hold the Bond until maturity. Consequently, the Town will not enter into any undertaking to provide continuing disclosure of any kind with respect to the Bond.

Section 8. Defeasance. When the Bond and all interest thereon has been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holder of the Bond will cease, except that the pledge of the full faith and credit of the Town for the prompt and full payment of the principal of and interest on the Bond will remain in full force and effect. The Town may discharge the Bond which is due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. 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 motion for the adoption of the foregoing resolution was duly seconded by Supervisor Jerome Haggemiller and upon vote being taken thereon, the following voted in favor thereof:

Haggemiller and Kugler

and the following voted against: none

whereupon said resolution was declared duly passed and adopted.

Thomas A. Blank
Jim Kugler

Thomas A. Blank, Clerk

