

SUPPLEMENTAL PACKET



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\$3,760,000^(a)

CITY OF AFTON, MINNESOTA

GENERAL OBLIGATION TEMPORARY IMPROVEMENT BONDS, SERIES 2015A

(BOOK ENTRY ONLY)

AWARD: PIPER JAFFRAY & CO.

SALE: March 25, 2015 Standard & Poor's Rating: SP-1+

Bidder	Interest Rates	Price	Net Interest Cost	True Interest Rate
PIPER JAFFRAY & CO.	0.75% April 1, 2017	\$3,749,359.20 ^(b)	\$65,865.80 ^(b)	0.8961% ^(b)
UNITED BANKERS' BANK	0.80% April 1, 2017	\$3,747,780.00	\$71,126.67	0.9679%
NORTHLAND SECURITIES, INC.	1.00% April 1, 2017	\$3,759,699.20	\$73,934.13	1.0041%
BOSC, INC., A SUBSIDIARY OF, BOK FINANCIAL CORP.	1.25% April 1, 2017	\$3,776,694.40	\$75,347.27	1.0204%
OPPENHEIMER & CO. INC.	1.00% April 1, 2017	\$3,754,548.00	\$79,085.33	1.0750%

REOFFERING SCHEDULE OF THE PURCHASER

<u>Rate</u>	<u>Year</u>	<u>Yield</u>
0.75%	2017	0.70%

BBI: 3.52%
Average Maturity: 1.958 Years

^(a) Subsequent to bid opening, the issue size decreased from \$3,760,000 to \$3,755,000.

^(b) Subsequent to bid opening, the price, net interest cost, and true interest rate have changed to \$3,744,373.35, \$65,778.21, and 0.8961%, respectively.

Piper Jaffray - Minneapolis, MN's Bid



**City of Afton, Minnesota
\$3,760,000 \$3,755,000 General Obligation Temporary Improvement
Bonds, Series 2015A**

For the aggregate principal amount of ~~\$3,760,000.00~~ \$3,755,000.00, we will pay you ~~\$3,740,350.20~~ \$3,744,373.35, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate:

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price	Bond Insurance
04/01/2017	3,760M 3,755M	0.7500	0.7000	100.047	

Total Interest Cost:	\$55,225.00	\$55,151.56
Discount:	\$10,640.80	\$10,626.65
Net Interest Cost:	\$65,865.80	\$65,778.21
TIC:	0.896139%	0.8961388%
Total Insurance Premium:		\$0.00

Time Last Bid Received On: 03/25/2015 9:58:19 CDST

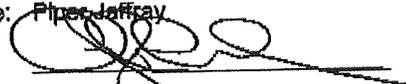
This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Piper Jaffray, Minneapolis, MN
Contact: Chris Coleman
Telephone: 612-303-2051

Issuer Name: City of Afton, MN

Company Name: Piper Jaffray

Accepted By: _____

Accepted By: 

Date: March 25, 2015

Date: March 25, 2015

\$3,755,000

City of Afton, Minnesota
General Obligation Temporary Improvement Bonds, Series 2015A

Sources & Uses

Dated 04/16/2015 | Delivered 04/16/2015

Sources Of Funds

Par Amount of Bonds.....	\$3,755,000.00
Reoffering Premium.....	1,764.85
Total Sources.....	\$3,756,764.85

Uses Of Funds

Deposit to Construction Account.....	\$3,700,000.00
Costs of Issuance.....	44,373.35
Total Underwriter's Discount (0.330%).....	12,391.50
Total Uses.....	\$3,756,764.85

\$3,755,000

City of Afton, Minnesota
General Obligation Temporary Improvement Bonds, Series 2015A

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
04/01/2017	Serial Coupon	0.750%	0.700%	3,755,000.00	100.047% c	0.726%	04/01/2016	100.000%	3,756,764.85
Total		-	-	-	\$3,755,000.00	-	-	-	\$3,756,764.85

Bid Information

Par Amount of Bonds.....	\$3,755,000.00
Reoffering Premium or (Discount).....	1,764.85
Gross Production.....	\$3,756,764.85
Total Underwriter's Discount (0.330%).....	\$(12,391.50)
Bid (99.717%).....	3,744,373.35
Total Purchase Price.....	\$3,744,373.35
Bond Year Dollars.....	\$7,353.54
Average Life.....	1.958 Years
Average Coupon.....	0.7500000%
Net Interest Cost (NIC).....	0.8945106%
True Interest Cost (TIC).....	0.8961388%

\$3,755,000

City of Afton, Minnesota

General Obligation Temporary Improvement Bonds, Series 2015A

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
10/01/2015	-	-	12,907.81	12,907.81
04/01/2016	-	-	14,081.25	14,081.25
10/01/2016	-	-	14,081.25	14,081.25
04/01/2017	3,755,000.00	0.750%	14,081.25	3,769,081.25
Total	\$3,755,000.00	-	\$55,151.56	\$3,810,151.56

SIGNIFICANT DATES

Dated Date.....	4/16/2015
Delivery Date.....	4/16/2015
First Coupon Date.....	10/01/2015

Yield Statistics

Bond Year Dollars.....	\$7,353.54
Average Life.....	1.958 Years
Average Coupon.....	0.7500000%
Net Interest Cost (NIC).....	0.8945106%
True Interest Cost (TIC).....	0.8961388%
Bond Yield for Arbitrage Purposes.....	0.7007582%
All Inclusive Cost (AIC).....	1.4504914%

IRS Form 8038

Net Interest Cost.....	0.7256589%
Weighted Average Maturity.....	1.958 Years

\$3,755,000**City of Afton, Minnesota****General Obligation Temporary Improvement Bonds, Series 2015A****Post-Sale Tax Levies**

Payment Date	Principal	Coupon	Interest	Total P+I	105% Overlevy	Levy Amount	Levy/Collect Year
04/01/2016	-	-	26,989.06	26,989.06	28,338.52	28,338.52 *	2014/2015
04/01/2017	3,755,000.00	0.750%	28,162.50	3,783,162.50	3,972,320.63	3,972,320.63 *	2015/2016
Total	\$3,755,000.00	-	\$55,151.56	\$3,810,151.56	\$4,000,659.14	\$4,000,659.14	-

* Available City funds will be used to pay the interest due on the Bonds. On or before April 1, 2017, the City expects to redeem the outstanding principal of and accrued interest on the Bonds.

\$3,755,000

City of Afton, Minnesota
General Obligation Temporary Improvement Bonds, Series 2015A

Settlement Report

Dated 04/16/2015 | Delivered 04/16/2015

Price.....	\$3,744,373.35
Total Purchase Price.....	\$3,744,373.35
Good Faith Deposit.....	(37,600.00)
Due at Closing.....	\$3,706,773.35

\$3,755,000

City of Afton, Minnesota
General Obligation Temporary Improvement Bonds, Series 2015A

Proof Of Bond Yield @ 0.7007582%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
04/16/2015	-	1.0000000x	-	-
10/01/2015	12,907.81	0.9967989x	12,866.49	12,866.49
04/01/2016	3,769,081.25	0.9933186x	3,743,898.36	3,756,764.85
Total	\$3,781,989.06	-	\$3,756,764.85	-

Derivation Of Target Amount

Par Amount of Bonds.....	\$3,755,000.00
Reoffering Premium or (Discount).....	1,764.85
Original Issue Proceeds.....	\$3,756,764.85

\$3,755,000**City of Afton, Minnesota****General Obligation Temporary Improvement Bonds, Series 2015A****Derivation Of Form 8038 Yield Statistics**

Maturity	Issuance Value	Price	Issuance Price	Exponent	Bond Years
04/16/2015	-	-	-	-	-
04/01/2017	3,755,000.00	100.047%	3,756,764.85	1.9583333x	7,356,997.83
Total	\$3,755,000.00	-	\$3,756,764.85	-	\$7,356,997.83

IRS Form 8038

Weighted Average Maturity = Bond Years/Issue Price.....	1.958 Years
Total Interest from Debt Service.....	55,151.56
Reoffering (Premium) or Discount.....	(1,764.85)
Total Interest.....	53,386.71
NIC = Interest / (Issue Price * Average Maturity).....	0.7256589%
Bond Yield for Arbitrage Purposes.....	0.7007582%

\$3,755,000**City of Afton, Minnesota**General Obligation Temporary Improvement Bonds, Series 2015A

Proof of Premium/5Yr Call Bond Selection of Call Dates/Prices

Maturity	Call Date	Call Price	PV at Bond Yield	Lowest?
04/01/2017	-	-	3,758,591.92	No
04/01/2017	04/01/2016	100.000%	3,756,764.85	Yes

\$3,755,000

City of Afton, Minnesota
General Obligation Temporary Improvement Bonds, Series 2015A

Proof of D/S for Arbitrage Purposes

Date	Principal	Interest	Total
04/16/2015	-	-	-
10/01/2015	-	12,907.81	12,907.81
04/01/2016	3,755,000.00	14,081.25	3,769,081.25
Total	\$3,755,000.00	\$26,989.06	\$3,781,989.06

\$3,755,000**City of Afton, Minnesota****General Obligation Temporary Improvement Bonds, Series 2015A****Bond Balance Report**

Date	Principal	Coupon	Interest	Total P+I	Bond Balance
10/01/2015	-	-	12,907.81	12,907.81	3,755,000.00
04/01/2016	-	-	14,081.25	14,081.25	3,755,000.00
10/01/2016	-	-	14,081.25	14,081.25	3,755,000.00
04/01/2017	3,755,000.00	0.750%	14,081.25	3,769,081.25	-
Total	\$3,755,000.00	-	\$55,151.56	\$3,810,151.56	-

RESOLUTION 2015-29

CITY OF AFTON
WASHINGTON COUNTY, MINNESOTA

Special City Council Meeting Held: March 25, 2015

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$3,755,000
GENERAL OBLIGATION TEMPORARY IMPROVEMENT BONDS, SERIES 2015A,
PLEDGING FOR THE SECURITY THEREOF SPECIAL ASSESSMENTS AND
LEVYING A TAX FOR THE PAYMENT THEREOF**

A. WHEREAS, the City Council of the City of Afton, Minnesota (the "City") has heretofore determined and declared that it is necessary and expedient to issue \$3,755,000 General Obligation Temporary Improvement Bonds, Series 2015A (the "Bonds" or individually, a "Bond"), pursuant to Minnesota Statutes, Chapters 475 and 429 to temporarily finance various improvement projects within the City (the "Improvements"); and

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

C. WHEREAS, the City has retained Springsted Incorporated, in St. Paul, Minnesota ("Springsted"), 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 Springsted; and

D. WHEREAS, the proposals set forth on Exhibit A attached hereto were received by the Administrator, or designee, at the offices of Springsted, at 10:00 A.M. this same day pursuant to the Terms of Proposal established for the Bonds; and

E. 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 Afton, Minnesota, as follows:

1. Acceptance of Proposal. The offer of Piper Jaffray in Minneapolis, Minnesota (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 \$3,744,373.35, plus interest accrued to settlement, is hereby accepted.

2. Bond Terms.

(a) Original Issue Date; Denominations; Maturity. The Bonds shall be dated as of the date of delivery, as the date of original issue, issued forthwith on or after such date in fully registered form, numbered R 1 in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations") and shall all mature on April 1, 2017, unless called for earlier redemption.

(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 paragraphs 5 and 10 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 fifteen 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, 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 10. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10, the Bonds will be delivered to the Beneficial Owners.
 - (iii) Nothing in this subparagraph (d) 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 Bonds shall provide funds to temporarily finance the Improvements. The total cost of the Improvements, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. Work on the Improvements shall proceed with due diligence to completion. The City covenants that it shall do all things and perform all acts required of it to assure that work on the

Improvements proceeds with due diligence to completion and that any and all permits and studies required under law for the Improvements are obtained.

4. Interest. The Bonds shall all bear interest payable semiannually on April 1 and October 1 of each year (each, an "Interest Payment Date"), commencing October 1, 2015, calculated on the basis of a 360-day year of twelve 30-day months, at the rate of 0.75% per annum.

5. Redemption. The Bonds shall be subject to redemption and prepayment at the option of the City on April 1, 2016, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part. If redemption is in part, 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.

To effect a partial redemption of Bonds, the Bond Registrar prior to giving notice of redemption shall assign to each Bond 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.

6. Bond Registrar. U.S. Bank National Association, in St. Paul, 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.

7. 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:

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

R- _____ \$ _____

GENERAL OBLIGATION TEMPORARY IMPROVEMENT BOND, SERIES 2015A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	April 1, 2017	_____, 2015	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Afton, Washington 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, unless called for earlier redemption, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon semiannually on April 1 and October 1 of each year (each, an "Interest Payment Date"), commencing October 1, 2015, 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 Bond 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 Bond are payable upon presentation and surrender hereof at the U.S. Bank National Association, in St. Paul, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond 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 Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. So long as this Bond 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 Bond and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the Resolution, and surrender of this Bond shall not be required for payment of the redemption price upon a partial redemption of this Bond. Until termination of

the book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.

Optional Redemption. All Bonds of this issue (the "Bonds") are subject to redemption and prepayment at the option of the Issuer on April 1, 2016, 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 principal amount to be redeemed shall be determined by the Issuer; and if only part of the Bonds 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 Holder of the Bonds at least thirty days prior to the date fixed for redemption.

Selection of Bonds for Redemption; Partial Redemption. To effect a partial redemption of Bonds, the Bond Registrar shall assign to each Bond 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 assigned to the 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 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 Issuer or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and Bond 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 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.

Issuance; Purpose; General Obligation. This Bond, in the total principal amount of \$3,755,000, has been 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 of the Issuer on March 25, 2015 (the "Resolution"), for the purpose of providing money to temporarily finance various improvement projects within the jurisdiction of the Issuer. This Bond is payable out of the General Obligation Temporary Improvement Bonds, Series 2015A Fund of the Issuer, to which fund there have been irrevocably pledged special assessments anticipated to be received with respect to the improvements financed by the Bonds, and into which fund there are to be paid proceeds of definitive improvement bonds or additional temporary improvement bonds which the Issuer is required by law to issue at or prior to the maturity of this Bond for the purpose of refunding the same if the special assessments theretofore received or collected or any other municipal funds which are properly available and are appropriated by the City Council for such purposes, are not sufficient for the full payment thereof. 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 Bond 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 Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

Transfer. This Bond is transferable by the Holder in person or the Holder's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond 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 Bond Registrar. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds 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 Bond, of the same maturity and bearing interest at the same rate.

Fees upon Transfer or Loss. The Bond 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 Bond 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 Bond 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 Bond Registrar.

Qualified Tax-Exempt Obligations. The Bonds have been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

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

Date of Registration:

Registrable by: U.S. BANK NATIONAL
ASSOCIATION

Payable at: U.S. BANK NATIONAL
ASSOCIATION

BOND REGISTRAR'S
CERTIFICATE OF
AUTHENTICATION

CITY OF AFTON,
WASHINGTON COUNTY, MINNESOTA

This Bond is one of the
Bonds described in the
Resolution mentioned
within.

/s/ Facsimile

Mayor

U.S. BANK NATIONAL
ASSOCIATION, St. Paul, Minnesota
Bond Registrar

/s/ Facsimile

Administrator

By: _____
Authorized Signature

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, 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 Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the Bond 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 Bond 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 Bond Registrar will not effect transfer of this Bond unless the information concerning the transferee requested below is provided.

Name and Address: _____

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

PREPAYMENT SCHEDULE

This Bond has been prepaid in part on the date(s) and in the amount(s) as follows:

<u>DATE</u>	<u>AMOUNT</u>	<u>AUTHORIZED SIGNATURE OF HOLDER</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

8. Execution; Temporary Bonds. The Bonds shall be printed (or, at the request of the Purchaser, typewritten) and 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, however, that the seal of the City may be a printed (or, at the request of the Purchaser, photocopied) facsimile; and provided further that both of such signatures may be printed (or, at the request of the Purchaser, photocopied) facsimiles and the corporate seal may be omitted on the Bonds as permitted by law. In the event of disability or resignation or other absence of either officer, the Bonds may be signed by the manual or facsimile signature of that 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 Bonds shall cease to be such officer before the delivery of the Bonds, 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. The City may elect to deliver, in lieu of printed definitive bonds, one or more typewritten temporary bonds in substantially the form set forth above, with such changes as may be necessary to reflect more than one maturity in a single temporary bond. Such temporary bonds may be executed with photocopied facsimile signatures of the Mayor and Administrator. Such temporary bonds shall, upon the printing of the definitive bonds and the execution thereof, be exchanged therefor and canceled.

9. Authentication. No Bond 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 the Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue, which date is the date of delivery. The Certificate of Authentication so executed on each Bond 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 Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of Bonds and the registration of transfers of Bonds entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond 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 Bonds 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 Bond may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Bonds may be exchanged for Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever

any Bonds are so surrendered for exchange, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration of, and deliver the Bonds which the Holder making the exchange is entitled to receive.

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

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

Every Bond 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 Bond Registrar, duly executed by the Holder thereof or his, her or its attorney duly authorized in writing

The Bond 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 Bond and any legal or unusual costs regarding transfers and lost Bonds.

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

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

12. Interest Payment; Record Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the City maintained by the Bond 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 Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten days prior to the Special Record Date.

13. Treatment of Registered Owner. The City and Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond 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 Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

14. Delivery; Application of Proceeds. The Bonds when so prepared and executed shall be delivered by the Administrator 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 Temporary Improvement Bonds, Series 2015A Fund" (the "Fund") to be administered and maintained by the Administrator 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 and the interest thereon have been fully paid. There shall be maintained in the Fund the "Construction Account" and "Debt Service Account":

(a) Construction Account. To the Construction Account shall be credited the proceeds of the sale of the Bonds, less any accrued and capitalized interest, and less any amount paid for the Bonds in excess of the minimum bid, plus any special assessments levied with respect to the Improvements and collected prior to completion of the Improvements and payment of the costs thereof. From the Construction Account there shall be paid all costs and expenses of making the Improvements listed in paragraph 16, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65; and the moneys in the Construction Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bonds may also be used to the extent necessary to pay interest on the Bonds due prior to the anticipated date of commencement of the receipt of the collection of taxes or special assessments herein levied or covenanted to be levied; and provided further that if upon completion of the Improvements there shall remain any unexpended balance in the Construction Account, the balance (other than any special assessments) may be transferred by the Council to the Debt Service Account or the fund of any other improvement instituted pursuant to Minnesota Statutes, Chapter 429, and provided further that any special assessments credited to the Construction Account shall only be applied towards payment of the costs of the Improvements upon adoption of a resolution by the City Council determining that the application of the special assessments for such purpose will not cause the City to no longer be in compliance with Minnesota Statutes, Section 475.61, Subdivision 1.

(b) Debt Service Account. There are hereby irrevocably appropriated and pledged to, and there shall be credited to, the Debt Service Account: (i) all collections of special assessments herein covenanted to be levied with respect to the Improvements and either initially credited to the Construction Account and not already spent a permitted above and required to pay any principal and interest due on the Bonds or collected subsequent to the completion of the Improvements and payment of the costs thereof; (ii) all accrued interest received upon delivery of the Bonds; (iii) available funds of the Issuer sufficient to pay interest due on the Bonds on or before October 1, 2015 and April 1, 2016; (iv) all collections of taxes levied for the payment of the Bonds; (v) all funds remaining in the Construction Account after completion of the Improvements and payment of the costs thereof; (vi) the proceeds of the definitive improvement bonds in an amount, together with other moneys then on hand irrevocably appropriated to said account, as is necessary to pay the principal of, and interest on, the Bonds; (vii) all investment earnings on funds held in the Debt Service Account; and (viii) 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 and any premiums for redemption of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from the account as provided by law.

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 Construction Account or the Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the bonds 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 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").

16. Pledge of Proceeds of Definitive Improvement Bonds, Special Assessments; Coverage Test. To provide moneys for the prompt and full payment of principal and interest on the Bonds, the City shall issue and sell the definitive improvement bonds for delivery and payment at or prior to the maturity date of the Bonds. The proceeds of the definitive improvement bonds, together with estimated special assessments and the tax levy for the Improvements to be received before the maturity date of the Bonds, are hereby found, determined and declared to be sufficient in amount to pay when due one hundred five percent of the principal of and interest on the Bonds.

17. Conditions Prior to Issuance of Definitive Improvement Bonds. It is hereby found, determined and declared that all conditions precedent to the offering of definitive improvement bonds of the City to refund the Bonds to the extent necessary within the meaning of Minnesota Statutes, Section 475.61, Subdivision 5, have been met and exist.

18. Assessments. It is hereby determined that no less than twenty percent of the cost to the City of each Improvement financed hereunder within the meaning of Minnesota Statutes, Section 475.58, Subdivision 1(3), shall be paid by special assessments to be levied against every assessable lot, piece and parcel of land benefited by any of the Improvements. The City hereby covenants and agrees that it will let all construction contracts not heretofore let within one year after ordering each Improvement financed hereunder unless the resolution ordering the Improvement specifies a different time limit for the letting of construction contracts. The City hereby further covenants and agrees that it will do and perform as soon as they may be done all acts and things necessary for the final and valid levy of such special assessments, and in the event that any such assessment be at any time held invalid with respect to any lot, piece or parcel of land due to any error, defect, or irregularity in any action or proceedings taken or to be taken by the City or the City Council or any of the City officers or employees, either in the making of

the assessments or in the performance of any condition precedent thereto, the City and the City Council will forthwith do all further acts and take all further proceedings as may be required by law to make the assessments a valid and binding lien upon such property.

19. Tax Levy; Coverage Test. To provide moneys for payment of the principal and interest on the Bonds for the interest payment dates of October 1, 2016 and April 1, 2017 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>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
2014-2015	2015-2016	See attached schedule

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

20. Bondholder Covenant. The provisions of this resolution constitute a covenant with the Holder of the Bonds and the definitive improvement bonds to be issued to refund the Bonds and, with respect to the payment of funds to the Debt Service Account, a pledge of those funds for the benefit of the holder of the Bonds payable therefrom.

21. 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 hereby irrevocably pledged. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds 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. 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 Bond 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 Bond 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 Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond 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 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.

23. 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 Bonds, 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 60 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 Bonds, 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 Bonds.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Bonds 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 Bonds 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 30 days after the Bonds are issued, shall be treated as made on the day the Bonds 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 Bonds stating in effect that such action will not impair the tax-exempt status of the Bonds.

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

26. 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.

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

28. 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 (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Bonds, and (iii) 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 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 Bonds are issued by a governmental unit with general taxing powers; (ii) no Bond is a private activity bond; (iii) 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); 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 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.

29. 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 this calendar year 2015 will not exceed \$10,000,000;

(e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2015 have been 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.

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.

30. 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.

31. 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.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF AFTON THIS 25TH DAY OF MARCH, 2015.

SIGNED:

Richard Bend, Mayor

ATTEST:

Ronald J. Moore, City Administrator

Motion by: _____
Second by: _____
Palmquist: _____
Richter: _____
Ross: _____
Nelson: _____
Bend: _____

EXHIBIT A



Springsted Incorporated
 380 Jackson Street, Suite 300
 Saint Paul, MN 55101-2887
 Tel: 651-223-3000
 Fax: 651-223-3002
 Email: advisors@springsted.com
 www.springsted.com

\$3,760,000^(a)

CITY OF AFTON, MINNESOTA

GENERAL OBLIGATION TEMPORARY IMPROVEMENT BONDS, SERIES 2015A

(BOOK ENTRY ONLY)

AWARD: PIPER JAFFRAY & CO.

SALE: March 25, 2015 Standard & Poor's Rating: SP-1+

Bidder	Interest Rates	Price	Net Interest Cost	True Interest Rate
PIPER JAFFRAY & CO.	0.75% April 1, 2017	\$3,749,359.20 ^(b)	\$65,865.80 ^(b)	0.8961% ^(b)
UNITED BANKERS' BANK	0.80% April 1, 2017	\$3,747,780.00	\$71,126.67	0.9679%
NORTHLAND SECURITIES, INC.	1.00% April 1, 2017	\$3,759,699.20	\$73,934.13	1.0041%
BOSC, INC., A SUBSIDIARY OF, BOK FINANCIAL CORP.	1.25% April 1, 2017	\$3,776,694.40	\$75,347.27	1.0204%
OPPENHEIMER & CO. INC.	1.00% April 1, 2017	\$3,754,548.00	\$79,085.33	1.0750%

REOFFERING SCHEDULE OF THE PURCHASER

Rate	Year	Yield
0.75%	2017	0.70%

BBI: 3.52%
 Average Maturity: 1.958 Years

^(a) Subsequent to bid opening, the issue size decreased from \$3,760,000 to \$3,755,000.

^(b) Subsequent to bid opening, the price, net interest cost, and true interest rate have changed to \$3,744,373.35, \$65,778.21, and 0.8961%, respectively.

\$3,755,000

City of Afton, Minnesota
General Obligation Temporary Improvement Bonds, Series 2015A

Post-Sale Tax Levies

Payment Date	Principal	Coupon	Interest	Total P+I	105% Overlevy	Levy Amount	Levy/Collect Year
04/01/2016	-	-	26,989.06	26,989.06	28,338.52	28,338.52 *	2014/2015
04/01/2017	3,755,000.00	0.750%	28,162.50	3,783,162.50	3,972,320.63	3,972,320.63 *	2015/2016
Total	\$3,755,000.00	-	\$55,151.56	\$3,810,151.56	\$4,000,659.14	\$4,000,659.14	-

* Available City funds will be used to pay the interest due on the Bonds. On or before April 1, 2017, the City expects to redeem the outstanding principal of and accrued interest on the Bonds.

Technology and High Speed Internet Access Committee Applicants

Marc Porupsky

Joel Hampton

Roger Larson

Van Fayler

Yung Yip

Natural Resources and Groundwater Committee Applicants

Mark Have

Jill Chezik

Christa Bren

Susan Winsor

Perry Eggers

Sondra Larson (see back of page)

RECEIVED

MAR 24 2015

CITY OF AFTON
APPLICATION FOR APPOINTMENT TO A CITY
COMMITTEE OR COMMISSION

CITY OF AFTON

DATE 3/23/15 PLEASE CHECK ONE: New Application Reappointment

NAME Sondra Larson

ADDRESS PO Box 184 AFTON, MN 55001
(Provide P O Box if applicable)

HOME PHONE _____ CELL 651-491-8354 WORK _____

EMAIL ADDRESS sondralars@gmail.com

YEARS AS AFTON RESIDENT 1.5 WARD # 1

1. COMMITTEE OR COMMISSION YOU ARE APPLYING FOR?

Natural Resources and Groundwater Committee

2. CURRENT OR PREVIOUS PARTICIPATION ON AFTON CITY OR CIVIC
COMMITTEES, COMMISSIONS, PROJECTS: none

3. OTHER CITIZEN, PROFESSIONAL OR POLITICAL EXPERIENCE YOU FEEL IS
RELEVANT TO SERVING ON THIS COMMITTEE/COMMISSION:

3. I am a student at the University of Minnesota studying Environmental Science, Policy and Management, specifically Conservation Resource Management. I have completed a number of environmental science courses covering a wide range of topics such as pollution prevention, contaminant hydrology and local and national environmental policies. I recently completed my Senior Capstone project where we worked with the City of White Bear Lake to design a comparative analysis of water conservation policy options for the city to consider for the future that consisted of a written report and a presentation to the city council. We researched current policy, analyzed our data and findings and made recommendations for improved policy.

4. WHAT DO YOU SEE AS THE CRITICAL OBLIGATION FOR A MEMBER OF THIS
COMMITTEE/COMMISSION? See attached

4. I believe that as a member of Afton's Natural Resources and Groundwater Committee one has the obligation to bring whatever knowledge and passion one has gained from study or experience to collaborate with other committee members in upholding the city of Afton's comprehensive plan with respect to the city's natural resources and groundwater. On a personal level, I would love to be involved with this committee to learn more about how local city government works, how I can apply what I have learned in my studies to the real world and to directly have an impact on preserving the natural environment of the city in which I live.

*** Please submit your application to ***

City of Afton
3033 St. Croix Trail South
PO Box 219
Afton, MN 55001
Or email: deputyclerk@ci.afton.mn.us or fax: (651) 436-1453