

RESOLUTION 2022-04  
EXTRACT OF MINUTES OF A MEETING  
CITY COUNCIL OF THE  
CITY OF ORONOCO, MINNESOTA

HELD: MARCH 15, 2022

Pursuant to due call and notice thereof, a special or regular meeting of the City Council of the City of Oronoco, Olmsted County, Minnesota, was duly held at the City Hall on March 15, 2022, at 6:30 P.M., for the purpose in part of awarding the sale of a \$10,469,187 General Obligation Taxable Sewer Improvement Note of 2022A.

The following members were present: Ryland Eichhovst, Lori Nivak, Dana Bergner  
Jim Richards, Jim Phillips  
and the following were absent: None

Member Lori Nivak introduced the following resolution and moved its adoption:

RESOLUTION ACCEPTING THE OFFER OF THE MINNESOTA PUBLIC FACILITIES  
AUTHORITY TO PURCHASE A \$10,469,187 GENERAL OBLIGATION TAXABLE SEWER  
IMPROVEMENT NOTE OF 2022A, PROVIDING FOR ITS ISSUANCE AND  
AUTHORIZING EXECUTION OF A BOND PURCHASE AND PROJECT LOAN  
AGREEMENT WITH POINT SOURCE IMPLEMENTATION GRANT

A. WHEREAS, the City Council of the City of Oronoco, Minnesota (the "City"), has heretofore applied for a loan from the Minnesota Public Facilities Authority (the "PFA") to provide financing pursuant to Minnesota Statutes, Chapters 475 and 429, for the construction of wastewater collection and treatment system to serve the City and provide a connection for the nearby Oronoco Estates Mobile Home Community, all as detailed in the Minnesota Pollution Control Agency's project certifications, dated June 28, 2021 and June 30, 2021 (the "Project"); and

B. WHEREAS, the PFA is authorized pursuant to Minnesota Statutes, Chapter 446A, as amended, to issue its bonds (the "PFA Bonds") and to use the proceeds thereof, together with certain other funds, to provide loans and other assistance to municipalities to fund eligible costs of construction of publicly owned clean water systems in accordance with the federal Safe Drinking Water Act and the federal Clean Water Act; and

C. WHEREAS, the City has applied for a loan from the PFA pursuant to such program and the PFA has committed to make a loan to the City in the principal amount of \$10,469,187, to be disbursed and repaid in accordance with the terms of a Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement with Point Source Implementation Grant dated February 10, 2022 (the "Project Loan Agreement"), a copy of which has been presented to the Council and is on file with the Clerk-Treasurer. In addition, PFA will be providing a Point Source Implementation Grant to the City in the amount of \$7,000,000 (the "Grant") to help finance the Project, pursuant to the Project Loan Agreement (with respect to the Grant, the "Grant Agreement"); and

D. WHEREAS, in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(4), the City is authorized to issue obligations to a board, department or agency of the State of Minnesota by negotiation and without advertisement for bids and the PFA is, and has represented that it is, a board, department or agency of the State of Minnesota; and

E. WHEREAS, a contract or contracts for the Project have been made by the City with the approval of the PFA and all other state and federal agencies of which approval is required:

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Oronoco, Olmsted County, Minnesota, as follows:

1. Acceptance of Offer; Payment. The offer of the PFA to purchase a \$10,469,187 General Obligation Taxable Sewer Improvement Note of 2022A of the City (the "Note"), at the rate of interest hereinafter set forth, and to pay therefor the sum of \$10,469,187 as provided below, is hereby accepted, and the sale of the Note is hereby awarded to the PFA. Payment for the Note shall be disbursed in installments as eligible costs of the Project are reimbursed or paid, all as provided in the Project Loan Agreement.

2. Title; Date; Denomination; Interest Rates; Maturities. The Note shall be a fully registered negotiable obligation, shall be titled "General Obligation Taxable Sewer Improvement Note of 2022A", shall be dated as of the date of delivery and shall be issued forthwith. The Note shall be in the principal amount of \$10,469,187, or so much thereof as shall be disbursed pursuant to the Project Loan Agreement, shall bear interest on so much of the principal amount of the Note as may be disbursed and remains unpaid until the principal amount of the Note has been paid or has been provided for, at the rate of 1.047% per annum (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Note is payable semi-annually on February 20 and August 20, commencing August 20, 2022. Interest starts accruing as of the date of the initial disbursement. Principal on the Note shall mature on August 20 of the years and in the installments as follows:

| <u>Year</u> | <u>Amount</u> | <u>Year</u> | <u>Amount</u> |
|-------------|---------------|-------------|---------------|
| 2022        | \$1,187       | 2038        | \$354,000     |
| 2023        | 153,000       | 2039        | 358,000       |
| 2024        | 306,000       | 2040        | 362,000       |
| 2025        | 310,000       | 2041        | 366,000       |
| 2026        | 313,000       | 2042        | 369,000       |
| 2027        | 316,000       | 2043        | 373,000       |
| 2028        | 319,000       | 2044        | 377,000       |
| 2029        | 323,000       | 2045        | 381,000       |
| 2030        | 326,000       | 2046        | 385,000       |
| 2031        | 329,000       | 2047        | 389,000       |
| 2032        | 333,000       | 2048        | 393,000       |
| 2033        | 336,000       | 2049        | 397,000       |
| 2034        | 340,000       | 2050        | 402,000       |
| 2035        | 344,000       | 2051        | 406,000       |
| 2036        | 347,000       | 2052        | 410,000       |
| 2037        | 351,000       |             |               |

Interest shall accrue only on the aggregate amount of the Note which has been disbursed and is unpaid under the Project Loan Agreement. The principal installments shall be paid in the amounts scheduled above even if at the time of payment the full principal amount of the Note has not been disbursed; provided that if the full principal amount of the Note is never disbursed, the amount of the principal not disbursed shall be applied to reduce each unpaid principal installment in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be reamortized to provide similarly level annual installments of total debt service payments). Principal, interest and any premium due under the Note will be paid on each payment date by wire payment, or by check or draft mailed at least five business days prior to the payment date to the person in whose name the Note is registered, in any coin or currency of the United States which at the time of payment is legal tender for public and private debts.

Interest on the Note includes amounts treated by the PFA as service fees.

3. Purpose; Cost. The proceeds of the Note shall provide funds to finance construction of the Project. The total cost of the construction of the Project, including legal and other professional charges, publication and printing costs, interest accruing on money borrowed for the Project before the levy of ad valorem taxes and before the collection of special assessments pledged and appropriated therefor, and all other costs necessarily incurred and to be incurred from the inception to the completion of the Project, is estimated to be at least equal to the amount of the Note. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

4. Redemption. The Note shall be subject to redemption and prepayment in whole or in part at the option of the City, subject to the written consent of the PFA, or mandatorily as provided in the Project Loan Agreement.

5. Registration of Note. At the time of issuance and delivery of the Note, the officer of the City performing the functions of the treasurer (the "Treasurer") shall register the Note in the name of the payee in a note register which the Treasurer and the officer's successors in office shall maintain for the purpose of registering the ownership of the Note. The Note shall be prepared for execution with an appropriate text and spaces for notation of registration. The force and effect of such registration shall be as stated in the form of Note hereinafter set forth. Payment of principal installments and interest, whether upon redemption or otherwise, made with respect to the Note, may be made to the registered holder thereof or to the registered holder's legal representative, without presentation or surrender of the Note.

6. Form of Note. The Note, together with the Certificate of Registration attached thereto, shall be in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
OLMSTED COUNTY  
CITY OF ORONOCO

\$10,469,187 GENERAL OBLIGATION TAXABLE SEWER IMPROVEMENT NOTE OF  
2022A

The City of Oronoco, Olmsted County, Minnesota (the "City"), certifies that it is indebted and for value received promises to pay to the Minnesota Public Facilities Authority or the registered assign, the principal sum of TEN MILLION FOUR HUNDRED SIXTY NINE THOUSAND ONE HUNDRED EIGHTY SEVEN DOLLARS, or so much thereof as may have been disbursed, on August 20 of the years and in the installments as follows:

| <u>Year</u> | <u>Amount</u> | <u>Year</u> | <u>Amount</u> |
|-------------|---------------|-------------|---------------|
| 2022        | \$1,187       | 2038        | \$354,000     |
| 2023        | 153,000       | 2039        | 358,000       |
| 2024        | 306,000       | 2040        | 362,000       |
| 2025        | 310,000       | 2041        | 366,000       |
| 2026        | 313,000       | 2042        | 369,000       |
| 2027        | 316,000       | 2043        | 373,000       |
| 2028        | 319,000       | 2044        | 377,000       |
| 2029        | 323,000       | 2045        | 381,000       |
| 2030        | 326,000       | 2046        | 385,000       |
| 2031        | 329,000       | 2047        | 389,000       |
| 2032        | 333,000       | 2048        | 393,000       |
| 2033        | 336,000       | 2049        | 397,000       |
| 2034        | 340,000       | 2050        | 402,000       |
| 2035        | 344,000       | 2051        | 406,000       |
| 2036        | 347,000       | 2052        | 410,000       |
| 2037        | 351,000       |             |               |

and to pay interest on so much of the principal amount of the debt as may be disbursed and remains unpaid until the principal amount hereof is paid or has been provided for, at the rate of 1.047% per annum (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Note is payable semi-annually on February 20 and August 20, commencing August 20, 2022. Interest starts accruing as of the date of the initial disbursement.

Principal and Interest Payments. Interest shall accrue only on the aggregate amount of this Note which has been disbursed under the Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement with Point Source Implementation Grant dated as of February 10, 2022, by and between the City and the Minnesota Public Facilities Authority (the "Project Loan Agreement"). The principal installments shall be paid in the amounts scheduled above even if at the time of payment the full principal amount of this Note has not been disbursed; provided that if the full principal amount of this Note is never disbursed, the amount of the principal not disbursed shall be applied to reduce each unpaid principal installment in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the

remaining principal payment schedule shall be reamortized to provide similarly level annual installments of total debt service payments). Interest on this Note includes amounts treated by the Minnesota Public Facilities Authority as service fees. Principal, interest and any premium due under this Note will be paid on each payment date by wire payment, or by check or draft mailed at least five business days prior to the payment date to the person in whose name this Note is registered, in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

Redemption. This Note shall be subject to redemption and prepayment in whole or in part at the option of the City, subject to the written consent of the Minnesota Public Facilities Authority, or mandatorily as provided in the Project Loan Agreement.

Purpose; General Obligation. This Note has been issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota for the purpose of providing money to finance the construction of improvements to the municipal sanitary sewer system, specifically, the construction of wastewater collection and treatment system to serve the City and provide a connection for the nearby Oronoco Estates Mobile Home Community, all as detailed in the Minnesota Pollution Control Agency's project certifications, dated June 28, 2021 and June 30, 2021 and is payable out of the PFA Debt Service Account, to which account have been pledged special assessments, sanitary sewer revenues, and ad valorem taxes. This Note constitutes a general obligation of the City, and to provide moneys for the prompt and full payment of said principal installments and interest when the same become due, the full faith, credit and taxing powers of the City have been and are hereby irrevocably pledged.

Registration; Transfer. This Note shall be registered in the name of the payee on the books of the City by presenting this Note for registration to the Treasurer, who will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration attached hereto. Thereafter this Note may be transferred to a bona fide purchaser only by delivery with an assignment duly executed by the registered owner or the registered owner's legal representative, and the City may treat the registered owner as the person exclusively entitled to exercise all the rights and powers of an owner until this Note is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Treasurer.

Fees Upon Transfer or Loss. The Treasurer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer of this Note and any legal or unusual costs regarding transfers and lost notes.

Bond Purchase and Project Loan Agreement with Point Source Implementation Grant. The terms and conditions of the Project Loan Agreement are incorporated herein by reference and made a part hereof. The Project Loan Agreement may be attached to this Note, and shall be attached to this Note if the holder of this Note is any person other than the Minnesota Public Facilities Authority.

Taxable Interest. The interest on this Note is included in the gross income of the owner hereof for purposes of United States income tax and to the same extent in both gross income and taxable net income for State of Minnesota income tax purposes.

Not Qualified Tax-Exempt Obligation. This Note has not been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the federal Internal Revenue Code of 1986, as amended.

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

IN WITNESS WHEREOF, the City of Oronoco, Olmsted County, Minnesota, by its City Council has caused this Note to be executed on its behalf by the signatures of its Mayor and of its Clerk-Treasurer, and the corporate seal of the City having been intentionally omitted as permitted by law, all as of (do not date), 2022.

CITY OF ORONOCO  
OLMSTED COUNTY, MINNESOTA

(do not sign)

Mayor

(do not sign)

Clerk-Treasurer

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Note may be made only by the registered owner or his, her or its legal representative last noted below.

| <u>DATE OF<br/>REGISTRATION</u> | <u>REGISTERED OWNER</u>  | <u>SIGNATURE OF<br/>TREASURER</u> |
|---------------------------------|--|-----------------------------------|
| (do not date)                   | Minnesota Public Facilities<br>Authority<br>Saint Paul, Minnesota<br>Federal Employer Identification<br>No. 41-6007162 | (do not sign)                     |
| _____                           | _____  | _____                             |
| _____                           | _____  | _____                             |
| _____                           | _____  | _____                             |
| _____                           | _____  | _____                             |
| _____                           | _____  | _____                             |

7. Execution. The Note shall be executed on behalf of the City by the signatures of its Mayor and Clerk-Treasurer; the seal of the City has been intentionally omitted as permitted by law. The electronic signature of the Mayor and/or the Clerk-Treasurer to this resolution and to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) "electronic signature" means (a) a manually signed original signature that is then transmitted by electronic means or (b) a signature obtained through DocuSign or a similarly digitally auditable signature gathering process; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message. In the event of disability or resignation or other absence of either such officer, the Note may be signed by manual signature of that officer who may act on behalf of such absent or disabled officer. In case either such officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

8. Delivery; Application of Proceeds. The Note when so prepared and executed shall be delivered by the Treasurer to the purchaser thereof prior to disbursements pursuant to the Project Loan Agreement, and the purchaser shall not be obliged to see to the proper application thereof.

9. Fund and Accounts. There is hereby created a separate fund in the City treasury designated the "General Obligation Taxable Sewer Improvement Note of 2022A Fund" (the "Fund"), to be administered and maintained by the Treasurer 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 the Note and the interest thereon have been fully paid. There shall be maintained in the Fund the following accounts:

(a) A "PFA Construction Account", to which shall be credited all proceeds received from the sale of the Note, plus any special assessments levied with respect to the Project and collected prior to completion of the Project and payment of the costs thereof. The Note shall be the only source of moneys credited to the PFA Construction Account. It is recognized that the sale proceeds of the Note are received in reimbursement for costs expended on the Project or in direct payment of such costs, and that accordingly the moneys need not be placed in the PFA Construction Account upon receipt but may be applied immediately to reimburse the source from which the expenditure was made. The moneys in the PFA Construction Account shall be used solely for the purpose of paying for the cost of constructing the Project, including all costs enumerated in Minnesota Statutes, Section 475.65, provided that such moneys shall only be expended for costs and expenses which are permitted under the Project Loan Agreement. The PFA prohibits the use of proceeds of the Note to reimburse costs initially paid from proceeds of other obligations of the City unless otherwise specifically approved. Upon completion of the Project and the payment of the costs thereof, any surplus shall be transferred to the PFA Debt Service Account.

(b) A "PFA Debt Service Account", to which shall be irrevocably appropriated, pledged and credited: (i) all collections of special assessments herein



covenanted to be levied with respect to the Project and either initially credited to the Construction Account and not already spent as permitted above and required to pay any principal due on the Note or collected subsequent to the completion of the Project and payment of the costs thereof; (ii) \$57,834 of sanitary sewer revenues of the City to be used to pay principal and interest on the Note on August 20, 2022 and \$144,430 of sanitary sewer revenues to be used to pay a portion of the principal and interest due on the Note on August 20, 2023; (iii) (iii) all collection of ad valorem taxes, if any, hereafter levied for payment of the Note; (iv) all investment earnings on moneys held in the PFA Debt Service Account; (v) any amounts transferred from the PFA Construction Account; and (vi) any other moneys which are properly available and are appropriated by the City Council to the PFA Debt Service Account. The moneys in the PFA Debt Service Account shall be used only to pay or prepay the principal of, and interest on, the Note and any other general obligation bonds hereafter issued and made payable from the PFA Debt Service Account, and to pay any rebate due to the United States with respect to the PFA Bonds in connection with the Note.

The City shall observe the covenants of paragraphs 18 and 19 of this resolution and of Article 3 of the Project Loan Agreement with regard to the Fund.

10. Assessments. It is hereby determined that no less than 20% of the cost to the City of the Project 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 benefitted by the Project. The City hereby covenants and agrees that it will let all construction contracts not heretofore let within one year after ordering the Project unless the resolution ordering the Project 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. It is hereby determined that the principal amount of the special assessments shall be payable in the total principal amount shown below, with general taxes for the years shown below and with interest on the declining balance of all special assessments at the rate of 2.047% per annum.

| <u>Improvement Designation</u>          | <u>Levy Years</u> | <u>Collection Years</u> | <u>Amount</u> |
|---|-------------------|-------------------------|---------------|
| Phase 1A Wastewater System Improvements | 2022-2041         | 2023-2052               | \$4,430,158   |

11. Tax Levy; Coverage Test. To provide moneys for payment of the principal and interest on the Note 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:

Levy Years      Collection Years      Amount

See Exhibit A

12. Coverage Test. The special assessments and tax levies are such that if collected in full they, together with estimated collections of sanitary sewer revenues and any other revenues herein pledged for the payment of the Note, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Note. The tax levies shall be irrevocable so long as the Note is outstanding and unpaid, provided 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.

13. General Obligation Pledge. The full faith, credit and taxing powers of the City shall be, and are hereby, irrevocably pledged for the prompt and full payment of the principal and interest on the Note as the same respectively become due. If the special assessments, sanitary sewer revenues, and ad valorem taxes appropriated and pledged to the payment of principal and interest on the Note, together with any other funds irrevocably appropriated to the PFA Debt Service Account, shall at any time be insufficient to pay such principal and interest when due, the City covenants and agrees to levy, without limitation as to rate or amount, an ad valorem tax upon all taxable property in the City sufficient to pay such principal and interest as they become due. If the balance in the PFA Debt Service Account is ever insufficient to pay all principal and interest then due on the Note and any other obligations 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 PFA Debt Service Account when a sufficient balance is available therein.

14. Certificate of Registration. The Clerk-Treasurer is hereby directed to file a certified copy of this resolution with the County Auditor of Olmsted County, Minnesota, together with such other information as the County Auditor shall require, and to obtain the County Auditor's certificate that the Note has been entered in the County Auditor's Bond Register and that the tax levy required by law has been made.

15. Bond Purchase and Project Loan Agreement with Point Source Implementation Grant; Special Assessments.

(a) The Project Loan Agreement is hereby approved in substantially the form presented to the City Council, and in the form executed by electronic signatures or manual signatures is hereby incorporated by reference and made a part of this resolution. The electronic signature of the Mayor and/or the Clerk-Treasurer to this Project Loan Agreement and to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) "electronic signature" means (a) a manually signed original signature that is then transmitted by electronic means or (b) a signature obtained through DocuSign or a similarly digitally auditable signature gathering process; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message. Each and all of the provisions of this resolution relating to the Note are intended to be consistent with the provisions of the Project Loan Agreement,

and to the extent that any provision in the Project Loan Agreement is in conflict with this resolution as it relates to the Note, that provision shall control and this resolution shall be deemed accordingly modified. The City's execution and delivery of the Project Loan Agreement by the Mayor and Clerk-Treasurer is hereby approved, ratified and authorized. The execution of the Project Loan Agreement by the appropriate officers shall be conclusive evidence of the approval of the Project Loan Agreement in accordance with the terms hereof. The Project Loan Agreement may be attached to the Note, and shall be attached to the Note if the holder of the Note is any person other than the PFA.

(b) Pursuant to the terms of Section 1.5 of the Project Loan Agreement, the City agrees to notify the PFA of prepaid special assessments and the PFA in its sole discretion may require the City to use the prepaid special assessments for the payment of construction costs of the Project or the payment of the Note.

16. Point Source Implementation Grant. In addition to the Note, if an Event of Default occurs under Section 9.1 of the Project Loan Agreement, the City is obligated to repay the Grant in accordance with Section 9.2 of the Project Loan Agreement. Notwithstanding any provision to the contrary in the Project Loan Agreement, the Grant repayment is payable solely from legally available funds and is a special, limited revenue obligation and not a general obligation of the City. Neither the full faith and credit nor the taxing powers of the City are pledged to the payment of the Grant.

17. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the PFA, and to the attorneys approving the legality of the issuance of the Note, certified copies of all proceedings and records of the City relating to the Note 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 Note 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. Negative Covenants as to Use of Proceeds and Project. The City hereby covenants not to use the proceeds of the Note or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangement for the cost of the Project, in such a manner as to cause the PFA Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code. The City reasonably expects that it will take no actions over the term of the Note that would cause the PFA Bonds to be private activity bonds, and the average term of the Note is not longer than reasonably necessary for its governmental purpose.

19. Tax-Exempt Status of the PFA Bonds; Rebate. The City with respect to the Note 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 PFA Bonds, 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 PFA Bonds, and (c) the rebate of excess investment earnings to the United States. The City covenants and agrees with the PFA and holders of the Note that the investments of proceeds of the Note, including the investment of

any revenues pledged to the Note which are considered gross proceeds of the PFA Bonds under the applicable regulations, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the PFA Bonds shall not be arbitrage bonds within the meaning of Section 148 of the Code and any regulations thereunder. On the basis of the existing facts, estimates and circumstances, including the foregoing findings and covenants, the City hereby certifies that it is not expected that the proceeds of the Note will be used in such manner as to cause the PFA Bonds to be arbitrage bonds under Section 148 of the Code and any regulations thereunder. The Mayor and Clerk-Treasurer shall furnish a certificate to the PFA embracing or based on the foregoing certification at the time of delivery of the Note to the PFA. The proceeds of the Note will likewise be used in such manner that the Note is not a private activity bond under Section 103(b) of the Code.

20. Not Qualified Tax-Exempt Obligation. This Note has not been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the federal Internal Revenue Code of 1986, as amended.

21. 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.

22. 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 Dana Bugni and, after full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof: 5 ays

and the following voted against the same: Ø

Whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA  
OLMSTED COUNTY  
CITY OF ORONOCO

I, the undersigned, being the duly qualified and acting Clerk-Treasurer of the City of Oronoco, Minnesota do hereby certify that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council, duly called and held on the date therein indicated, insofar as such minutes relate to the \$10,469,187 General Obligation Taxable Sewer Improvement Note of 2022A.

WITNESS my hand and City's seal on March 15, 2022.

  
\_\_\_\_\_  
Clerk-Treasurer

(SEAL)

EXHIBIT A

Levy Schedule

| Levy Year | Collection Year | Amount   |
|-----------|-----------------|----------|
| --        | 2022            | -        |
| 2022      | 2023            | \$63,513 |
| 2023      | 2024            | 214,911  |
| 2024      | 2025            | 215,707  |
| 2025      | 2026            | 215,462  |
| 2026      | 2027            | 215,185  |
| 2027      | 2028            | 214,876  |
| 2028      | 2029            | 215,536  |
| 2029      | 2030            | 215,154  |
| 2030      | 2031            | 214,741  |
| 2031      | 2032            | 215,296  |
| 2032      | 2033            | 214,810  |
| 2033      | 2034            | 215,292  |
| 2034      | 2035            | 215,732  |
| 2035      | 2036            | 215,131  |
| 2036      | 2037            | 215,497  |
| 2037      | 2038            | 214,823  |
| 2038      | 2039            | 215,116  |
| 2039      | 2040            | 215,368  |
| 2040      | 2041            | 215,578  |
| 2041      | 2042            | 214,746  |
| 2042      | 2043            | 214,882  |
| 2043      | 2044            | 214,977  |
| 2044      | 2045            | 215,030  |
| 2045      | 2046            | 215,041  |
| 2046      | 2047            | 215,010  |
| 2047      | 2048            | 214,937  |
| 2048      | 2049            | 214,822  |
| 2049      | 2050            | 215,666  |
| 2050      | 2051            | 215,457  |
| 2051      | 2052            | 215,206  |

