2011 - 25

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

HELD: October 11, 2011

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Wells, Faribault County, Minnesota, was duly called and held at the City Hall on October 11, 2011, at 5:00 P.M., for the purpose, in part, of authorizing the issuance and awarding the sale of $865,000 General Obligation Improvement Refunding Bonds, Series 2011B.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION ACCEPTING PROPOSAL ON THE NEGOTIATED SALE OF $865,000 GENERAL OBLIGATION IMPROVEMENT REFUNDING BONDS, SERIES 2011B, PLEDGING SPECIAL ASSESSMENTS FOR THE SECURITY THEREOF AND LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City Council of the City of Wells, Minnesota (the "City"), hereby determines and declares that it is necessary and expedient to provide moneys for a crossover refunding of the City's $875,000 original principal amount of General Obligation Improvement Bonds, Series 2006A, dated June 1, 2006 (the "Prior 2006 Bonds"), which mature on and after February 1, 2014; and a current refunding of the City's $360,000 original principal amount of General Obligation Improvement Bonds, Series 2004A, dated July 1, 2004 (the "Prior 2004 Bonds"), which mature on and after February 1, 2013; and

B. WHEREAS, (i) $590,000 aggregate principal amount of the Prior 2006 Bonds which matures on, or are subject to mandatory redemption, and after February 1, 2014, is callable on February 1, 2013 (the "Refunded 2006 Bonds"), at a price of par plus accrued interest, as provided in the resolution adopted on May 22, 2006, authorizing the issuance of the Prior 2006 Bonds (the "Prior 2006 Resolution"), (ii) $225,000 aggregate principal amount of the Prior 2004 Bonds which matures on, or are subject to mandatory redemption, and after February 1, 2013, is callable on February 1, 2012 (the "Refunded 2004 Bonds"), at a price of par plus accrued interest, as provided in the resolution adopted on June 28, 2004, authorizing the issuance of the Prior 2004 Bonds (the "Prior 2004 Resolution"), and

C. WHEREAS, (i) the Prior 2004 Bonds and the Prior 2006 Bonds are sometimes referred to herein together as the "Prior Bonds"; (ii) the Refunded 2004 Bonds and the Refunded 2006 Bonds are sometimes referred to herein together as the "Refunded Bonds; and (iii) the Prior 2004 Resolution and the Prior 2006 Resolution are sometimes referred to herein together as the "Prior Resolutions"; and

D. WHEREAS, the refunding of the Refunded Bonds 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

E. WHEREAS, the City Council hereby determines and declares that it is necessary and expedient to issue $865,000 General Obligation Improvement Refunding Bonds, Series 2011B (the "Bonds" or individually, a "Bond"), pursuant to Minnesota Statutes, Chapter 475, to provide moneys for a crossover refunding of the Refunded 2006 Bonds and a current refunding of the Refunded 2004 Bonds; and

F. WHEREAS, the City has retained Blue Rose Capital Advisors, Inc., in Minneapolis, Minnesota as its independent financial 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

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 Council of the City of Wells, Minnesota, as follows:

1. Acceptance of Offer. The offer of Northland Securities, Inc. (the "Purchaser"), to purchase the Bonds in accordance with the terms and at the rates of interest hereinafter set forth, and to pay therefor the sum of $_____, plus interest accrued to settlement, is hereby accepted.

2. Bond Terms.

(a) Original Issue Date; Denominations; Maturities. The Bonds shall dated November 1, 2011, 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 February 1 in the years and amounts as follows:

Year	Amount	Year	Amount
2013		2018	
2014		2019	
2015		2020	
2016		2021	
2017		2022	

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 Bond(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 Bonds, and to this end:

(i) The Bonds 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 Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraph 11 Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Bond.

(ii) Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by the Bond 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 Bonds neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the "Participant") or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Bond 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 Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, 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 Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (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 Bonds are credited on the record date identified in a listing attached to the omnibus proxy.

(iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, 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 Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to the Holder or the Holders of the Bonds 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 Bonds to the extent of the sum or sums so paid.

(v) Upon delivery by the Depository to the Bond 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 Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Bond 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 Bonds (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 Bonds, collectively hereinafter referred to as the "Letter of Representations").

(vii) All transfers of beneficial ownership interests in each Bond 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 Bonds.

(viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond 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 Bond Registrar may establish a special record date for such consent or other action. The City or the Bond 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 Bond 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.

(x) In the case of a partial prepayment of a Bond, the Holder may, in lieu of surrendering the Bonds for a Bond of a lesser denomination as provided in paragraph 5 hereof, make a notation of the reduction in principal amount on the panel provided on the Bond stating the amount so redeemed.

(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 Bonds 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 Bond 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 Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds 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 Bonds shall designate at that time, in accordance with paragraph 11. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 11, the Bonds 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. Allocation of Bonds to Prior 2004 Bonds and Prior 2006 Bonds; Allocation of Prepayments to Portions of Debt Service. The aggregate principal amount of $_____ maturing in each of the years and amounts hereinafter set forth are issued to refund the Prior 2006 Bonds (the "Crossover Refunding Portion"). The aggregate principal amount of $_____ maturing in each of the years and amounts hereinafter set forth are issued to refund the Prior 2004 Bonds (the "Current Refunding Portion").

Year	Crossover Refunding Portion	Current Refunding Portion	Total
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			

If Bonds are prepaid, the prepayments shall be allocated to the portions of debt service (and hence allocated to the payment of Bonds treated as relating to a particular portion of debt service) as provided in this paragraph. If the source of prepayment is the general fund of the

City, or other generally available source, the prepayment may be allocated to either of the portions of debt service in such amounts as the City shall determine. If the source of a prepayment is special assessments or taxes pledged to the Prior Bonds, the prepayment shall be allocated to either or both portions of debt service.

4. Purpose; Refunding Findings. The Bonds shall provide funds for a crossover refunding of the Refunded 2006 Bonds and a current refunding of the Refunded 2004 Bonds (together, the "Refunding"). It is hereby found, determined and declared that the Refunding is pursuant to Minnesota Statutes, Section 475.67, Subdivision 13, with respect to the crossover refunding, and as of the crossover date, shall result in a reduction of the present value of the dollar amount of the debt service to the City from a total dollar amount of $_____ for the Prior 2006 Bonds to a total dollar amount of $_____ for the Crossover Refunding Portion of the Bonds, computed in accordance with the provisions of Minnesota Statutes, Section 475.67, Subdivision 12, and accordingly the dollar amount of such present value of the debt service for the Crossover Refunding Portion of the Bonds is lower by at least three percent than the dollar amount of such present value of the debt service for the Prior 2006 Bonds, as required in Minnesota Statutes, Section 475.67, Subdivision 12.

5. Interest. The Bonds shall bear interest payable semiannually on August 1 and February 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2012, 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:

Maturity Year	Interest Rate	Maturity Year	Interest Rate
2013		2018	
2014		2019	
2015		2020	
2016		2021	
2017		2022	

6. Optional Redemption. All Bonds maturing on February 1, 2020 and thereafter, shall be subject to redemption and prepayment at the option of the City on February 1, 2019, 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 maturities and the principal amounts within each maturity to be redeemed shall be determined by the City; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds 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 Bonds.

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

To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar prior to giving notice of redemption shall assign to each Bond having a common maturity date a distinctive number for each $5,000 of the principal amount of such Bond. The Bond 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 Bonds, as many numbers as, at $5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond 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 Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the City or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the City and Bond 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 Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds 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 Bond so surrendered.

7. Bond Registrar. Northland Trust Services, Inc., in Minneapolis, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and Bond Registrar shall execute which is consistent herewith. The Bond 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 and paragraph 12.

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

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EXHIBIT A

NOTICE OF CALL FOR REDEMPTION

GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2004A
CITY OF WELLS, FARIBAULT COUNTY, MINNESOTA

NOTICE IS HEREBY GIVEN that by order of the City Council of the City of Wells, Faribault County, Minnesota, there have been called for redemption and prepayment on

February 1, 2012

those outstanding bonds of the City designated as General Obligation Improvement Bonds, Series 2004A, dated July 1, 2004, having stated maturity dates, or are subject to mandatory redemption, in the years 2013 through 2020, totaling $225,000 in principal amount and having CUSIP numbers listed below:

Year	CUSIP No.	Outstanding Amount	Refunded Amount
2014	949833HC4	$70,000	$50,000
2016	949833HEO	50,000	50,000
2018	949833HG5	60,000	60,000
2020	949833HJ9	65,000	65,000

The bonds are being called at a price of par plus accrued interest to February 1, 2012, on which date all interest on the bonds will cease to accrue. Holders of the bonds hereby called for redemption are requested to present their bonds for payment at U.S. Bank National Association, Attention: Paying Agent Services, 60 Livingston Avenue, St. Paul, Minnesota 55107.

Dated: October 11, 2011.

BY ORDER OF THE CITY COUNCIL

/s/ Jeremy Germann
Administrator

*The City shall not be responsible for the selection of or use of the CUSIP numbers, nor is any representation made as to their correctness indicated in the notice. They are included solely for the convenience of the holders.