

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

HELD: June 2, 2020

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Grant, Washington County, Minnesota, was duly called and held at the City Hall on June 2, 2020, at 7:00 p.m., for the purpose, in part, of authorizing the issuance and sale of a \$437,000 General Obligation Improvement Bond, Series 2020A.

The following members were present:

and the following were absent:

Member Giefer introduced the following resolution and moved its adoption:

RESOLUTION NO. 2020-25

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF A \$437,000 GENERAL OBLIGATION IMPROVEMENT BOND, SERIES 2020A, PLEDGING SPECIAL ASSESSMENTS AND LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City of Grant, Minnesota (the "City"), has heretofore determined and declared that it is necessary and expedient to issue a \$437,000 General Obligation Improvement Bond, Series 2020A (the "Bond"), pursuant to Minnesota Statutes, Chapters 429 and 475, to finance the construction of various street improvement projects in the City (the "Improvements"); and

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

C. WHEREAS, the City has retained Baker Tilly Municipal Advisors, LLC, in St. Paul, Minnesota, as its independent municipal advisor for the sale of the Bond and was therefore authorized to sell the Bond by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9); and

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

1. Acceptance of Offer. The offer of Bremer Bank, National Association, in New Richmond, Wisconsin (the "Purchaser"), to purchase the Bond and to pay therefor the sum of \$437,000.00 ("Purchase Price"), all in accordance with the terms and at the rate of interest hereinafter set forth, is hereby accepted.

2. Terms; Original Issue Date; Denominations; Maturities; and Interest. The City shall forthwith issue the Bond, which shall be in fully registered form without interest coupons, and shall be dated, mature, bear interest, be subject to redemption and be payable as provided in the form of the Bond.

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

4. Registrar. The Treasurer, in Grant, Minnesota, is appointed to act as Registrar and transfer agent with respect to the Bond (the "Registrar"), and shall do so unless and until a successor Registrar is duly appointed, all pursuant to any contract the City and Registrar shall execute which is consistent herewith. The Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Bond shall be paid to the registered holder (or record holder) of the Bond in the manner set forth in the form of Bond.

5. Form of Bond. The Bond, together with the Certificate of Registration, shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
WASHINGTON COUNTY
CITY OF GRANT

R-1

\$437,000

GENERAL OBLIGATION IMPROVEMENT BOND, SERIES 2020A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
2.08%	February 1, 2036	June 25, 2020

REGISTERED OWNER: BREMER BANK, NATIONAL ASSOCIATION

PRINCIPAL AMOUNT: FOUR HUNDRED THIRTY-SEVEN THOUSAND DOLLARS

The City of Grant, Washington County, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or assigns duly certified on the Certificate of Registration attached to and made a part of this Bond (the "Owner"), in the manner hereinafter set forth, the \$437,000 principal amount of this Bond in the principal installments due on February 1 of the years and in the amounts, respectively, as follows, with each such principal installment bearing interest until paid at the interest rate of 2.08% per annum:

Principal Installments	
<u>Due February 1</u>	<u>Amount</u>
2022	\$25,000
2023	26,000
2024	26,000
2025	27,000
2026	27,000
2027	28,000
2028	28,000
2029	29,000
2030	30,000
2031	30,000
2032	31,000
2033	31,000
2034	32,000
2035	33,000
2036	34,000

Interest. Interest shall be payable semiannually on February 1 and August 1 of each year, commencing February 1, 2021, and shall be calculated on the basis of a 360 day year consisting of twelve thirty day months.

Redemption. This Bond is subject to redemption and prepayment at the option of the Issuer on February 1, 2026, and on any payment date thereafter, upon written notice to the Owner, at the redemption price equal to par plus accrued interest to date of prepayment.

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

Date of Payment Not a Business Day. If the nominal date for payment of any principal of or interest on this Bond shall not be a business day of the City or of the Owner, then the date for such payment shall be the next such business day and payment on such business day shall have the same force and effect as if made on the nominal date of payment.

Transfer. This Bond is transferable, as provided in the Resolution, upon the Register kept by the Registrar upon surrender of this Bond together with a written instrument of transfer duly executed by the Owner or the Owner's attorney duly authorized in writing, and thereupon a new, fully registered Bond in the same principal amount shall be issued to the transferee in exchange therefor (or the transfer shall be duly recorded on the Register and the Certificate of Registration hereof), upon the payment of charges and satisfaction of applicable conditions, if any, as therein prescribed. The Issuer may treat and consider the person in whose name this Bond is registered as the absolute Owner hereof for the purpose of receiving payment of or on account of the principal of and interest on this Bond and for all other purposes whatsoever.

Issuance; Purpose; General Obligation. This Bond is issued as a single instrument in the total principal amount of \$437,000, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and a resolution adopted by the City Council on June 2, 2020 (the "Resolution"), for the purpose of providing money to finance the construction of various street improvement projects within the jurisdiction of the City. This Bond is payable out of the General Obligation Improvement Bond, Series 2020A Fund of the City. This Bond constitutes a general obligation of the City, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

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

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Registration hereon shall have been executed by the Registrar.

Qualified Tax-Exempt Obligation. This Bond has been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the 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 Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Grant, Washington County, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and its Administrator-Clerk, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

CITY OF GRANT,
WASHINGTON COUNTY, MINNESOTA

June 25, 2020

REGISTRABLE BY AND
PAYABLE AT:

Mayor

City Treasurer
City of Grant, Minnesota

Administrator-Clerk

6. Execution. The Bond shall be executed on behalf of the City by the facsimile signatures of its Mayor and Administrator-Clerk, the seal having been omitted as permitted by law. In the event of disability or resignation or other absence of either officer, the Bond may be signed by the facsimile signature of the officer who may act on behalf of the absent or disabled officer. In case either officer whose signature or facsimile of whose signature shall appear on the Bond shall cease to be such officer before the delivery of the Bond, the signature shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

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

8. Funds and Accounts. There is hereby established a special fund to be designated the "General Obligation Improvement Bond, Series 2020A 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 the Bond and the interest thereon have been fully paid. There shall be maintained in the Fund the following separate accounts:

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

(b) Debt Service Account. There are hereby irrevocably appropriated and pledged to the payment of debt service on the Bond, (i) all collections of special assessments herein covenanted to be levied with respect to the Improvements and either initially credited to the Construction Account and not already spent as permitted above and required to pay any principal of and interest due on the Bond or collected subsequent to the completion of the Improvements and payment of the costs thereof; (ii) any collections of all taxes herein or hereafter levied for the payment of the Bond and interest thereon; (iii) available City funds in the amount of \$5,453.76 to provide sufficient funds to pay interest due on the Bonds on or before February 1, 2021); (iv) all

funds remaining in the Construction Account after completion of the Improvements and payment of the costs thereof, not so transferred to the account of another improvement; (v) all investment earnings on funds held in the Debt Service Account; and (vi) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Debt Service Account. The Debt Service Account shall be used solely to pay the principal and interest of the Bond and any other general obligation bonds of the City hereafter issued by the City and made payable from said account as provided by law.

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

9. Special Assessments. It is hereby determined that no less than twenty percent of the cost to the City of each Improvement financed by the Bond within the meaning of Minnesota Statutes, Section 475.58, Subdivision 1(3), shall be paid by special assessments to be levied against every assessable lot, piece and parcel of land benefited by any of the Improvements. The City hereby covenants and agrees that it will let all construction contracts not heretofore let within one year after ordering each Improvement by the Bond unless the resolution ordering the Improvement specifies a different time limit for the letting of construction contracts. The City hereby further covenants and agrees that it will do and perform as soon as they may be done all acts and things necessary for the final and valid levy of the special assessments, and in the event that any special 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, either in the making of the special assessments or in the performance of any condition precedent thereto, the City will forthwith do all further acts and take all further proceedings as may be required by law to make the special assessments valid and binding liens upon the properties. The special assessments have heretofore been authorized. Subject to such adjustments as are required by the conditions in existence at the time the assessments are levied, it is hereby determined that the assessments shall be payable in equal, consecutive, annual installments, with general taxes for the years shown below and with interest on the declining balance of all such assessments at the rates per annum not less than the rate per annum set forth opposite the collection years specified below:

Improvement Designation Levy Years Collection Years Amount

See attached schedule in Exhibit A

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

10. Tax Levy; Coverage Test. To provide moneys for payment of the principal and interest on the Bond 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 attached schedule in Exhibit A

The tax levies are such that if collected in full they, together with estimated collections of special assessments and other revenues herein pledged for the payment of the Bond, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bond. The tax levies shall be irrevocable so long as any of the Bond is outstanding and unpaid, provided that the City reserves the right and power to reduce the tax levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

11. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Bond, as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bond and any other certificates payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed with or without interest from the Debt Service Account when a sufficient balance is available therein.

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

obligations with respect to any Bond, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

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

14. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Bond, certified copies of all proceedings and records of the City relating to the Bond and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Bond as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

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

The City hereby certifies and/or covenants as follows:

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

(ii) a de minimis amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or five percent of the proceeds of the Bond.

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

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

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

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

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

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

For purposes of qualifying for the exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that (a) the Bond is issued by a governmental unit with general taxing powers, (b) no Bond is a private activity bond, (c) ninety five percent or more of the net proceeds of the Bond are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City), and (d) the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities thereof, and all entities treated as one issuer with the City) during the calendar year in which the Bond is issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

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

- (a) the Bond is issued after August 7, 1986;
- (b) the Bond is not a "private activity bond" as defined in Section 141 of the Code;
- (c) the City hereby designates the Bond as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
- (d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2020 will not exceed \$10,000,000;
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2020 have been designated for purposes of Section 265(b)(3) of the Code; and
- (f) the aggregate face amount of the Bond does not exceed \$10,000,000.

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

19. Financial Statements. The City shall provide fiscal year-end financial statements as soon as available, but in no event later than 180 days after the end of each fiscal year end and provide relevant financing information as requested by the Purchaser.

20. Governmental Bonds Post-Issuance Compliance Policies and Procedures. The City hereby approves the Governmental Bonds Post-Issuance Compliance Policies and Procedures in substantially the form presented to the City Council.

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 _____ and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTY OF WASHINGTON
CITY OF GRANT

I, the undersigned, being the duly qualified and acting Administrator-Clerk of the City of Grant, 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 providing for the issuance and sale of a \$437,000 General Obligation Improvement Bond, Series 2020A.

WITNESS my hand on June 2, 2020.

Administrator-Clerk

EXHIBIT A
SCHEDULES

[To be supplied by Baker Tilly Municipal Advisors, LLC]

STATE OF MINNESOTA

COUNTY AUDITOR'S CERTIFICATE

COUNTY OF WASHINGTON

AS TO TAX LEVY AND REGISTRATION

I, the undersigned, being the duly qualified and acting County Auditor of Washington County, Minnesota, DO HEREBY CERTIFY that on the date hereof, there was filed in my office a certified copy of a resolution adopted on June 2, 2020, by the City Council of the City of Grant, Minnesota, authorizing the issuance of a \$437,000 General Obligation Improvement Bond, Series 2020A (the "Bond"), and levying a tax for the payment thereof, together with full information regarding the Bond for which the tax was levied; the Bond has been entered in my Bond Register; and the tax levy required by law has been made.

WITNESS my hand and the seal of the County Auditor on _____, 2020.

County Auditor

(SEAL)

SIGNATURE AND NONLITIGATION CERTIFICATE

We, the undersigned, being respectively the duly qualified and acting Mayor and Administrator-Clerk of the City of Grant, Minnesota (the "City"), do hereby certify that we did, in our official capacities as such officers, sign our own proper names, by facsimile signature, on the City's \$437,000 General Obligation Improvement Bond, Series 2020A (the "Bond"), dated June 25, 2020, as the date of original issue. The Bond, numbered R-1, matures on February 1, 2036, and bears interest at 2.08% until paid or discharged.

WE FURTHER CERTIFY that the signature of Sharon Schwarze affixed hereto is the true and proper signature of the qualified and acting Treasurer.

WE FURTHER CERTIFY that we are now and were on the date of signing the Bond, the duly qualified acting officers therein indicated, and duly authorized to execute the same.

WE FURTHER CERTIFY that the Bond has been in all respects duly executed for delivery pursuant to authority conferred upon us as such officers; and no obligations other than the Bond have been issued pursuant to such authority, and that none of the proceedings or records which have been certified to the purchaser of the Bond or the attorneys approving the same have been in any manner repealed, amended or changed, and that there has been no change in the financial condition of the City or of the facts affecting the Bond.

WE FURTHER CERTIFY that there is no litigation pending or, to our knowledge, threatened questioning the organization or boundaries of the City, or the right of any of us to our respective offices, or in any manner questioning our right and power to execute and deliver the Bond, or otherwise questioning the validity of the Bond or the levy of taxes or the pledge of special assessments for the payment of the Bond and the interest thereon.

Dated: June 25, 2020.

CITY OF GRANT, MINNESOTA

By _____
Its Mayor

By _____
Its Administrator-Clerk

By _____
Its Treasurer

[Signature page to the Signature and Nonlitigation Certificate]

TREASURER'S RECEIPT

I, the undersigned, being the duly qualified and acting Treasurer of the City of Grant, Minnesota, DO HEREBY CERTIFY AND ACKNOWLEDGE that on the date hereof, I received from Bremer Bank, National Association, in St. Paul, Minnesota, the purchaser of a \$437,000 General Obligation Improvement Bond, Series 2020A, dated June 25, 2020 as the date of original issue, the purchase price thereof, \$437,000, no interest having accrued thereon to the date hereof and I did thereupon deliver the Bond to the purchaser.

Dated: June 25, 2020.

CITY OF GRANT, MINNESOTA

By _____
Its Treasurer

[Signature page to the Treasurer's Receipt]

NONARBITRAGE CERTIFICATE

The undersigned are the duly qualified and acting Mayor, Administrator-Clerk, and Treasurer of the City of Grant, Minnesota (the "City"), charged, either alone or with others, with the responsibility of issuing a \$437,000 General Obligation Improvement Bond, Series 2020A, dated June 25, 2020 as the date of original issue (the "Bond"). This Nonarbitrage Certificate is being executed in accordance with the income tax regulations relating to arbitrage bonds (the "Regulations") and may be relied upon as a certification under Section 1.148-2(b)(2) of the Regulations and under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The undersigned, having made an investigation of the facts, circumstances and estimates pertaining to and in connection with the Bond, hereby certify in good faith and reasonably expect as follows with respect to the Bond:

1. Purpose; Statement. The proceeds of the Bond will be used to finance the construction of various street improvement projects in the City (the "Improvements"). As of the date hereof, all of the representations and statements of fact contained in the resolution adopted by the City Council on June 2, 2020 (the "Resolution"), relating to the Bond are true and correct, and nothing has occurred between the date of adoption of the Resolution and the date hereof to cause any expectation or covenant stated in the Resolution to become unlikely or impossible of occurrence or performance, unreasonable or otherwise invalid.

2. Only Issue. No bonds (in addition to the Bond) (i) are sold or are to be sold at substantially the same time as the Bond, (ii) are sold pursuant to the same plan of financing with the Bond, and (iii) are reasonably expected to be paid from substantially the same source of funds as the Bond will be paid.

3. Proceeds and Uses. The Bond was delivered and paid for on the date of this Bond. The total sale proceeds of the Bond (i.e. the issue price of the Bond or the offering price of the Bond to the public) is \$437,000, which together with accrued interest (\$_____) and earnings thereon (estimated to be \$_____), do not exceed the total of:

(a) \$_____, to pay financeable costs of the construction of the Improvements;
and,

(b) \$_____, expenses anticipated to be incurred in connection with the issuance of the Bond.

4. Governmental Purposes; No Over-burdening of Tax-Exempt Market. The stated purposes of the Bond are governmental purposes within the meaning of applicable law and regulations. The "Sale Proceeds" of the Bond (i.e., the issue price of the Bond less accrued interest), less any amounts used to pay issuance expenses, together with estimated earnings thereon, will not exceed the estimated dollar cost of constructing the Improvements less all other funds to be expended for paying such costs.

5. Fund and Accounts. The Bond is payable from the General Obligation Improvement Bond, Series 2020A Fund (the "Fund"), which Fund contains a Construction Account (for the construction of the Improvements) and a Debt Service Account (for payment of debt service on the Bond).

6. Construction Account: Time Test; Due Diligence Test; Expenditure Test.

(a) Costs of Construction and Issuance. The costs of constructing the Improvements and issuing the Bond will be paid from the Construction Account in the Fund. The City reasonably expects to satisfy the time test, the due diligence test and the expenditure test as set forth below:

(i) Time Test. Substantial binding contracts or commitments for constructing the Improvements obligating the expenditure of not less than \$21,850 (five percent of the Net Sale Proceeds of the Bond) have heretofore been entered into or made or will be entered into or made within six months from the date hereof. "Net Sale Proceeds" is the issue price of the Bond less the accrued interest and less any Bond proceeds deposited in any reserve fund or account. All such contracts are, or will be, binding obligations of the City.

(ii) Due Diligence Test. The construction of the Improvements and the allocation of the Net Sale Proceeds of the Bond to expenditures has proceeded and will continue to proceed with due diligence to completion. Construction of the Improvements is estimated to be completed by _____.

(iii) Expenditure Test. Any contract or commitment for the construction of the Improvements heretofore or hereafter executed has provided or will provide for the construction of the Improvements in less than three years from the date hereof; and proceeds of the Bond in an amount equal to at least eighty five percent of the Net Sale Proceeds of the Bond will be spent in paying the cost of construction of the Improvements within three years from the date hereof.

(b) Costs of Issuance; Transfer. The costs of issuing the Bond will be incurred and paid within three years from the date hereof. Any moneys remaining in the Construction Account after construction of the Improvements and payment of the costs of issuing the Bond will be transferred to the Debt Service Account unless transferred to the fund of any other purchase as authorized by law.

(c) Investments. The City shall not invest amounts in the Construction Account at a yield materially higher than the yield on the Bond or in obligations exempt from federal income taxation under Section 103(a) of the Code if and to the extent moneys remain therein after the earlier of (i) construction of the Improvements is complete or (ii) three years from the date hereof.

7. Debt Service Account; Funding; Investment Covenants. The principal of and interest on the Bond are payable from the Debt Service Account. The City has covenanted that any sums from time to time held in the Construction Account and the Debt Service Account (or any other account of the City which will be used to pay debt service on the Bond) in excess of

amounts which under then applicable federal arbitrage regulations may be invested without regard to yield (after taking into account all temporary periods) shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments. Other than the Debt Service Account, there is no other fund or account of cash or securities which the City has set aside and expects to invest or maintain at a yield greater than the yield on the Bond for the purpose of paying debt service on the Bond.

8. Debt Service Account; Bona Fide Debt Service Fund; Minor Portion; Temporary Periods; Yield. The Debt Service Account serves two functions: (i) a bona fide debt service fund (within the meaning of Section 1.148-1(b) of the Regulations) which is used primarily to achieve a proper matching of revenues and principal and interest payments within each Bond Year and is depleted at least once a Bond Year except for a reasonable carryover amount not to exceed the greater of the earnings on the Debt Service Account for the immediately preceding Bond Year or one-twelfth of principal and interest payments on the Bond for the immediately preceding Bond Year, and (ii) a sinking fund (within the meaning of Section 1.148-1(c)(2) of the Regulations), and each such function shall be treated for the purposes hereof as if it occurred in a separate account.

Amounts deposited in the Debt Service Account which are to be used to pay debt service on the Bond within twelve months of their receipt by the City (or which are a reasonable carryover amount with respect thereto) will be invested without regard to yield for a temporary period not longer than thirteen months. Receipts in the Debt Service Account which will not be used to pay debt service on the Bond within thirteen months of their receipt will be invested without regard to yield to the extent they do not exceed the "minor portion" of \$21,850 which is an amount equal to the lesser of \$100,000 or five percent of the Net Sale Proceeds of the Bond. Sale Proceeds of the Bond are the issue price of the Bond less accrued interest.

All receipts in the Debt Service Account may be invested without regard to yield for a temporary period of thirty days from receipt, and investment earnings on such sums may be invested without regard to yield for a longer temporary period of one year from receipt. Amounts not entitled to a temporary period or within said minor portion will not be invested at a yield which is materially higher than the yield on the Bond, or will be invested without regard to yield in tax-exempt Bond as defined in Section 150(a)(6) of the Code, being obligations the interest on which is excluded from gross income under Section 103(a) of the Code.

9. Yield Determination; Materially Higher. The yield on the Bond, based on their issue price being the price paid by Bremer Bank, National Association for the Bond as shown in the Certificate of the Purchaser, has been calculated to be 2.0798%; this yield on the Bond will be recalculated if and as required by the Code or the Regulations. A "materially higher" yield is defined at Section 1.148-2(d)(2) of the Regulations and is generally one-eighth of one percent (0.125%).

10. Rebate. The City is a "small issuer" not subject to the rebate requirement imposed by Section 148(f) of the Code by reason of issuing (together with all subordinate entities thereof, and all entities treated as one with the City) less than \$5,000,000 of tax exempt governmental obligations during the calendar year as provided in Section 148(f)(4)(D) of the Code.

11. Intentional Acts. The City shall not take any deliberate, intentional action after the date hereof to earn arbitrage profit except to the extent such action would not have caused the Bond to be arbitrage bonds had it been reasonably expected on the date hereof.

12. Reimbursement Expenditures. \$_____ of the proceeds of the Bond will be used to reimburse the City for reimbursement expenditures. The official intent declaration of the City was dated _____, 20___. **OR** None of the proceeds of the Bond will be used to reimburse the City for reimbursement expenditures.

13. Monitoring of Expenditures and Investments. The City will monitor the investment of Bond proceeds to assure compliance with Section 148 of the Code, and the City will consult with bond counsel periodically with regard to arbitrage issues and compliance.

14. Basis For Expectations. The facts and estimates on which the foregoing expectations are based are (a) the documents included in the "Bond Transcript" prepared for the Bond Closing, (b) all engineering and architectural estimates, drawings, reports and plans and specifications heretofore furnished the City with respect to the Improvements, (c) all contracts, if any, heretofore executed for the construction of the Improvements, (d) all expenditures which were heretofore made by the City for the construction of the Improvements and which are to be reimbursed out of the proceeds of the Bond, and (e) such other facts and estimates, if any, as may be set forth in an Exhibit A attached hereto, if any.

15. No Abusive Arbitrage Device. No "abusive arbitrage device" within the meaning of Section 1.148-10 of the Regulations is used in connection with the Bond. No action relating to the Bond has the effect of (a) enabling the City to exploit the difference between tax-exempt and taxable interest rates to obtain a material financial advantage and (b) overburdening the tax-exempt bond market.

16. Familiarity; Conclusion. We are generally familiar with the requirements of the Regulations, and nothing has been called to our attention to cause us to believe that the proceeds of the Bond will be used in a manner which would cause the Bond to be arbitrage bonds within the meaning of Section 148 of the Code.

17. No Other Facts. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances which would materially change the foregoing facts and conclusions

Dated: June 25, 2020.

CITY OF GRANT, MINNESOTA

By _____
Its Mayor

By _____
Its Administrator-Clerk

By _____
Its Treasurer

[Signature Page to Nonarbitrage Certificate]

CERTIFICATE OF REGISTRAR

The undersigned hereby certifies that I am the duly qualified and acting Treasurer of the City of Grant, Minnesota, and as such official do hereby further certify as follows.

1. I am the official charged with the responsibility of acting as Registrar for, and registering the ownership and transfer of, the \$437,000 General Obligation Improvement Bond, Series 2020A (the "Bond").

2. On the date hereof I have registered the Bond delivered this day.

3. Attached hereto is a true and correct copy of my register for the Bond.

Dated: June 25, 2020.

CITY OF GRANT, MINNESOTA

By _____
Its Treasurer

[Signature Page to Certificate of Registrar]

CERTIFICATE OF THE PURCHASER

The undersigned, on behalf of Bremer Bank, National Association, in St. Paul, Minnesota (the "Purchaser"), hereby certifies as set forth below with respect to the purchase of the General Obligation Improvement Bond, Series 2020A (the "Bond") of the City of Grant, Minnesota (the "Issuer").

1. Purchase of the Bond. On the date of this certificate, the Purchaser is purchasing the Bond for the amount of \$437,000. The Purchaser is not acting as an Underwriter with respect to the Bond. The Purchaser has no present intention to sell, reoffer, or otherwise dispose of the Bond (or any portion of the Bond or any interest in the Bond). The Purchaser has not contracted with any person pursuant to a written agreement to have such person participate in the initial sale of the Bond and the Purchaser has not agreed with the Issuer pursuant to a written agreement to sell the Bond to persons other than the Purchaser or a related party to the Purchaser.

2. Defined Terms.

(a) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(b) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bond to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bond to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bond to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Nonarbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bond, and by Taft Stettinius & Hollister LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Bond is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bond.

Dated: June 25, 2020.

BREMER BANK, NATIONAL
ASSOCIATION, as Purchaser

By: _____
Name: _____

[Signature Page to Certificate of the Purchaser]

CERTIFICATE OF MUNICIPAL ADVISOR

The undersigned, being duly authorized to execute this Certificate on behalf of Baker Tilly Municipal Advisors, LLC, in St. Paul, Minnesota (the "Municipal Advisor"), hereby certifies:

1. We have served as Municipal Advisor in connection with the sale of a \$437,000 General Obligation Improvement Bond, Series 2020A (the "Bond") of the City of Grant, Minnesota (the "Issuer"), dated June 25, 2020.
2. We have examined the Nonarbitrage Certificate of even date herewith and hereby certify that we furnished the Issuer the information contained in the "Proceeds and Uses" paragraph of the Nonarbitrage Certificate, that such information is to the best of our knowledge true and correct in all respects and that no matters have come to our attention which make unreasonable or incorrect the representations made in the Nonarbitrage Certificate.
3. We hereby certify that the following information is true and correct and is furnished for the exclusive purpose of completing Form 8038-G, Information Return for Tax-Exempt Governmental Obligations ("Form 8038-G"), for the Bond issued by the Issuer:
 - (a) the Issuer's federal employer identification number (EIN) is 41-1579959;
 - (b) the weighted average maturity based on the issue price of the Bond and from its date of issue (not based on the face amount of the Bond or from its dated date) is 8.987 years; and
 - (c) the yield on the Bond to maturity, based on the price paid for the Bond in the Certificate of the Purchaser is 2.0798%.

Dated: June 25, 2020.

BAKER TILLY MUNICIPAL ADVISORS, LLC

By _____
Its _____

\$437,000
GENERAL OBLIGATION IMPROVEMENT BOND, SERIES 2020A
CITY OF GRANT
WASHINGTON COUNTY
MINNESOTA

We have acted as bond counsel in connection with the issuance by the City of Grant, Washington County, Minnesota (the "City"), of its \$437,000 General Obligation Improvement Bond, Series 2020A, bearing a date of original issue of June 25, 2020 (the "Bond"). We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Bond, and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon such examinations, and assuming the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents, and the accuracy of the statements of fact contained in such documents, and based upon present Minnesota and federal laws (which excludes any pending legislation which may have a retroactive effect on or before the date hereof), regulations, rulings and decisions, it is our opinion that:

(1) The proceedings show lawful authority for the issuance of the Bond according to their terms under the Constitution and laws of the State of Minnesota now in force.

(2) The Bond is a valid and binding general obligation of the City and all of the taxable property within the City's jurisdiction is subject to the levy of an ad valorem tax to pay the same without limitation as to rate or amount; provided that the enforceability (but not the validity) of the Bond and the pledge of taxes for the payment of the principal and interest thereon is subject to the exercise of judicial discretion in accordance with general principles of equity, to the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

(3) At the time of the issuance and delivery of the Bond to the original purchaser, the interest on the Bond is excluded from gross income for United States income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or the Minnesota alternative minimum tax applicable to individuals, estates or trusts. The opinions set forth in the preceding sentence are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bond in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes and from both gross income and taxable net income for State of Minnesota income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bond in gross income and taxable net income retroactive to the date of issuance of the Bond.

We express no opinion regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bond or arising with respect to ownership of the Bond.

Dated at Minneapolis, Minnesota, this 25th day of June 2020.