

EXTRACT OF MINUTES OF A MEETING OF THE
TOWN BOARD OF THE
AVON TOWNSHIP, MINNESOTA

HELD: 21 April, 2010

Pursuant to due call and notice thereof, a regular meeting of the Town Board of the Avon Township, Stearns County, Minnesota, was duly held at the Township Hall in the Township of Avon on the 19th day of April, 2010, beginning at 7:00 o'clock P.M. for the purpose, in part, of authorizing the competitive negotiated sale of the \$560,000 General Obligation Certificates of Indebtedness, Series 2010A, of said Township.

The following Board members were present:

and the following were absent:

Board member _____ introduced the following resolution and moved its adoption:

RESOLUTION _____
PROVIDING FOR THE COMPETITIVE NEGOTIATED SALE OF
\$560,000 GENERAL OBLIGATION CERTIFICATES OF INDEBTEDNESS, SERIES 2010A

A. WHEREAS, the Town Board of the Avon Township, Minnesota (the "Township"), has heretofore determined that it is necessary and expedient to issue the Township's \$560,000 General Obligation Certificates of Indebtedness, Series 2010A (the "Bonds"), to finance a new Town Hall and maintenance facility located within the Township and;

B. WHEREAS, the Township has retained David Drown Associates, Inc., in Minneapolis, Minnesota ("David Drown"), as its independent financial advisor for the Bonds and is therefore authorized to sell the Bonds by a competitive negotiated sale in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9):

NOW, THEREFORE, BE IT RESOLVED by the Town Board of the Avon Township, Minnesota, as follows:

1. Authorization. The Council hereby authorizes David Drown to solicit bids for the competitive negotiated sale of the Bonds.

2. Meeting: Bid Opening. The Council shall meet at the time and place specified in the Terms of Offering attached hereto as Exhibit A for the purpose of considering sealed bids for, and awarding the sale of, the Bonds. The Township Clerk, or designee, shall open bids at the time and place specified in such Terms of Offering.

3. Terms of Offering. The terms and conditions of the Bonds and the negotiation thereof are fully set forth in the "Terms of Offering" attached hereto as Exhibit A and hereby approved and made a part hereof.

4. Official Statement. In connection with said competitive negotiated sale, the officers or employees of the Township are hereby authorized to cooperate with David Drown and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the Township upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by Board member _____ and, after full discussion thereof and upon a vote being taken thereon, the following Board members voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Approved this 21st day of April, 2010.

STATE OF MINNESOTA)
COUNTY OF STEARNS)
AVON TOWNSHIP)

I, the undersigned, being the duly qualified and acting Clerk of Avon Township, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the Town Board of said Township, duly called and held on the date therein indicated, insofar as such minutes relate to the Township's \$560,000 General Obligation Certificates of Indebtedness, Series 2010A.

WITNESS my hand as such Clerk-Treasurer of the Township this 21st day of April 2010.

Stephen Saupe
Acting Township Clerk

EXHIBIT A

TERMS OF OFFERING

Avon Township, Minnesota

\$560,000

General Obligation Certificates of Indebtedness, Series 2010A

(or: Taxable G.O. Certificates of Indebtedness, Series 2010A – Build America Bonds)

(BOOK ENTRY ONLY)

TERMS OF PROPOSAL

Proposals for the Bonds will be received on Wednesday, May 19, 2010 at 11:00 A.M. Central Time, at the offices of David Drown Associates, Inc., 5029 Upton Avenue South, Minneapolis, Minnesota, after which time they will be opened and tabulated. Consideration for award of the Bonds will be by the Town Board at 7:00 P.M., Central Time, on that same date.

SUBMISSION OF PROPOSALS

Proposals may be submitted in a sealed envelope or by fax (612) 605-2375 to David Drown Associates, Inc. Signed Proposals, without final price or coupons, may be submitted to David Drown Associates, Inc. prior to the time of sale. The bidder shall be responsible for submitting to David Drown Associates, Inc. the final Proposal price and coupons, by telephone (612) 920-3320 or fax (612) 605-2375 for inclusion in the submitted Proposal. David Drown Associates, Inc. will assume no liability for the inability of the bidder to reach David Drown Associates, Inc. prior to the time of sale specified above.

Notice is hereby given that electronic proposals will be received via PARITY[®], in the manner described below, until 11:00 A.M., local time on May 19th 2010. Bids may be submitted electronically via PARITY[®] pursuant to this Notice until 11:00 A.M., local time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY[®] conflict with this Notice, the terms of this Notice shall control. For further information about PARITY[®], potential bidders may contact David Drown Associates, Inc. or PARITY[®] at (212) 806-8304.

Neither the Avon Township nor David Drown Associates, Inc. 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 Township to purchase the Bonds regardless of the manner of the Proposal submitted.

DETAILS OF THE BONDS

The Bonds will be dated June 1, 2010, as the date of original issue, and will bear interest payable on June 1 and December 1 of each year, commencing June 1, 2011. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Bonds will mature December 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
2011	\$ 50,000
2012	60,000
2013	60,000
2014	60,000
2015	60,000
2016	65,000
2017	65,000
2018	70,000
2019	70,000

TERM BOND OPTION

Bids for the bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds; provided that no serial bond may mature on or after the first mandatory sinking fund redemption date of any term bond. All term bonds shall be subject to mandatory sinking fund redemption and must conform to the maturity schedule set forth above at a price of par plus accrued interest to the date of redemption. In order to designate term bonds, the bid must specify as provided on the Proposal Form.

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 Township will name U.S. Bank National Association, St. Paul, MN, as registrar for the Bonds. U.S. Bank Trust shall be subject to applicable SEC regulations. The Township will pay for the services of the registrar.

OPTIONAL REDEMPTION

The Township may elect on December 1, 2016 and on any day thereafter, to prepay Bonds due on or after December 1, 2017. Redemption may be in whole or in part and if in part at the option of the Township and in such manner as the Township shall determine. If less than all Bonds of a maturity are called for redemption, the Township will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments shall be at a price of par plus accrued interest.

EXTRAORDINARY REDEMPTION (if Taxable Build America Bonds)

Upon the occurrence of an Extraordinary Event, the Township may elect on February 1, 2011 and any day thereafter to prepay the Bonds due on or after February 1, 2012. Redemption may be in whole or in part at a price of par plus accrued interest.

An "Extraordinary Event" will have occurred if a material adverse change has occurred to Section 54AA of 6431 of the Code (as such Sections were added by Section 1531 of the Recovery Act, pertaining to "Build America Bonds") pursuant to which the Township's 35% direct payment credit from the United States Treasury is reduced or eliminated.

SECURITY AND PURPOSE

The Bonds will be general obligations of the Township for which the Township will pledge its full faith and credit and power to levy direct general ad valorem taxes.

TYPE OF PROPOSALS

Proposals shall be for not less than \$554,400 (99%) and accrued interest on the total principal amount of the Bonds. The apparent low-bidder as notified by David Drown Associates, Inc. shall wire, to a designated account, a good faith amount of \$11,200 by 3:00 p.m. on the date of sale. If the good faith wire transfer is not in process prior to the award, the Township shall retain the right to reject the bid. In the event the purchaser fails to comply with the accepted proposal, said amount will be retained by the Township. No proposal can be withdrawn or amended after the time set for receiving proposals unless the meeting of the Township scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Rates shall be in integral multiples of 5/100 or 1/8 of 1%. Rates must be in ascending order. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted.

BIDDING PARAMETERS - TAXABLE BUILD AMERICA BONDS

To comply with the "Build America Bond" provisions of the Internal Revenue Code of 1986, as amended (the "Code"), each proposal for the Bonds must specify the expected reoffering price for each maturity of the Bonds, and (i) each actual reoffering price paid by the public or any broker, dealer, bondhouse or underwriter cannot exceed the par amount of the maturity by more than .25% multiplied by the number of complete years to the earlier of the maturity date or the first optional redemption date for the maturity of the Bonds and (ii) in the initial offering period, no bond may be sold to the public by any broker, dealer, bondhouse or underwriter, including any such entity who purchases the Bonds in an inter-dealer transaction, for a price in excess of such limit unless the IRS provides authoritative guidance to the contrary.

Proposals for the Bonds, if bidding as Taxable Build America Bonds, shall be for not less than \$554,400 or for not more than a de minimis premium as described below:

<u>Year</u>	<u>Maximum Permitted Price</u>
2011	100.25
2012	100.50
2013	100.75
2014	101.00
2015	101.25
2016	101.50
2017	101.75
2018 - 2019	101.75

AWARD

The proposals will be evaluated on the basis of the lowest interest rate to be determined on a net interest cost (NIC) basis. The Township's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. The Township will reserve the right to waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Bonds, reject all proposals without cause, and reject any proposal, which the Township determines to have failed to comply with the terms herein.

The Township reserves the right to award based upon either tax-exempt or taxable proposals without regard to net interest cost.

BOND INSURANCE AT PURCHASER'S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the

option of the underwriter, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the purchaser of the Bonds. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the purchaser, except that, if the Township has requested and received a rating on the Bonds from a rating agency, the Township will pay that rating fee. Any other rating agency fees shall be the responsibility of the purchaser. Failure of the municipal bond insurer to issue the policy after Bonds have been awarded to the purchaser shall not constitute cause for failure or refusal by the purchaser to accept delivery on the Bonds.

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 purchaser shall pay the CUSIP Service Bureau charge for the assignment of CUSIP identification numbers.

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 Township and the purchaser. Delivery will be subject to receipt by the purchaser of an approving legal opinion of bond counsel, 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 Township 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 Township, or its agents, the purchaser shall be liable to the Township for any loss suffered by the Township by reason of the purchaser's non-compliance with said terms for payment.

LIMITED CONTINUING DISCLOSURE

On the date of the actual issuance and delivery of the Bonds, the Township will execute and deliver a Continuing Disclosure Undertaking where under the Township will covenant to provide, or cause to be provided annual financial information, including audited financial statements of the Township, and notices of certain material events, as specified in and required by SEC Rule 15c2-12(b)(5). A description of the Township's undertaking is set forth in the Official Statement.

OFFICIAL STATEMENT

The Township 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 Township, David Drown Associates, Inc., 5029 Upton Avenue South, Minneapolis, Minnesota 55419, and telephone (612) 920-3320.

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 Township 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 Township 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 40 copies of the Official Statement and the addendum or addenda described above. The Township 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 Township (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 21 April, 2010

BY ORDER OF THE TOWN BOARD

/s/ Stephen Saupe
Acting Township Clerk