

**CITY OF FALCON HEIGHTS  
COUNCIL RESOLUTION**

November 13, 2013

No. 13-34

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**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$720,000  
GENERAL OBLIGATION EQUIPMENT CERTIFICATES, SERIES 2013B, AND  
LEVYING A TAX FOR THE PAYMENT THEREOF**

A. WHEREAS, the City of Falcon Heights, Minnesota (the "City"), has heretofore determined and declared that it is necessary and expedient to issue \$720,000 General Obligation Equipment Certificates, Series 2013B (the "Certificates" or individually, a "Certificate"), pursuant to Minnesota Statutes, Chapter 475 and Minnesota Statutes, Section 412.301, to finance the purchase of various items of capital equipment for the City (the "Equipment") and each item of equipment to be financed by the Certificates has an expected useful life at least as long as the term of the Certificates; and

B. WHEREAS, the amount of the Certificates to be issued does not exceed one-quarter of one percent (0.25%) of the market value of the taxable property in the City (\$362,697,600 times 0.25% is \$906,744); and

C. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the sale of the Certificates and was therefore authorized to sell the Certificates by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9) and proposals to purchase the Certificates have been solicited by Ehlers pursuant to the resolution adopted October 23, 2013; and

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

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

1. Acceptance of Proposal. The proposal of \_\_\_\_\_, in \_\_\_\_\_, \_\_\_\_\_ (the "Purchaser"), to purchase the Certificates, in accordance with the Terms of Proposal, at the rates of interest hereinafter set forth, and to pay therefor the sum of \$ \_\_\_\_\_, plus interest accrued to settlement, is hereby found, determined and declared to be the most favorable proposal received, is hereby accepted and the Certificates are hereby awarded to the Purchaser.

2. Certificate Terms.

(a) Original Issue Date; Denominations; Maturities; Term Bond Option. The Certificates shall be dated December 5, 2013, as the date of original issue, shall be issued forthwith on or after such date in fully registered form, shall be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations") and shall mature on the February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2015	\$	2020	\$
2016		2021	
2017		2022	
2018		2023	
2019			

As may be requested by the Purchaser, one or more term bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Certificate(s).

(b) Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or its successors to its functions hereunder (the "Depository") will act as securities depository for the Certificates, and to this end:

(i) The Certificates shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Certificate for each maturity of the Certificates; and for purposes of complying with this requirement under paragraphs 5 and 10 Authorized Denominations for any Certificate shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Certificate.

(ii) Upon initial issuance, ownership of the Certificates shall be registered in a bond register maintained by the Registrar (as hereinafter defined) in the name of CEDE & CO., as the nominee (it or any nominee of the existing or a successor Depository, the "Nominee").

(iii) With respect to the Certificates neither the City nor the Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Certificates as securities depository (the "Participant") or the person for which a Participant holds an interest in the Certificates shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Certificates, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Certificates, including any

notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Certificates, or (D) the consent given or other action taken by the Depository as the Register Holder of any Certificates (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Certificates are credited on the record date identified in a listing attached to the omnibus proxy.

(iv) The City and the Registrar may treat as and deem the Depository to be the absolute owner of the Certificates for the purpose of payment of the principal of and premium, if any, and interest on the Certificates, for the purpose of giving notices of redemption and other matters with respect to the Certificates, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Certificates, and for all purpose whatsoever. The Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Certificates only to or upon the Holder of the Holders of the Certificates as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Certificates to the extent of the sum or sums so paid.

(v) Upon delivery by the Depository to the Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 10, references to the Nominee hereunder shall refer to such new Nominee.

(vi) So long as any Certificate is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, by the Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Certificates (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Certificates, collectively hereinafter referred to as the "Letter of Representations").

(vii) All transfers of beneficial ownership interests in each Certificate issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Certificates.

(viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such

consent or other action; provided, that the City or the Registrar may establish a special record date for such consent or other action. The City or the Registrar shall, to the extent possible, give the Depository notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(ix) Any successor Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.

(c) Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:

(i) The Depository may determine to discontinue providing its services with respect to the Certificates at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Certificate if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.

(ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Certificate that the Beneficial Owners be able to obtain certificates for the Certificates, the Certificates shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Certificates shall designate at that time, in accordance with paragraph 10. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10, the Certificates will be delivered to the Beneficial Owners.

(iii) Nothing in this subparagraph (c) shall limit or restrict the provisions of paragraph 10.

(d) Letter of Representations. The provisions in the Letter of Representations are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Letter of Representations shall control.

3. Purpose. The Certificates shall provide funds to finance the Equipment. The total cost of the Equipment, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Certificates.

4. Interest. The Certificates shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2014,

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 dates as follows:

<u>Maturity Year</u>	<u>Interest Rate</u>
2015	%
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	

5. Redemption. All Certificates maturing on February 1, 2022, and thereafter, shall be subject to redemption and prepayment at the option of the City on February 1, 2021, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Certificates subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the City; and if only part of the Certificates having a common maturity date are called for prepayment, the specific Certificates to be prepaid shall be chosen by lot by the Registrar. Certificates or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Certificates.

To effect a partial redemption of Certificates having a common maturity date, the Registrar prior to giving notice of redemption shall assign to each Certificate having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Certificate. The Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers so assigned to such Certificates, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Certificates to be redeemed. The Certificates to be redeemed shall be the Certificates to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Certificate of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Certificate is to be redeemed only in part, it shall be surrendered to the Registrar (with, if the City or Registrar so requires, a written instrument of transfer in form satisfactory to the City and Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the City shall execute (if necessary) and the Registrar shall authenticate and deliver to the Holder of the Certificate, without service charge, a new Certificate or Certificates having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Certificate so surrendered.

6. Registrar. Bond Trust Services Corporation, in Roseville, Minnesota, is appointed to act as registrar and transfer agent with respect to the Certificates (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 Certificates shall be paid to the registered holders (or record holders) of the Certificates in the manner set forth in the form of Certificate and paragraph 12.

7. Form of Certificate. The Certificates, together with the Registrar's Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
RAMSEY COUNTY

CITY OF FALCON HEIGHTS

R- \_\_\_\_\_ \$ \_\_\_\_\_

GENERAL OBLIGATION EQUIPMENT CERTIFICATE, SERIES 2013B

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
___%	February 1, 20__	December 5, 2013	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THE CITY OF FALCON HEIGHTS, RAMSEY 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, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, unless called for earlier redemption, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2014, 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. This Certificate will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Certificate are payable upon presentation and surrender hereof at the principal office of Bond Trust Services Corporation, in Roseville, Minnesota (the "Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Certificate will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Certificate is registered (the "Holder") on the registration books of the Issuer maintained by the Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business

on a date (the "Special Record Date") fixed by the Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Holders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Certificate are payable in lawful money of the United States of America. So long as this Certificate is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Certificate and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the Resolution. Until termination of the book-entry only system pursuant to the Resolution, Certificates may only be registered in the name of the Depository or its Nominee.

Redemption. The Certificates of this issue (the "Certificates") maturing on February 1, 2022, and thereafter, are subject to redemption and prepayment at the option of the Issuer on February 1, 2021, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Certificates subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the Issuer; and if only part of the Certificates having a common maturity date are called for prepayment, the specific Certificates to be prepaid shall be chosen by lot by the Registrar. Certificates or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected Holder of the Certificates prior to the date fixed for redemption.

Prior to the date on which any Certificate or Certificates are directed by the Issuer to be redeemed in advance of maturity, the Issuer will cause notice of the call thereof for redemption identifying the Certificates to be redeemed to be mailed to the Registrar and all Certificate holders, at the addresses shown on the Register. All Certificates so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited.

Selection of Certificates for Redemption; Partial Redemption. To effect a partial redemption of Certificates having a common maturity date, the Registrar shall assign to each Certificate having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Certificate. The Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to the Certificates, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Certificates to be redeemed. The Certificates to be redeemed shall be the Certificates to which were assigned numbers so selected; provided, however, that only so much of the principal amount of such Certificate of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Certificate is to be redeemed only in part, it shall be surrendered to the Registrar (with, if the Issuer or Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Registrar shall authenticate and deliver to the Holder of such Certificate, without service charge, a new Certificate or Certificates of the same series having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by such

Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Certificate so surrendered.

Issuance; Purpose; General Obligation. This Certificate is one of an issue in the total principal amount of \$720,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on November 13, 2013 (the "Resolution"), for the purpose of providing money to finance the purchase of various items of capital equipment for the Issuer. This Certificate is payable out of the General Obligation Equipment Certificates, Series 2013B Fund of the Issuer. This Certificate 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 Certificates are issuable solely in fully registered form in Authorized Denominations (as defined in the Resolution) and are exchangeable for fully registered Certificates 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 Certificate is transferable by the Holder in person or by the Holder's attorney duly authorized in writing at the principal office of the Registrar upon presentation and surrender hereof to the Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Registrar. Thereupon the Issuer shall execute and the Registrar shall authenticate and deliver, in exchange for this Certificate, one or more new fully registered Certificates in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an Authorized Denomination or Denominations, in aggregate principal amount equal to the principal amount of this Certificate, of the same maturity and bearing interest at the same rate.

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 Certificate and any legal or unusual costs regarding transfers and lost Certificates.

Treatment of Registered Owners. The Issuer and Registrar may treat the person in whose name this Certificate 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 Certificate shall be overdue, and neither the Issuer nor the Registrar shall be affected by notice to the contrary.

Authentication. This Certificate 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 Certificate 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, laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Certificate, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Certificate, 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 Falcon Heights, Ramsey County, Minnesota, by its City Council has caused this Certificate to be executed on its behalf by the facsimile signatures of its Mayor and its City Administrator, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

Registrable by: BOND TRUST SERVICES CORPORATION

\_\_\_\_\_

Payable at: BOND TRUST SERVICES CORPORATION

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

CITY OF FALCON HEIGHTS, RAMSEY COUNTY, MINNESOTA

This Certificate is one of the Certificates described in the Resolution mentioned within.

/s/ Facsimile  
Mayor

Bond Trust Services Corporation  
Roseville, Minnesota  
Registrar

/s/ Facsimile  
City Administrator

By \_\_\_\_\_  
Authorized Signature

## ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship  
and not as tenants in common

UTMA - \_\_\_\_\_ as custodian for \_\_\_\_\_ under the \_\_\_\_\_ Uniform  
(Cust) (Minor) (State)  
Transfers to Minors Act

Additional abbreviations may also be used though not in the above list.

## ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Certificate and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the Certificate on the books kept for the registration thereof, with full power of substitution in the premises.

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

Notice: \_\_\_\_\_  
The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Certificate in every particular, without alteration or any change whatever.

Signature Guaranteed: \_\_\_\_\_

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240.17 Ad-15(a)(2).

The Registrar will not effect transfer of this Certificate unless the information concerning the transferee requested below is provided.

Name and Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Include information for all joint owners if the Certificate is held by joint account.)

8. Execution; Temporary Certificates. The Certificates shall be in typewritten form, shall be executed on behalf of the City by the signatures of its Mayor and Administrator and be sealed with the seal of the City; provided, as permitted by law, both signatures may be photocopied facsimiles and the corporate seal has been omitted. In the event of disability or resignation or other absence of either officer, the Certificates may be signed by the manual or 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 Certificates shall cease to be such officer before the delivery of the Certificates, the signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

9. Authentication. No Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on such Certificate, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Registrar. Certificates of Authentication on different Certificates need not be signed by the same person. The Registrar shall authenticate the signatures of officers of the City on each Certificate by execution of the Certificate of Authentication on the Certificate and by inserting as the date of registration in the space provided the date on which the Certificate is authenticated, except that for purposes of delivering the original Certificates to the Purchaser, the Registrar shall insert as a date of registration the date of original issue of December 5, 2013. The Certificate of Authentication so executed on each Certificate shall be conclusive evidence that it has been authenticated and delivered under this resolution.

10. Registration; Transfer; Exchange. The City will cause to be kept at the principal office of the Registrar a certificate register in which, subject to such reasonable regulations as the Registrar may prescribe, the Registrar shall provide for the registration of Certificates and the registration of transfers of Certificates entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Certificate at the principal office of the Registrar, the City shall execute (if necessary), and the Registrar shall authenticate, insert the date of registration (as provided in paragraph 9) of, and deliver, in the name of the designated transferee or transferees, one or more new Certificates of any Authorized Denomination or Denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Certificate may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Certificates may be exchanged for Certificates of any Authorized Denomination or Denominations of a like aggregate principal amount and stated maturity, upon surrender of the Certificates to be exchanged at the principal office of the Registrar. Whenever any Certificates are so surrendered for exchange, the City shall execute (if necessary), and the Registrar shall authenticate, insert the date of registration of, and deliver the Certificates which the Holder making the exchange is entitled to receive.

All Certificates surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

All Certificates delivered in exchange for or upon transfer of Certificates shall be valid general obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Certificates surrendered for such exchange or transfer.

Every Certificate presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the Holder thereof or the Holder's attorney duly authorized in writing.

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 any Certificate and any legal or unusual costs regarding transfers and lost Certificates.

Transfers shall also be subject to reasonable regulations of the City contained in any agreement with the Registrar, including regulations which permit the Registrar to close its transfer books between record dates and payment dates. The City Administrator is hereby authorized to negotiate and execute the terms of said agreement.

11. Rights Upon Transfer or Exchange. Each Certificate delivered upon transfer of or in exchange for or in lieu of any other Certificate shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Certificate.

12. Interest Payment; Record Date. Interest on any Certificate shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Certificate is registered (the "Holder") on the registration books of the City maintained by the Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date (the "Special Record Date") fixed by the Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Registrar to the Holders not less than ten days prior to the Special Record Date.

13. Treatment of Registered Owner. The City and Registrar may treat the person in whose name any Certificate is registered as the owner of such Certificate for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 12) on, such Certificate and for all other purposes whatsoever whether or not such Certificate shall be overdue, and neither the City nor the Registrar shall be affected by notice to the contrary.

14. Delivery; Application of Proceeds. The Certificates when so prepared and executed shall be delivered by the Finance Director to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

15. Fund and Accounts. There is hereby created a special fund to be designated the "General Obligation Equipment Certificates, Series 2013B Fund" (the "Fund") to be administered and maintained by the Finance Director 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 Certificates and the interest thereon have been fully paid. There shall be maintained in the Fund the following separate accounts:

16. Capital Account. To the Capital Account there shall be credited the proceeds of the sale of the Certificates. From the Capital Account there shall be paid all costs and expenses of the acquisition of the Equipment including all costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65; and the moneys in the Capital Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Certificates may also be used to the extent necessary to pay interest on the Certificates due prior to the anticipated date of commencement of the collection of taxes herein levied.

17. Debt Service Account. There are hereby irrevocably appropriated and pledged to, and there shall be credited to, the Debt Service Account: (i) all taxes herein and hereafter levied for the payment of the Certificates; (ii) all funds remaining in the Capital Account after the payment of all costs of acquisition of the Equipment; (iii) all investment earnings on funds held in the Debt Service Account; and (iv) 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 Certificates and any other general obligation certificates 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 Certificates 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 (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Certificates were issued and (ii) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Certificates or \$100,000. To this effect, any proceeds of the Certificates and any sums from time to time held in the Capital Account or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the certificates 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 Certificates to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

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

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
2014-2021	2015-2022	\$ _____

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

19. Defeasance. When all Certificates have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Certificates shall cease. The City may discharge its obligations with respect to any Certificates 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 Certificate should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Certificates 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 Certificates, 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.

20. 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 Certificates, 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, project 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 "Project"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Project; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Project, 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 Certificates, 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 Certificates.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Certificates 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 Certificates 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 Project 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 Certificates are issued, shall be treated as made on the day the Certificates are 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 Certificates stating in effect that such action will not impair the tax-exempt status of the Certificates.

21. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Certificates, 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 Certificates 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.

22. Certificate of Registration. A certified copy of this resolution is hereby directed to be filed with the County Auditor of Ramsey County, together with such other information as the County Auditor shall require and there shall be obtained from the County Auditor a certificate that the Certificates have been entered in the Bond Register and that the tax levy required by law has been made.

23. 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 Certificates, certified copies of all proceedings and records of the City relating to the Certificates 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 Certificates 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.

24. 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](http://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 Holders of the Bonds and shall be enforceable on behalf of such Holders; 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 Administrator 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.

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

26. Tax-Exempt Status of the Certificates and 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 Certificates, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Certificates, and (iii) the rebate of excess investment earnings to the United States if the Certificates (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 small issuer 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 (i) the Certificates are issued by a governmental unit with general taxing powers; (ii) no Certificate is a private activity bond; (iii) ninety five percent or more of the net proceeds of the Certificates 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 (iv) the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by the City (and all entities subordinate to, or treated as one issuer with the City) during the calendar year in which the Certificates 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.

27. Designation of Qualified Tax-Exempt Obligations. In order to qualify the Certificates 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 Certificates are issued after August 7, 1986;
- (b) the Certificates are not "private activity bonds" as defined in Section 141 of the Code;
- (c) the City hereby designates the Certificates 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 2013 will not exceed \$10,000,000; and
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2013 have been designated for purposes of Section 265(b)(3) of the Code.

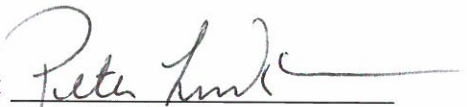
The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

28. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of Certificate proceeds allocable to the payment of issuance expenses to KleinBank, in Chaska, Minnesota, on the closing date for further distribution as directed by the City's financial advisor, Ehlers.

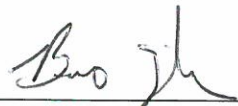
29. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions hereof.

30. 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.

Moved by: Gosline

Approved by:   
Peter Lindstrom  
Mayor  
November 13, 2013

LINDSTROM     5     In Favor  
GOSLINE  
HARRIS         0     Against  
LONG  
MERCER-TAYLOR

Attested by:   
Bart Fischer  
City Administrator  
November 13, 2013

STATE OF MINNESOTA  
COUNTY OF RAMSEY  
CITY OF FALCON HEIGHTS

I, the undersigned, being the duly qualified and acting Administrator of the City of Falcon Heights, 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 the minutes relate to providing for the issuance and the sale of \$720,000 General Obligation Equipment Certificates, Series 2013B.

WITNESS my hand on November 13, 2013.



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Administrator

