

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

HELD: December 10, 2019

Pursuant to due call, a regular or special meeting of the City Council of the City of Hamburg, Carver County, Minnesota, was duly held at the City Hall on December 10, 2019, at 7:00 P.M., for the purpose, in part, of authorizing the issuance and awarding the sale of \$785,000 General Obligation Public Utility Revenue Refunding Bonds, Series 2019B.

The following members were present: Chris Lund, Jason Buckentin, Eric Poppler, Scott Feltmann and Tim Tracy

and the following were absent: None

Member Buckentin introduced the following resolution and moved its adoption:

Resolution Number 2019-15

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$785,000 GENERAL OBLIGATION PUBLIC UTILITY REVENUE REFUNDING BONDS, SERIES 2019B AND PLEDGING NET REVENUES FOR THE SECURITY AND PAYMENT THEREOF

A. WHEREAS, the City Council of the City of Hamburg, Minnesota (the "City"), hereby determines and declares that it is necessary and expedient to issue \$785,000 General Obligation Public Utility Revenue Refunding Bonds, Series 2019B (the "Bonds" or individually, a "Bond"), pursuant to Minnesota Statutes, Chapters 412.321 through 412.931, 453A and 475, to provide moneys for a current refunding of \$1,120,000 original principal amount of General Obligation Public Utility Revenue Refunding Bonds, Series 2011A, dated June 2, 2011 (the "Prior Bonds"); and

B. WHEREAS, \$760,000 principal amount of the Prior Bonds which matures or is subject to mandatory redemption on and after February 1, 2020 (the "Refunded Bonds"), is callable on February 1, 2020 (the "Call Date"), at a price of par plus accrued interest, as provided in the resolution adopted by the City Council on May 10, 2011 (the "Prior Resolution"); and

C. WHEREAS, the refunding of the Refunded Bonds on the Call Date is consistent with covenants made with the holders thereof, and is necessary and desirable for the reduction of debt service cost to the City; and

D. WHEREAS, owns and operates a municipal storm water system (the "Storm Water System") and a municipal water system (the "Water System") as separate revenue producing public utilities (together, the "System"); and

E. WHEREAS, the net revenues of the Water System are pledged to the payment of the outstanding \$240,348 original principal amount of General Obligation Water Revenue Note of 2003, dated August 1, 2003 (the "2003 Note"); \$1,014,000 original principal amount of General Obligation Water Revenue Note of 2004, dated July 17, 2004 (the "2004 Note"); and \$1,382,070 original principal amount of General Obligation Taxable Water Revenue Note of

2019, dated December 11, 2019 (the "2019 Note" and together with the 2003 Note and the 2004 Note, the "Outstanding Notes"); and

F. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent municipal advisor for the sale of the Bonds and was therefore authorized to sell the Bonds by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9) and proposals to purchase the Bonds have been solicited by Ehlers; and

G. WHEREAS, it is in the best interests of the City that the Bonds be issued in book-entry form as hereinafter provided; and

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

1. Acceptance of Offer. The offer of Security Bank & Trust Co., in Glencoe, Minnesota, (the "Purchaser"), to purchase the Bonds and to pay therefor the sum of \$785,000, plus interest accrued to settlement, all in accordance with the terms and at the rates of interest hereinafter set forth, is hereby accepted.

2. Terms; Original Issue Date; Denomination; Maturities. The Bonds shall be dated December 30, 2019, as the date of original issue and shall be issued forthwith on or after such date in fully registered form. The Bonds shall be numbered from R-1 upward, each in the denomination equal to the total principal amount for the Bonds due on the specified maturity date therefor (the "Authorized Denominations"). The Bonds shall mature on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2021	\$55,000
2022	60,000
2023	60,000
2024	60,000
2025	65,000
2026	65,000
2027	70,000
2028	65,000
2029	70,000
2030	70,000
2031	70,000
2032	75,000

3. Purpose. The proceeds of the Bonds shall provide funds for a current refunding of the Refunded Bonds (the "Refunding"). It is hereby found, determined and declared that the Refunding is pursuant to Minnesota Statutes, Section 475.67, and shall result in a reduction of debt service cost to the City.

4. Interest. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2020, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Year</u>	<u>Interest Rate</u>
2021	1.35%
2022	1.40
2023	1.45
2024	1.50
2025	1.60
2026	1.70
2027	2.00
2028	2.15
2029	2.25
2030	2.25
2031	2.25
2032	2.25

5. Registrar. The Clerk-Treasurer, City of Hamburg, Minnesota, is appointed to act as Registrar and transfer agent with respect to the Bonds (the "Registrar"), and shall do so unless and until a successor Registrar is duly appointed, Any successor Registrar shall act as Registrar and transfer agent pursuant to any contract the City and successor 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 Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond.

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

UNITED STATES OF AMERICA
STATE OF MINNESOTA
CARVER COUNTY
CITY OF HAMBURG

R- _____ \$ _____

GENERAL OBLIGATION PUBLIC UTILITY REVENUE REFUNDING BOND, SERIES
2019B

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	February 1,	December 30, 2019	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

THE CITY OF HAMBURG, CARVER COUNTY, MINNESOTA (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered 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 principal amount specified above, on the maturity date specified above, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2020, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. At the time of final payment of all principal and interest on this Bond, the Owner shall surrender this Bond to the Clerk-Treasurer, City of Hamburg, Minnesota (the "Registrar"). Interest will be paid on each Interest Payment Date by check or draft mailed to the Owner.

Redemption. All Bonds of this issue (the "Bonds") maturing on February 1, 2030, and thereafter, are subject to redemption and prepayment at the option of the Issuer on February 1, 2029, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment.. If redemption is in part, the Issuer may select the specific principal installments hereof, or applicable portions thereof, to be prepaid. Mailed notice of redemption shall be given to the paying agent and to the affected Owner of the Bond prior to the date fixed for redemption.

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 Issuer 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.

Issuance; Purpose; General Obligation. This Bond is a single instrument in the total principal amount of \$785,000, 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 December 10, 2019 (the "Resolution"), for the purpose of providing funds for a current refunding of the outstanding General Obligation Public Utility Revenue Refunding Bonds, Series 2011A of the Issuer. This

Bond is payable out of the General Obligation Public Utility Revenue Refunding Bonds, Series 2019B Fund of the Issuer. This Bond constitutes a general obligation of the Issuer, 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 Issuer have been and are hereby irrevocably pledged.

Denominations; Exchange; Resolution. The Bonds are issuable solely in fully registered form in Authorized Denominations (as defined in the Resolution) and are exchangeable for fully registered Bonds of other Authorized Denominations in equal aggregate principal amounts at the principal office of the Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Registrar. Copies of the Resolution are on file in the principal office of the Registrar.

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 aggregate 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 (except for the payment of interest to the Owner as of a Record Date) and for all other purposes whatsoever.

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 Bonds.

Treatment of Registered Owners. The Issuer and Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except as otherwise provided herein with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and neither the Issuer nor the Registrar shall be affected by notice to the contrary.

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

Qualified Tax-Exempt Obligation. This Bond has been designated by the Issuer 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, that the Issuer has covenanted and agreed with the Owner of the Bond that it will impose and collect charges for the service, use and availability of the municipal storm water utility and the municipal water utility (together the "System") at the times and in amounts necessary to produce net revenues, together with other sums pledged to the payment of the adequate to pay all principal and interest when due on the Bond; and that the Issuer will levy a direct, annual, irrevocable ad valorem tax upon all of the taxable property of the Issuer, without limitation as to rate or amount, for the years and in amounts sufficient to pay the principal and interest on the Bonds as they respectively become due, if the net revenues from the System, and any other sums irrevocably appropriated to the Debt Service Account are insufficient therefor 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 Hamburg, Carver County, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the manual signatures of its Mayor and its Clerk-Treasurer, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

CITY OF HAMBURG,
CARVER COUNTY, MINNESOTA

December 30, 2019

REGISTRABLE BY AND
PAYABLE AT:

Mayor

Clerk-Treasurer
City of Hamburg, Minnesota

Clerk-Treasurer

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 the registered owner's legal representative last noted below:

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Registrar</u>
December 30, 2019		

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

8. Delivery: Application of Proceeds. The Bonds when so prepared and executed shall be delivered by the Clerk-Treasurer to the Purchaser upon receipt of the purchase price and the Purchaser shall not be obliged to see to the proper application thereof.

9. Fund and Accounts. There is hereby created a special fund designated the "General Obligation Public Utility Revenue Refunding Bonds, Series 2019B Fund" (the "Fund") to be administered and maintained by the Clerk-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 of the Bonds herein authorized and the interest thereon shall have been fully paid. The Operation and Maintenance Account heretofore established for the Water System and the Storm Water Utility by the City shall continue to be maintained in the manner heretofore provided by the City. All moneys remaining after paying or providing for the items set forth in the resolutions establishing the Operation and Maintenance Accounts shall constitute or are referred to as "net revenues" until the Bonds and the Outstanding Notes have been paid. There shall be maintained in the Fund the following separate accounts to which shall be credited and debited all income and disbursements of the System as hereinafter set forth. The Clerk-Treasurer of the City and all officials and employees concerned therewith shall establish and maintain financial records of the receipts and disbursements of the System in accordance with this resolution. In such records there shall be established accounts or accounts shall continue to be maintained as the case may be, of the Fund for the purposes and in the amounts as follows:

(a) Payment Account. The proceeds of the Bonds, less any amount paid by the Purchaser in excess of the minimum bid, shall be deposited in the Payment Account. The sums are sufficient, together with other funds on deposit in the debt service fund established for the Refunded Bonds, to pay the principal on the Refunded Bonds called for redemption on the Call Date and the interest due on the Call Date. The remainder of the monies in the Payment Account shall be used to pay the costs of issuance of the Bonds. Any monies remaining in the Payment Account after payment of all costs of issuance and payment of the Refunded Bonds shall be transferred to the Debt Service Account. From the Payment Account the Clerk-Treasurer shall transfer to the paying agent for the Refunded Bonds \$760,000 of Bond proceeds on or prior to the Call Date.

(b) Debt Service Account. To the Debt Service Account are hereby irrevocably appropriated, pledged to and there shall be credited to: (1) the net revenues of the System in an amount, together with other funds which may herein or hereafter from time to time be irrevocably appropriated sufficient to meet the requirements of Minnesota Statutes, Section

475.61 for the payment of the principal and interest of the Bonds; (2) all accrued interest received upon delivery of the Bonds; (3) any collections of all taxes which may hereafter be levied in the event that the net revenues of the System herein pledged to the payment of the principal and interest on the Bonds are insufficient therefor; (4) any balance remaining after the Call Date in the Series 2011A Bond Debt Service Fund created by the Prior Resolution; (5) all investment earnings on funds in the Debt Service Account; and (6) 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 amount of any surplus remaining in the Debt Service Account when the Bonds and interest thereon are paid shall be consistent with Minnesota Statutes, Section 475.61, Subdivision 4. The moneys in the Debt Service Account shall be used solely to pay the principal of and interest on the Bonds or any other bonds hereafter issued and made payable from the Fund.

No portion of the proceeds of the Bonds 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 Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the Bonds), 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 the 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 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

10. Covenants Relating to the Bonds.

(a) Sufficiency of Net Revenues; Coverage Test. It is hereby found, determined and declared that (i) the net revenues of the System are sufficient in amount to pay when due the principal of interest on the Bonds and a sum at least five percent in excess thereof, and (ii) the net revenues of the Water System are sufficient in amount to pay the Outstanding Notes and a sum at least five percent in excess thereof, and the net revenues of the System are hereby pledged on a parity lien with the Outstanding Notes for the payment of the Bonds to the extent the net revenues of the System are pledged to the Outstanding Notes and shall be applied for that purpose, but solely to the extent required to meet the principal and interest requirements of the Bonds as the same become due.

Excess net revenues may be used for any proper purpose. Nothing contained herein shall be deemed to preclude the City from making further pledges and appropriations of the net revenues of the System for the payment of other or additional obligations of the City, provided that it has first been determined by the City Council that the estimated net revenues of the System will be sufficient in addition to all other sources, for the payment of the Bonds and such

additional obligations and any such pledge and appropriation of the net revenues of the System may be made superior or subordinate to, or on a parity with the pledge and appropriation herein.

(b) Covenant to Maintain Rates and Charges. In accordance with Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the Owner of the Bonds that it will impose and collect charges for the service, use, availability and connection to the System at the times and in the amounts required to produce net revenues adequate to pay all principal and interest when due on the Bonds. Minnesota Statutes, Section 444.075, Subdivision 2, provides as follows: "Real estate tax revenues should be used only, and then on a temporary basis, to pay general or special obligations when the other revenues are insufficient to meet the obligations".

(c) Excess Net Revenues. Net revenues of the System in excess of those required for the foregoing may be used for any proper purpose.

(d) General Obligation Pledge. For the prompt and full payment of the principal and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are irrevocably pledged. If the net revenues of the System appropriated and pledged to the payment of principal and interest on the Bonds, together with other funds irrevocably appropriated to the Debt Service Account herein established, 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 it becomes due. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bonds payable therefrom, the deficiency shall be promptly paid out of any other accounts of the City which are available for such purpose, and such other funds may be reimbursed without interest from the Debt Service Account when a sufficient balance is available therein.

11. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any Bonds 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 at any time discharge its obligations with respect to any Bonds, 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.

12. Prior Bonds; Security and Prepayment. Until retirement of the Prior Bonds, all provisions for the security thereof shall be observed by the City and all of its officers and agents. The Refunded Bonds shall be redeemed and prepaid on the Call Date in accordance with the

terms and conditions set forth in the Notice of Call for Redemption attached hereto as Exhibit B, which terms and conditions are hereby approved and incorporated herein by reference.

13. Supplemental Resolution. The Prior Resolution is hereby supplemented to the extent necessary to give effect to the provisions hereof.

14. Certificate of Registration. The Clerk-Treasurer is hereby directed to file a certified copy of this resolution with the County Auditor of Carver County, Minnesota, together with such other information as the County Auditor shall require, and to obtain the County Auditor's certificate that the Bonds have been entered in the County Auditor's Bond Register.

15. Continuing Disclosure. The City is the sole obligated person with respect to the Bonds. The City hereby agrees, in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, and a Continuing Disclosure Undertaking (the "Undertaking") hereinafter described:

(a) to provide or cause to be provided to the Municipal Securities Rulemaking Board, by filing at www.emma.msrb.org, (i) at least annually, its audited financial statements for the most recent fiscal year, and (ii) notice of the occurrence of certain events with respect to the Bonds in not more than ten (10) business days after the occurrence of such event, in accordance with the Undertaking; and

(b) its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Owners of the Bonds and shall be enforceable on behalf of such Owners; provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

The Mayor and Clerk-Treasurer or any other officer of the City authorized to act in their place (the "Officers") are hereby authorized and directed to execute on behalf of the City the Undertaking in substantially the form presented to the City Council subject to such modifications thereof or additions thereto as are (i) consistent with the requirements under the Rule, (ii) required by the Purchaser of the Bonds, and (iii) acceptable to the Officers.

16. 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 Bonds, certified copies of all proceedings and records of the City relating to the Bonds 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 Bonds 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.

17. Negative Covenant as to Use of Bond Proceeds and Project. The City hereby covenants not to use the proceeds of the Bonds or to use the improvements refinanced by the Prior Bonds (the "Project"), or to cause or permit them to be used, or to enter into any deferred

payment arrangements for the cost of the Project, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

18. Tax-Exempt Status of the Bonds; 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 Bonds, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the Bonds, and (3) the rebate of excess investment earnings to the United States, if the Bonds (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 Bonds are issued by a governmental unit with general taxing powers;

(b) no Bonds are private activity bonds;

(c) ninety-five percent or more of the net proceeds of the Bonds 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);

(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 Bonds are 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;

Furthermore:

(e) there shall not be taken into account for purposes of said \$5,000,000 limit any bond issued to refund (other than to advance refund) any bond to the extent the amount of the refunding bond does not exceed the outstanding amount of the refunded bond;

(f) the aggregate face amount of the Bonds does not exceed \$5,000,000;

(g) each of the Refunded Bonds was issued as part of an issue which was treated as meeting the rebate requirements by reason of the exception for governmental units issuing \$5,000,000 or less of bonds;

(h) the average maturity of the Bonds does not exceed the remaining average maturity of the Refunded Bonds; and

(i) no part of the Bonds has a maturity date which is later than the date which is thirty years after the date the Refunded Bonds were issued.

19. Designation of Qualified Tax-Exempt Obligations. In order to qualify the Bonds 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 Bonds are issued after August 7, 1986;
- (b) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (c) the City hereby designates the Bonds 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 calendar year 2019 will not exceed \$10,000,000;
- (e) not more than \$10,000,000 of obligations issued by the City during calendar year 2019 will be designated for purposes of Section 265(b)(3) of the Code; and
- (f) the aggregate face amount of the Bonds does not exceed \$10,000,000.

Furthermore:

- (g) each of the Refunded Bonds was designated as a "qualified tax exempt obligation" for purposes of Section 265(b)(3) of the Code;
- (h) the average maturity of the Bonds does not exceed the remaining average maturity of the Refunded Bonds;
- (i) no part of the Bonds has a maturity date which is later than the date which is thirty years after the date the Refunded Bonds were issued; and
- (j) the Bonds are issued to refund, and not to "advance refund" the Prior Bonds within the meaning of Section 149(d)(5) of the Code, and shall not be taken into account under the \$10,000,000 issuance limit to the extent the Bonds do not exceed the outstanding amount of the Prior Bonds.

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.

20. Official Statement. The Official Statement relating to the Bonds prepared and distributed by Ehlers is hereby approved and the officers of the City are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Official Statement.

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 Poppler and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof: Lund, Buckentin, Poppler, Feltmann and Tracy

and the following voted against the same: None

whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTY OF CARVER
CITY OF HAMBURG

I, the undersigned, being the duly qualified Clerk-Treasurer of the City of Hamburg, 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 authorize the issuance and awarding the sale of \$785,000 General Obligation Public Utility Revenue Refunding Bonds, Series 2019B.

WITNESS my hand on December 10, 2019.


Clerk-Treasurer

