

CERTIFICATION OF MINUTES RELATING TO
\$650,000 GENERAL OBLIGATION TEMPORARY
IMPROVEMENT BONDS, SERIES 1996A

Issuer: City of Lake Elmo, Minnesota

Governing Body: City Council

Kind, date, time and place of meeting: A regular meeting held on July 16, 1996, at 7:00 o'clock P. M. at the City Hall.

Members present:

Mayor Wyn John, Rita Conlin, Steve DeLapp, Lee Hunt, Karen Johnston

Members absent:

None

Documents Attached:

Minutes of said meeting (pages):

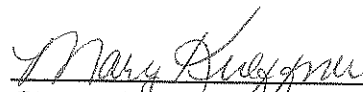
RESOLUTION NO. 96-15

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF \$650,000
GENERAL OBLIGATION TEMPORARY IMPROVEMENT BONDS,
SERIES 1996A

TERMS OF PROPOSAL

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer this 16th day of July, 1996.



City Administrator

Councilmember Conlin introduced the following resolution and moved its adoption, which motion was seconded by Councilmember Johnston:

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF \$650,000
GENERAL OBLIGATION TEMPORARY IMPROVEMENT BONDS,
SERIES 1996A

BE IT RESOLVED by the City Council of the City of Lake Elmo, Minnesota (the City), as follows:

Section 1. Purpose. It is hereby determined to be in the best interests of the City to issue its \$650,000 General Obligation Temporary Improvement Bonds, Series 1996A (the Bonds), pursuant to Minnesota Statutes, Chapters 429 and 475, to finance sanitary sewer and water improvements for the SE 1/4 of Section 33 along with upgrading the system to provide for potential expansion of the Municipal Urban Service Area for an additional 280 acres (the Project).

Section 2. Terms of Proposal. Springsted Incorporated, financial consultant to the City, has presented to this Council a form of Terms of Proposal for the Bonds which is attached hereto and hereby approved and shall be placed on file by the City Administrator. Each and all of the provisions of the Terms of Proposal are hereby adopted as the terms and conditions of the Bonds and of the sale thereof. Springsted Incorporated, as independent financial advisers, pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9) is hereby authorized to solicit bids for the Bonds on behalf of the City on a negotiated basis.

Section 3. Sale Meeting. This Council shall meet at the time and place shown in the Terms of Proposal, for the purpose of considering sealed bids for the purchase of the Bonds and of taking such action thereon as may be in the best interests of the City.

Section 4. Official Intent Declaration.

(a) The City reasonably expects to reimburse expenditures made for costs of the Project out of the proceeds of the Bonds, which may be issued after the date of payment of all or a portion of the costs of the Project. All reimbursed expenditures shall be capital expenditures, a cost of issuance of the Bonds or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Income Tax Regulations.

(b) As of the date hereof, there are no City funds reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Project, other than pursuant to the issuance of the Bonds and any long-term bonds issued to refund the Bonds. The statement of intent contained in this resolution, therefore, is determined to be

consistent with the City's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof.

(c) The City's financial officer shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the City to make prior payment of the costs of the Project. Each allocation shall be evidenced by an entry on the official books and records of the City maintained for the Bonds or the Project and shall specifically identify the actual original expenditures being reimbursed.

Upon vote being taken thereon, the following voted in favor thereof:
Mayor Wyn John, Rita Conlin, Steve DeLapp, Lee Hunt, Karen Johnston

and the following voted against the same: **None**

whereupon the resolution was declared duly passed and adopted.

THE CITY HAS AUTHORIZED SPRINGSTED INCORPORATED TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

TERMS OF PROPOSAL

\$650,000

CITY OF LAKE ELMO, MINNESOTA

GENERAL OBLIGATION TEMPORARY IMPROVEMENT BONDS, SERIES 1996A

(BOOK ENTRY ONLY)

Proposals for the Bonds will be received on Tuesday, August 6, 1996, until 1:00 P.M., Central Time, at the offices of Springsted Incorporated, 85 East Seventh Place, Suite 100, Saint Paul, Minnesota, after which time they will be opened and tabulated. Consideration for award of the Bonds will be by the City Council at 7:00 P.M., Central Time, of the same day.

SUBMISSION OF PROPOSALS

Proposals may be submitted in a sealed envelope or by fax (612) 223-3002 to Springsted. Signed Proposals, without final price or coupons, may be submitted to Springsted prior to the time of sale. The bidder shall be responsible for submitting to Springsted the final Proposal price and coupons, by telephone (612) 223-3000 or fax (612) 223-3002 for inclusion in the submitted Proposal. Springsted will assume no liability for the inability of the bidder to reach Springsted prior to the time of sale specified above. Proposals may also be filed electronically via PARITY, in accordance with PARITY Rules of Participation and the Terms of Proposal, within a one-hour period prior to the time of sale established above, but no Proposals will be received after that time. If provisions in the Terms of Proposal conflict with the PARITY Rules of Participation, the Terms of Proposal shall control. The normal fee for use of PARITY may be obtained from PARITY and such fee shall be the responsibility of the bidder. For further information about PARITY, potential bidders may contact PARITY at 100 116th Avenue SE, Suite 100, Bellevue, Washington 98004, telephone (206) 635-3545. Neither the City nor Springsted Incorporated assumes any liability if there is a malfunction of PARITY. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner of the Proposal submitted.

DETAILS OF THE BONDS

The Bonds will be dated September 1, 1996, as the date of original issue, and will bear interest payable on March 1 and September 1 of each year, commencing September 1, 1997. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds will mature September 1, 1999.

BOOK ENTRY SYSTEM

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the

responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

REGISTRAR

The City will name the registrar which shall be subject to applicable SEC regulations. The City will pay for the services of the registrar.

OPTIONAL REDEMPTION

The City may elect on September 1, 1998, and on any day thereafter to prepay Bonds due on September 1, 1999. Redemption may be in whole or in part and if in part, the City will notify DTC of the particular amount to be prepaid. DTC will determine by lot the amount of each participant's interest to be redeemed and each participant will then select by lot the beneficial ownership interests to be redeemed. All prepayments shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. The proceeds will be used to finance sewer and watermain improvement projects within the City.

TYPE OF PROPOSALS

Proposals shall be for not less than \$644,800 and accrued interest on the total principal amount of the Bonds. Proposals shall be accompanied by a Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a Financial Surety Bond in the amount of \$6,500, payable to the order of the City. If a check is used, it must accompany each proposal. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of Minnesota, and preapproved by the City. Such bond must be submitted to Springsted Incorporated prior to the opening of the proposals. The Financial Surety Bond must identify each underwriter whose Deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to an underwriter using a Financial Surety Bond, then that purchaser is required to submit its Deposit to Springsted Incorporated in the form of a certified or cashier's check or wire transfer as instructed by Springsted Incorporated not later than 3:30 P.M., Central Time, on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the City to satisfy the Deposit requirement. The City will deposit the check of the purchaser, the amount of which will be deducted at settlement and no interest will accrue to the purchaser. In the event the purchaser fails to comply with the accepted proposal, said amount will be retained by the City. No proposal can be withdrawn or amended after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. A single rate of interest shall be specified. No conditional proposals will be accepted.

AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Bonds, (ii) reject all proposals without cause, and, (iii) reject any proposal which the City determines to have failed to comply with the terms herein.

CUSIP NUMBERS

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the purchaser to accept delivery of the Bonds. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the purchaser.

SETTLEMENT

Within 40 days following the date of their award, the Bonds will be delivered without cost to the purchaser at a place mutually satisfactory to the City and the purchaser. Delivery will be subject to receipt by the purchaser of an approving legal opinion of Dorsey & Whitney LLP of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement payment for the Bonds shall be made in federal, or equivalent, funds which shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Except as compliance with the terms of payment for the Bonds shall have been made impossible by action of the City, or its agents, the purchaser shall be liable to the City for any loss suffered by the City by reason of the purchaser's non-compliance with said terms for payment.

SECONDARY MARKET DISCLOSURE

Participating underwriters need not comply with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), because the offering is in a principal amount less than \$1,000,000. Consequently, the City will not enter into any undertaking to provide continuing disclosure of any kind with respect to the Bonds.

OFFICIAL STATEMENT

The City has authorized the preparation of an Official Statement containing pertinent information relative to the Bonds, and said Official Statement will serve as a nearly-final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Financial Advisor to the City, Springsted Incorporated, 85 East Seventh Place, Suite 100, Saint Paul, Minnesota 55101, telephone (612) 223-3000.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. By awarding the Bonds to any underwriter or underwriting syndicate submitting a proposal therefor, the City agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded 30 copies of the Official Statement and the addendum or addenda described above. The City designates the senior managing underwriter of the syndicate to which the Bonds are awarded as its agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter delivering a proposal with respect to the Bonds agrees thereby that if its proposal is accepted by the City (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

Dated July 16, 1996

BY ORDER OF THE CITY COUNCIL

/s/ Mary Kueffner
City Administrator