

RESOLUTION NO. 2013- 09

A RESOLUTION AWARDING THE SALE OF A GENERAL OBLIGATION CERTIFICATE OF INDEBTEDNESS, SERIES 2013A, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$270,000; FIXING ITS FORM AND SPECIFICATIONS; DIRECTING ITS EXECUTION AND DELIVERY; AND PROVIDING FOR THE PAYMENT THEREOF

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

Section 1. Sale of Certificate.

1.01. Authorization. It is hereby determined that:

(a) The Township is authorized by Minnesota Statutes, Chapter 475, as amended, and Section 366.095 (collectively, the "Act"), to issue its general obligation certificate of indebtedness on such terms and in such manner as the Township determines to finance improvements in the Township, subject to certain limitations contained in the Act.

(b) The Township will construct various street improvements in the Township (collectively, the "Improvements").

(c) As required by the Act, the principal amount of the Certificate to be issued will not exceed 0.25 percent of the estimated market value of taxable property in the Township for the year 2013.

(d) It is necessary and expedient to the sound financial management of the affairs of the Township to issue its General Obligation Certificate of Indebtedness, Series 2013A (the "Certificate"), in the original aggregate principal amount of \$270,000, pursuant to the Act to provide financing for the Improvements.

(e) The Township is authorized by Section 475.60, subdivision 2(1), of the Act to negotiate the sale of the Certificate, since the Certificate will payable in not more than ten years and shall be issued on such terms and in such manner as the Town Board may determine, in accordance with Section 366.095 subd. 1 of the Act. The actions of the Township staff in negotiating the sale of the Certificate are ratified and confirmed in all respects.

1.02. Award to the Purchaser and Interest Rate. The proposal of Vermillion State Bank, Vermillion, Minnesota (the "Purchaser"), to purchase the Certificate is found and determined to be a reasonable offer and is accepted. The proposal of the Purchaser is to purchase the Certificate at a price of \$270,000, plus accrued interest to the date of delivery, if any, for the Certificate bearing interest at 1.25% per annum.

1.03. Terms and Principal Amount of the Certificate. The Township will forthwith issue and sell the Certificate to the Purchaser pursuant to the Act in the total principal amount of \$270,000, originally dated as of delivery, in the denomination of \$270,000, bearing interest as above set forth, and maturing on July 1,

2018. Principal of the Certificate shall be payable on the dates and in the installment amounts set forth below:

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
January 1, 2014	\$26,133.60	July 1, 2016	\$27,094.77
July 1, 2014	26,429.10	January 1, 2017	27,258.35
January 1, 2015	26,572.55	July 1, 2017	27,441.13
July 1, 2015	26,762.20	January 1, 2018	27,607.82
January 1, 2016	26,913.29	January 1, 2018	27,787.19

1.04. Optional Redemption. The Township may elect on any date to prepay the Certificate in whole or in part. Prepayments will be at a price of par plus accrued interest.

Section 2. Registration and Payment

2.01. Registered Form. The Certificate will be issued only in fully registered form. The interest thereon and, upon surrender of the Certificate, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. The Certificate will be dated as of delivery to the Purchaser. The interest on this Certificate shall be paid on January 1 and July 1, commencing January 1, 2014, 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 Township appoints the Township Clerk Treasurer, Ravenna, Minnesota, as certificate registrar, transfer agent, authenticating agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the Township 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 Certificate and the registration of the transfer and exchange of the Certificate entitled to be registered, transferred or exchanged.

(b) Transfer of Certificate. Upon surrender for transfer of the Certificate 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 certificates 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 Certificate. When the Certificate is surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new certificates of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. The Certificate if surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the Township.

(e) Improper or Unauthorized Transfer. When the Certificate is presented to the Registrar for transfer, the Registrar may refuse to transfer the Certificate until the Registrar is satisfied that the endorsement on the Certificate 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 Township and the Registrar may treat the person in whose name a Certificate is registered in the bond register as the absolute owner of the Certificate, whether the Certificate is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Certificate 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 Certificate 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 Certificate 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 Certificates. If the Certificate becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Certificate of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Certificate or in lieu of and in substitution for the Certificate 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 Certificate destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Certificate 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 Township and the Registrar must be named as obligees. The Certificate so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the Township. If the mutilated, destroyed, stolen or lost Certificate has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Certificate prior to payment.

(i) Redemption. In the event any portion of the Certificate is called for redemption, notice thereof identifying the Certificate to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than 60 and not less than 30 days prior to the date fixed for redemption to the registered owner of the Certificate 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 Certificate. The Certificate 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.

2.05. Execution and Delivery. The Certificate will be prepared under the direction of the Township Clerk/Treasurer and executed on behalf of the Township by the manual signatures of the Chair and the Township Clerk/Treasurer. If an officer whose signature or a facsimile of whose signature appears on the Certificate ceases to be such officer before the delivery of any Certificate, 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 Certificate has been so prepared, executed and authenticated, the Township Clerk/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.

2.06. Temporary Certificates. The Township may elect to deliver in lieu of printed definitive Certificates one or more typewritten temporary Certificates in substantially the form set forth in EXHIBIT A attached hereto with such changes as may be necessary to reflect more than one maturity in a single temporary bond. Upon the execution and delivery of definitive Certificates the temporary Certificates will be exchanged therefor and cancelled.

Section 3. Form of Certificate.

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

3.02. Approving Legal Opinion. The Township Clerk/Treasurer 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 Certificate.

Section 4. Payment; Security; Pledges and Covenants.

4.01. Debt Service Fund. The Certificate will be payable from the General Obligation Certificate of Indebtedness, Series 2013A Debt Service Fund (the "Debt Service Fund") hereby created, and the proceeds of the ad valorem taxes hereinafter levied (the "Taxes") are pledged to the Debt Service Fund. If a payment of principal or interest on the Certificate becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the Township Clerk/Treasurer will pay such principal or interest from the general fund of the Township, and the general fund may be reimbursed for those advances out of the proceeds of the Taxes when collected.

4.02. Improvements. The proceeds of the Certificate, together with any other funds appropriated for the construction of the Improvements, will be used solely to defray expenses of the Improvements and pay the costs of issuance related to the Certificate.

4.03. Pledge of Taxes. For the purpose of paying the principal of and interest on the Certificate, there is levied a direct annual irrevocable ad valorem tax upon all of the taxable property in the Township, to be spread upon the tax rolls and collected with and as part of other general taxes of the Township. The Taxes will be credited to the Debt Service Fund above provided and will be in the annual amount as attached as Exhibit B, commencing with taxes collected in 2014.

4.04. Certificate to County Auditor as to Debt Service Fund Amount. It is determined that the estimated collection of the foregoing Taxes will produce at least five percent (5%) in excess of the amount needed to meet when due, the principal and interest payments on the Certificate. The tax levy herein provided is irrevocable until the Certificate is paid, provided that at the time the Township makes its annual tax levies, the Township Clerk/Treasurer may certify to the County Auditor of Dakota County, Minnesota, the amount available in the Debt Service Fund to pay principal and interest due during the ensuing year, and the County Auditor will thereupon reduce the levy collectible during that year by the amount so certified.

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

Section 5. Authentication of Transcript.

5.01. Township Proceedings and Records. The officers of the Township are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Certificate, certified copies of proceedings and records of the Township relating to the Certificate and to the financial condition and affairs of the Township, 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 Certificate, and such instruments, including any heretofore furnished, will be deemed representations of the Township 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 Township in connection with the sale of the Certificate and that the Purchaser has made its own investigations concerning the Township as set forth in an investment letter of even date, receipt of which is hereby acknowledged.

Section 6. Tax Covenants.

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

6.02. No Rebate Required. For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the Township hereby finds, determines, and declares that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the Township (and all subordinate entities of the Township) during the calendar year in which the Certificate 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 Township further covenants not to use the proceeds of the Certificate or to permit them or any of them to be used, in such a manner as to cause the Certificate 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 Certificate as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code, the Township makes the following factual statements and representations:

- (a) the Certificate is not a "private activity bond" as defined in Section 141 of the Code;
- (b) the Town Board designates the Certificate 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 Township (and all subordinate entities of the Township) during calendar year 2013 will not exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations issued by the Township during calendar year 2013 have been designated for purposes of Section 265(b)(3) of the Code.

6.05. Procedural Requirements. The Township 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 offering is in a principal amount less than \$1,000,000. Consequently, the Township will not enter into any undertaking to provide continuing disclosure of any kind with respect to the Certificate. However, the Township hereby agrees to provide the Purchaser, upon a reasonable request by the Purchaser, the financial information that the Township is providing in its continuing disclosure undertakings for other Township debt obligations.

Section 8. Defeasance. When the Certificate, and all interest thereon, has been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Certificate will cease, except that the pledge of the full faith and credit of the Township for the prompt and full payment of the principal of and interest on the Certificate will remain in full force and effect. The Township may discharge the Certificate 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 Certificate 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 Member Mike,
and upon vote being taken thereon, the following voted in favor thereof:

Carl Reuter, Mike Wexon, Hank Tressel

and the following voted against the same:

NONE

whereupon said resolution was declared duly passed and adopted.