

**RESOLUTION #2020-19 AUTHORIZING THE ISSUANCE, SALE AND DELIVERY  
OF A \$770,000 GENERAL OBLIGATION EQUIPMENT CERTIFICATE  
& SEWER REVENUE NOTE, SERIES 2020A**

BE IT RESOLVED, by the City Council (the "Council") of the City of Tyler, Lincoln County, Minnesota (the "Issuer"), as follows:

Section 1. Note Purpose, Authorization, and Award.

1.01 Statutory Authority. A. Pursuant to authority contained in Minnesota Statutes, Sections 412.301 and 444.075 and Chapter 475 (the "Act"), the Issuer is authorized to issue its (i) general obligation bonds for the purpose of financing improvements to sewer utilities (the "Utility Project") and its (ii) certificates of indebtedness to provide funds for the purchase of capital equipment having an expected useful life at least as long as the terms of the certificates issued to finance capital equipment (the "Equipment").

1.02 Authorization. A. Pursuant to authority contained in the Act, the Issuer has determined that it is necessary, expedient and in the best interest of the residents of the Issuer that the Issuer construct the Utility Project and purchase the Equipment, including but not limited to the purchase of a garbage truck, and directs the issuance and sale of its \$770,000 General Obligation Equipment Certificate & Sewer Revenue Note, Series 2020A of the Issuer dated as of the date and closing and delivery thereof (the "Note"), in order to finance the Utility Project, the Equipment and to pay part of the issuance costs of the Note.

B. The portion of the Note to be used to finance the Utility Project, along with a *pro rata* portion of the costs of issuance of the Note is referred to herein as the "Utility Portion." The portion of the Note to be used to finance the Equipment, along with a *pro rata* portion of the costs of issuance of the Note is referred to herein as the "Equipment Portion."

C. The principal of and interest on the Note shall be paid: (i) with respect to the Equipment Portion, from ad valorem taxes hereinafter levied (the "Taxes"); and (ii) with respect to the Utility Portion, from revenues of the Utility in excess of amounts necessary to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Utilities, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time (the "Net Revenues") (the Taxes and Net Revenues are collectively referred to as the "Pledged Revenues").

D. The principal amount of the Equipment Portion exceeds 0.25% of the market value of taxable property in the Issuer. The City Council adopted a resolution expressing its intent to issue the Equipment Portion of the Note on July 6, 2020 (the "Initial Resolution").

E. Upon publication of the Initial Resolution and the passing of ten days during which no petition for an election on the issuance of the Equipment Portion of the Note has been filed with the Clerk-Treasurer, 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 the

issuance of the Equipment Portion of the Note having been done, having happened and having been performed in regular and due form, time and manner as required by law.

F. It is necessary for the Issuer to establish the form and terms of the Note, to provide for the security thereof, and to provide for the issuance of the of the Note forthwith.

1.03 Municipal Advisor. The Issuer has retained the services of David Drown Associates, Inc. as its municipal advisor.

1.04 Award. the Issuer has received a proposal for a loan to be evidenced by the Note from the First Independent Bank, Russell, Minnesota (the “Lender”), in the amount of \$770,000, plus accrued interest to the date of delivery, upon condition that the Note matures and bears interest at the times and annual rate set forth in Section 2. The Issuer, after due consideration, finds such offer reasonable and proper and the offer of the Lender is accepted. All actions of the Mayor and Administrator/Clerk-Treasurer taken with regard to the sale of the Note are ratified and approved.

Section 2. Terms of the Note.

2.01 Interest Rate and Principal Maturities. The Note shall be dated the date of its closing and delivery as the date of original issue, shall be issued in the denomination equal to the principal amount thereof, shall be issued in fully registered form and lettered and numbered R-1. The Note shall bear interest at the annual rate of 1.85 percent and shall mature on the dates and in the installment amounts shown below:

<u>Date</u>	<u>Equipment Portion</u>	<u>Utility Portion</u>	<u>Total Principal Amount</u>
7/1/2021	\$38,000	\$26,000	\$64,000
7/1/2022	\$38,000	\$26,000	\$64,000
7/1/2023	\$39,000	\$27,000	\$66,000
7/1/2024	\$40,000	\$27,000	\$67,000
7/1/2025	\$40,000	\$27,000	\$67,000
7/1/2026	\$27,000	\$28,000	\$55,000
7/1/2027	\$28,000	\$28,000	\$56,000
7/1/2028	\$28,000	\$29,000	\$57,000
7/1/2029	\$29,000	\$29,000	\$58,000
7/1/2030	\$29,000	\$30,000	\$59,000
7/1/2031	--	\$30,000	\$30,000
7/1/2032	--	\$31,000	\$31,000
7/1/2033	--	\$31,000	\$31,000
7/1/2034	--	\$32,000	\$32,000
7/1/2035	--	\$33,000	\$33,000

2.02 Prepayment. The Note is prepayable in whole or in part on any Interest Payment Date commencing February 1, 2026, without notice at a price of par plus accrued interest to the prepayment date, plus a \$200 processing fee for any partial prepayment.

2.03 Interest Payment Dates. A. The interest on the Note shall be payable semiannually on January 1 and July 1 of each year (each referred to herein as an “Interest Payment Date”) commencing on July 1, 2021. Interest will be computed upon the basis of a 360-day year of twelve 30-day months.

B. The Registrar designated below shall make all interest payments with respect to the Note by check or draft mailed to the registered owner of the Note shown on the Note registration records maintained by the Registrar at the close of business on the 15th day (whether or not on a business day) of the month next preceding the Interest Payment Date at such owners’ addresses shown on such Note registration records.

2.04 Preparation and Execution. A. The Note shall be prepared for execution in accordance with the approved form and shall be signed by the manual signature of the Mayor and attested by the manual signature of the Administrator/Clerk-Treasurer. The corporate seal of the Issuer may be omitted from the Note as permitted by law. In case any officer whose signature shall appear on the Note shall cease to be an officer before delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

B. The Administrator/Clerk-Treasurer is authorized and directed to obtain a copy of the proposed approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota, which is to be complete thereof and cause the opinion to be attached to the Note.

2.05 Registrar. The Issuer hereby appoints the Administrator/Clerk-Treasurer, as registrar, authenticating agent, paying agent and transfer agent for the Note (the “Registrar”). The Issuer reserves the right to name a substitute, successor Registrar upon giving prompt written notice to each registered Note holder.

2.06 Registered Owner. The Note shall be registered in the name of the Lender.

2.07 Note Register. The Issuer shall cause to be kept by the Registrar a bond register in which, subject to such reasonable regulations as the Registrar may prescribe, the Issuer shall provide for the registration of the Note and the registration of transfers of the Note entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Registrar as may be appointed by the Issuer.

2.08 Payment. A. The Issuer and the Registrar may treat the person in whose name any Note is registered as the owner of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes whatsoever, whether or not such Note be overdue, and neither the Issuer nor the Registrar shall be affected by notice to the contrary.

B. The principal of and interest on the Note shall be payable by the Registrar in such funds as are legal tender for the payment of debts due the United States of America. The Issuer

shall pay the reasonable and customary charges of the Registrar for the disbursement of principal and interest.

2.09 Delivery. Delivery of the Note and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Lender. A typewritten and executed Note shall be furnished by the Issuer without cost to the Lender. The Note, when prepared in accordance with this resolution and executed, shall be delivered by or under the direction of the Administrator/Clerk-Treasurer to the Lender upon receipt of the purchase price plus accrued interest.

Section 3. Form of the Note.

3.01 The Note shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
LINCOLN COUNTY

R-1 \$770,000

CITY OF TYLER  
GENERAL OBLIGATION EQUIPMENT CERTIFICATE & SEWER  
REVENUE NOTE, SERIES 2020A

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
1.85%	July 1, 2035	July 27, 2020

REGISTERED OWNER: FIRST INDEPENDENT BANK

PRINCIPAL AMOUNT: SEVEN HUNDRED SEVENTY THOUSAND DOLLARS

The City Council of the City of Tyler, Lincoln County, Minnesota (the "Issuer"), for value received, promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, and to pay interest on said principal amount to the registered owner hereof from the date of original issue set forth above, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above.

Interest is payable semiannually on January 1 and July 1 of each year (each referred to herein as an "Interest Payment Date"), commencing on July 1, 2021. Interest will be computed upon the basis of a 360-day year of twelve 30-day months.

The Note is payable in the principal installment amounts and at the times described below. Payments shall be applied first to interest due on the outstanding principal balance and thereafter to reduction of the principal balance.

<b>Date</b>	<b>Principal Amount</b>
7/1/2021	\$64,000
7/1/2022	\$64,000
7/1/2023	\$66,000
7/1/2024	\$67,000
7/1/2025	\$67,000
7/1/2026	\$55,000
7/1/2027	\$56,000
7/1/2028	\$57,000
7/1/2029	\$58,000
7/1/2030	\$59,000
7/1/2031	\$30,000
7/1/2032	\$31,000
7/1/2033	\$31,000
7/1/2034	\$32,000
7/1/2035	\$33,000

Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the main office of the Administrator/Clerk-Treasurer, as Registrar, authenticating agent, paying agent and transfer agent (the "Registrar"), or at the office of such successor Registrar as may be designated by the governing body of the Issuer. The Registrar shall make all payments with respect to this Note directly to the registered owner hereof shown on the Note registration records maintained on behalf of the Issuer by the Registrar at the close of business on the 15th day of the month next preceding the Interest Payment Date (whether or not a business day) at such owner's address shown on said Note registration records, without, except for final payment of principal of this Note, the presentation or surrender of this Note, and all such payments shall discharge the obligation of the Issuer to the extent of the payments so made. The final payment of principal of this Note shall be made upon presentation and surrender of this Note to the Registrar when due.

For the prompt and full payment of such principal and interest as they become due, the full faith and credit and taxing power of the Issuer are irrevocably pledged. The Issuer has designated the Note as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Note comprises the entire amount of this series issued by the Issuer as one fully registered Note without coupons, in the aggregate amount of \$770,000, pursuant to (i) the authority contained in Minnesota Statutes, Sections 412.301 and 444.075 and Chapter 475, (ii) the Constitution of the State of

Minnesota and all other laws thereunto enabling; and (iii) an authorizing resolution adopted by the governing body of the Issuer on July 6, 2020 (the "Resolution"). The Note is issued for the purpose of financing (i) the purchase of garbage truck as described in Minnesota Statutes, Section 412.301 (the "Equipment Portion"); and (ii) a portion of the costs of improvements to the Issuer's sewer utility (the "Utility Portion"). The principal of and interest on the Note shall be paid: (i) with respect to the Equipment Portion, from ad valorem taxes; and (ii) with respect to the Utility Portion, from revenues of the Issuer's sewer utility in excess of amounts necessary to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Utility, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred.

The principal amount evidenced by this Note was drawn upon by Issuer in accordance with the Loan Agreement between Issuer and Lender dated as of the date of the date hereof.

The Note is prepayable in whole or in part on any Interest Payment Date commencing February 1, 2026, without notice at a price of par plus accrued interest to the prepayment date, plus a \$200 processing fee for any partial prepayment.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Note, in order to make it a valid and binding general obligation of the Issuer in accordance with its terms, have been done and do exist in form, time and manner as so required; that all taxable property within the limits of the Issuer is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest hereon when due, without limitation as to rate or amount and that the issuance of this Note does not cause the indebtedness of the Issuer to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City of Tyler, Lincoln County, Minnesota, by its governing body, has caused this Note to be executed in its name by the signature of the Mayor and attested by the signature of the Administrator/Clerk-Treasurer.

ATTEST:

(form no signature)  
Administrator/Clerk-Treasurer

(form no signature)  
Mayor

REGISTRATION CERTIFICATE

This Note must be registered as to both principal and interest in the name of the owner on the books to be kept by the Administrator/Clerk-Treasurer of the Issuer, as Registrar. No transfer of this Note shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Note and the interest accruing thereon is registered on the books of the Issuer in the name of the registered owner last noted below.

<u>Date</u>	<u>Registered Owner</u>	<u>Signature of Administrator/Clerk-Treasurer</u>
7/27/2020	First Independent Bank 300 Front Street Russell, MN 56169 Federal Tax I.D. No.: 41-0680294	<i>(form-no signature required)</i>

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(Name and Address of Assignee)

\_\_\_\_\_  
\_\_\_\_\_  
Social Security or Other  
Identifying Number of Assignee

the within Note and all rights thereunder and irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Note in every particular, without

alteration or enlargement or any change whatsoever.

Signature Guaranteed:

\_\_\_\_\_  
(Bank, Trust Company, member of  
National Securities Exchange)

THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF FOR VALUE, OR TRANSFERRED, WITHOUT (i) AN OPINION OF COUNSEL THAT SUCH SALE, DISPOSITION OR TRANSFER MAY LAWFULLY BE MADE WITHOUT REGISTRATION UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED AND UNDER APPLICABLE STATE SECURITIES LAWS, OR (ii) SUCH REGISTRATION. THE TRANSFERABILITY OF THIS INSTRUMENT IS SUBJECT TO RESTRICTIONS REQUIRED BY (1) FEDERAL AND STATE SECURITIES LAWS GOVERNING UNREGISTERED SECURITIES; AND (2) THE RULES, REGULATIONS, AND INTERPRETATIONS OF THE GOVERNMENTAL AGENCIES ADMINISTERING SUCH LAWS. THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER CHAPTER 80A OF MINNESOTA STATUTES OR OTHER APPLICABLE STATE BLUE SKY LAWS AND MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF FOR VALUE EXCEPT PURSUANT TO REGISTRATION OR OPERATION OF LAW.

Section 4. Covenants, Accounts and Tax Levies.

4.01 Sewer Fund. The Issuer covenants and agrees with the holder of the Note and with its taxpayers as follows:

A. It will impose and collect just and equitable charges for all use and for the availability of all facilities of its wastewater collection system (the "Utility") at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining such Utility, and also to produce net revenues that will be at least adequate, at all times to pay the principal and interest due on the Note and on all other notes and bonds heretofore or hereafter issued and made payable from said net revenues, and will operate the Utility and segregate and account for the revenues thereof as provided in this Section.

B. It will place all such charges for the use and availability of the Utility, when collected, and all money received from the sale of any facilities or equipment of the Utility in the Sewer Fund (the "Sewer Fund"). Except as provided in this Section, this fund shall be used only to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Utility, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time. Sums in excess of those

required to make such payments and maintain such reserves constitute the net revenues (“Net Revenues”), a portion of which are herein pledged and appropriated first to pay the principal of and interest when due on the Note.

C. Surplus Utility revenues from time to time received in the Sewer Fund, in excess of payments due from and reserves required to be maintained in the Sewer Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Utility, for the prepayment and redemption of notes and bonds constituting a lien on the Utility, and for any other proper municipal purpose consistent with policies established by resolution of the Council.

4.02 Fund. There is created a special fund to be designated the “2020A General Obligation Equipment Certificate and Sewer Revenue Note Fund” (the “Fund”) to be administered and maintained by the Administrator as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Fund shall be maintained in the manner herein specified until the Note and the interest thereon have been fully paid. There shall be maintained in the Fund two (2) separate accounts, to be designated the “Construction Account” and “Debt Service Account,” respectively:

A. *Construction Account*. On receipt of the purchase price of the Note, the Issuer shall credit proceeds from the sale of the Note, less amounts used to pay part of the interest of the issue as allowed by Minnesota Statutes Section 475.56 (the “Additional Interest”) and less any accrued interest paid by the Lender upon closing and delivery of the Note (the “Accrued Interest”), and less any rounding amount or excess proceeds (the “Rounding Amount”), to the Construction Account. Proceeds from the Note on deposit in the Construction Account, along with other monies of the Issuer available therefor, shall be used from time to time to pay, or reimburse the Issuer for payment of, the capital costs of the Project and costs of legal, financial advisory, and other professional services, printing and publication costs, and costs of issuance of the Note and interest due on the Note prior to completion of the Project, as such become due.

B. *Debt Service Account*. The Debt Service Account shall be administered and maintained by the Administrator/Clerk-Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Debt Service Account shall be maintained in the manner herein specified until all of the Note and the interest thereon have been fully paid:

(i) There is pledged and appropriated and there shall be credited to the Debt Service Account: (A) the Accrued Interest and the Additional Interest, if any; (B) the Rounding Amount, if any; (C) Net Revenues of the Utility in such amounts, which will be sufficient to pay the principal of and interest on the Utility Portion of the Note when due; (D) ad valorem taxes hereinafter levied; (E) all funds remaining in the Construction Account after completion of the Project and payment of the costs thereof; (F) any and all other moneys which are properly available and are appropriated by the governing body of the Issuer to the Debt Service Account; and (G) investment earnings on the monies identified in the foregoing clauses (A) through (F). The proceeds of the Note described

in clauses (A) and (B) of the preceding sentence shall be used for payment of interest on the Note.

(ii) The money in such account shall be used for no purpose other than the payment of principal and interest and redemption premium, if any, on the Note and any other general obligation bonds of the Issuer hereafter issued by the Issuer and made payable from said account as provided by law; provided, however, that if any payment of principal or interest shall become due when there is not sufficient money in the Debt Service Account, the Administrator/Clerk-Treasurer shall pay the same from any other fund of the Issuer, which fund shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

(iii) Immediately prior to each Interest Payment Date, the Administrator/Clerk-Treasurer shall transfer to the Debt Service Account amounts of Net Revenues of the Utility which are sufficient, along with funds then on deposit in the Debt Service Account, for the payment of all interest and principal then due on the Note.

(iv) If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Note, the Administrator/Clerk-Treasurer shall nevertheless provide sufficient money first from the Construction Account, second from the Sewer Fund and from any other funds of the Issuer which are available for that purpose, and such other funds shall be reimbursed from the Debt Service Account when the balance therein is sufficient. All such reimbursements shall comply with Treasury Regulations, Section 1.150-2.

C. *Surplus Revenues.* Surplus revenues of the Utility from time to time received in the Fund, in excess of payments due from and reserves required to be maintained in the Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Utility, for the prepayment and redemption of notes and bonds issued pursuant to Section 444.075 of the Act, and for any other proper municipal purpose consistent with law and policies established by resolution of the Issuer.

D. *Investments.* Monies on deposit in the Fund and accounts therein may, at the discretion of the Issuer, be invested in securities permitted by Minnesota Statutes, Chapter 118A; provided, that any such investments shall mature at such times and in such amounts as will permit for payment of the principal and interest on the Note when due.

4.03 *Tax Levy.* A. For the prompt and full payment of the principal and interest on the Note when due, the full faith and credit and taxing power of the Issuer are irrevocably pledged. There is levied a direct annual ad valorem tax upon all taxable property in the Issuer which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the Issuer. Said levies are for the years and in the amounts set forth below:

Levy Year	Collection Year	Amount
2020	2021	\$45,955
2021	2022	\$45,689
2022	2023	\$46,001
2023	2024	\$46,293
2024	2025	\$45,516
2025	2026	\$31,089
2026	2027	\$31,614
2027	2028	\$31,071
2028	2029	\$31,577
2029	2030	\$31,013

B. The tax levies are such that if collected in full they, together with estimated collections of investment earnings and other funds herein pledged and appropriated for payment of the Certificate, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Certificate.

C. The tax levies shall be irrevocable so long as the Certificate is outstanding and unpaid; provided, however, that on November 30 of each year, while any Certificate issued hereunder remains outstanding, the Issuer shall reduce or cancel the above levies to the extent of funds available in the Debt Service Fund to pay principal and interest due during the ensuing year, and shall direct the County Auditor to reduce the levy for such calendar year by that amount.

Section 5. Tax Covenants. A. The Issuer covenants and agrees with the holders of the Note that the Issuer will (i) take all action on its part necessary to cause the interest on the Note to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Note and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Note to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Note and investment earnings thereon on certain specified purposes.

B. For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the Issuer finds, determines and declares:

- (i) the Issuer is a governmental unit with general taxing powers;
- (ii) the Note is not a “private activity bond” as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”);
- (iii) 95% or more of the net proceeds of the Note is to be used for local governmental activities of the Issuer; and

(iv) the aggregate face amount of the tax exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Note is issued is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

C. In order to qualify the Note as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the Issuer makes the following factual statements and representations:

(i) the Note is not a “private activity bond” as defined in Section 141 of the Code;

(ii) the Issuer designates the Note as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;

(iii) 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 Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Note is being issued will not exceed \$10,000,000; and

(iv) not more than \$10,000,000 of obligations issued by the Issuer during the calendar year in which the Note is being issued have been designated for purposes of Section 265(b)(3) of the Code.

Section 6. Certificate of Proceedings; Miscellaneous.

6.01 The Administrator/Clerk-Treasurer or its designee is directed to file with the County Auditor a certified copy of this resolution and such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the Note herein authorized has been duly entered on the County Auditor’s register.

6.02 The officers of the Issuer are authorized and directed to prepare and furnish to the Lender of the Note and to bond counsel for the Note certified copies of all proceedings and records of the Issuer relating to the authorization and issuance of the Note and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Note as such facts appear from the official books and records of the officers’ custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of facts recited therein and the actions stated therein to have been taken.

6.03 In the event of the absence or disability of the Mayor or the Administrator/Clerk-Treasurer, such officers or members of the Issuer as in the opinion of the Issuer’s attorney may act in their behalf shall, without further act or authorization, execute and deliver the Note, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

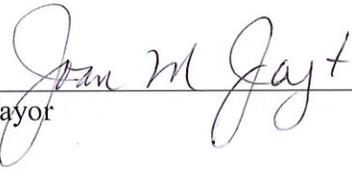
6.04 Offering Materials. The Mayor and Administrator/Clerk-Treasurer are hereby authorized and directed to certify that they have examined the Offering Circular prepared and circulated in connection with the issuance and sale of the Bond and that to the best of their knowledge and belief the Offering Circular is a complete and accurate representation of the facts and representations made therein as of the date of the Offering Circular.

Section 7. Loan Agreement. The proceeds of the Note will be advanced to the Issuer in accordance with the terms of this Resolution and with a Loan Agreement between the Issuer, and the Lender (the "Loan Agreement"). The Mayor and Administrator/Clerk-Treasurer of the Issuer are hereby authorized and directed to execute the Loan Agreement substantially in the form currently on file in the office of the Issuer.

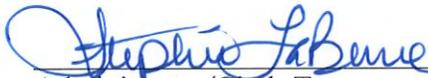
Section 8. Pre- and Post-Issuance Compliance Policy and Procedures. The Council has been provided with a Pre- and Post-Issuance Compliance Policy and Procedures which shall apply to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the "Policy and Procedures"). The City Council hereby approves the Policy and Procedures which have been presented to the City Council. The Issuer's Administrator/Clerk-Treasurer is designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

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Adopted: July 6, 2020

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
Administrator/Clerk-Treasurer

**EXTRACT OF MINUTES OF A MEETING OF THE  
CITY COUNCIL OF THE  
CITY OF TYLER  
HELD: July 6, 2020**

Pursuant to due call and notice thereof, a meeting of the City Council of the City of Tyler, Lincoln County, Minnesota, was duly held at City Hall on July 6, 2020, at 6:00 P.M.

The following members were present: Jagt, Sanderson, Dressen, Raschke, Jensen.

and the following were absent: None.

Member Dressen introduced the following resolution and moved its adoption:

**RESOLUTION #2020-19 AUTHORIZING THE ISSUANCE, SALE AND  
DELIVERY OF A \$770,000 GENERAL OBLIGATION EQUIPMENT  
CERTIFICATE & SEWER REVENUE NOTE, SERIES 2020A**

The motion for the adoption of the foregoing resolution was duly seconded by member Sanderson and upon a vote being taken thereon, the following voted in favor thereof:

Dressen, Jagt, Raschke, Jensen, Sanderson

and the following voted against the same: None.

Whereupon the resolution was declared duly passed and adopted.

