

Extract of Minutes of Meeting
of the City Council of the
City of Grand Rapids, Itasca County, Minnesota

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Grand Rapids, Minnesota, was duly held in the City Hall in said City on Monday, November 22, 2021, commencing at 5:00 P.M.

The following members were present:

and the following were absent:

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The Mayor announced that the next order of business was consideration of the proposals which had been received for the purchase of the City's (Public Utilities Commission) General Obligation Utility Revenue Refunding Bonds, Series 2021D to be issued in the original aggregate principal amount of \$1,120,000.

The City Administrator presented a tabulation of the proposals that had been received in the manner specified in the Terms of Proposal for the Bonds. The proposals are as set forth in EXHIBIT A attached.

After due consideration of the proposal, Member _____ then introduced the following resolution and moved its adoption:

RESOLUTION NO. 21-___

RESOLUTION AWARDING THE SALE OF (PUBLIC UTILITIES COMMISSION) GENERAL OBLIGATION UTILITY REVENUE REFUNDING BONDS, SERIES 2021D IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,120,000; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; PROVIDING FOR THEIR PAYMENT; AND PROVIDING FOR THE REDEMPTION OF BONDS REFUNDED THEREBY.

BE IT RESOLVED By the City Council (the “City Council”) of the City of Grand Rapids, Itasca County, Minnesota (the “City”) as follows:

Section 1. Background; Findings.

1.01. It is hereby determined that:

(a) the City, through its Public Utilities Commission (the “Commission”), owns and operates as a revenue-producing convenience, systems for the distribution of electricity, production and distribution of water, and collection and treatment of wastewater for the use of the City and its inhabitants and other customers;

(b) the City is authorized by the provisions of Minnesota Statutes, Chapter 475, as amended, and particularly Section 475.67, subdivision 3 to issue and sell its general obligation bonds to refund obligations and the interest thereon before the due date of the obligations, if consistent with covenants made with the holders thereof, when determined by the City Council to be necessary or desirable;

(c) on April 5, 2012, at the request of the Commission, the City issued its (Public Utilities Commission) General Obligation Utility Revenue Bonds, Series 2012D, dated April 1, 2012, in the original aggregate principal amount of \$2,025,000 (the “Series 2012 Bonds”) pursuant to Minnesota Statutes, Section 444.075 and Chapter 475, as amended (collectively, the Act”), in order to undertake improvements to water and sewer facilities within the City (the “Project”), which facilities the City has constructed, owns, and operates through its Commission;

(d) at the request of the Commission, the City has determined that it is necessary and desirable to achieve debt service savings and for the sound financial management of the affairs of the City and the Commission that the City issue its (Public Utilities Commission) General Obligation Utility Revenue Refunding Bonds, Series 2021D (the “Bonds”), in the original aggregate principal amount of \$1,120,000 to redeem and prepay the 2023 through 2033 maturities of the Series 2012 Bonds (the “Refunded Bonds”), of which \$1,170,000 in the principal amount is currently outstanding and callable on February 1, 2022 (the “Redemption Date”); and

(e) the City is authorized by Section 475.60, subdivision 2(9), of the Act to negotiate the sale of the Bonds because the City has retained Ehlers and Associates, Inc. as an independent municipal advisor in connection with such sale. The actions of the City staff and the City’s municipal advisor in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

Section 2. Sale of Bonds.

2.01. Award to the Purchaser and Interest Rates. The proposal of Baird, Milwaukee Wisconsin (the “Purchaser”), to purchase the Bonds of the City is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$1,202,171.14 (par amount of \$1,120,000.00, plus original issue premium of \$91,314.00, less underwriter’s discount of \$9,142.86), for Bonds bearing interest as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Interest Rate</u>
2023	3.000%	2028	3.000%
2024	3.000%	2029	3.000%
2025	3.000%	2030	2.000%
2026	3.000%	2031	2.000%
2027	3.000%	2033*	2.000%

**Term Bond*

2.02. Purchase Contract. Any amount paid by the Purchaser over the minimum purchase price shall be credited to the Debt Service Fund hereinafter created or deposited in the Redemption Fund hereinafter created as determined by the City Administrator and the General Manager of the Commission in consultation with the City’s municipal advisor. The City Administrator is directed to deposit the good faith check or deposit of the Purchaser, pending completion of the sale of the Bonds. The Mayor and City Administrator are directed to execute a contract with the Purchaser on behalf of the City.

2.03. Terms and Principal Amounts of the Bonds. The City will forthwith issue and sell the Bonds to the Purchaser, pursuant to the Act in the original aggregate principal amount of \$1,120,000.00, originally dated as of the date of delivery, in fully registered form and issued in denominations of \$5,000 each or any integral multiple thereof, numbered No. R-1 and upward, bearing interest as above set forth, and maturing on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	\$ 95,000.00	2028	\$110,000.00
2024	100,000.00	2029	100,000.00
2025	100,000.00	2030	100,000.00
2026	105,000.00	2031	100,000.00
2027	110,000.00	2033*	200,000.00

**Term Bond*

2.04. Optional Redemption. The City may elect on February 1, 2030, and on any day thereafter to prepay Bonds maturing on or after February 1, 2031. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 8 hereof) 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. Prepayments will be at a price of par plus accrued interest.

2.05. Mandatory Redemption; Term Bond. The Bond maturing on February 1, 2023 shall hereinafter be referred to as the “Term Bond.” The principal amount of the Term Bond subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bond credited against future mandatory sinking fund redemptions of such Term Bond

in such order as the City shall determine. The Term Bond is subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on February 1 of the following years and in the principal amounts as follows:

Sinking Fund Installment Date

<u>February 1, 2033 Term Bond</u>	<u>Principal Amount</u>
2032	\$100,000
2033*	\$100,000

* *Maturity*

Section 3. Form; Registration.

3.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

3.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2022, to the registered owners thereof of record as of the close of business on the 15th day of the immediately preceding month, whether or not that day is a business day.

3.03. Registration. The City will appoint, and will maintain, a bond registrar, transfer agent, authenticating agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) Register. The Registrar will keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the 15th day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. Whenever any Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name a Bond is at any time registered, as of the applicable record date, in the bond register as the absolute owner of such Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bonds sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to the Registrar that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the City and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it will not be necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, written notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) 30 days prior to the date of redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

3.04. Appointment of Initial Registrar. The City appoints U.S. Bank National Association, St. Paul, Minnesota, as the initial Registrar. The Mayor and the City Clerk or City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Council, the Director of Finance must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.

3.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the City Administrator and executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that those signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of any Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on a Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been so prepared, executed and authenticated, the City Administrator will deliver the same to the Purchaser thereof upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser will not be obligated to see to the application of the purchase price.

3.06. Form of Bond. The Bonds will be printed or typewritten in substantially the form set forth in Exhibit B attached hereto.

3.07. Approving Legal Opinion. The City Administrator is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, and to cause the opinion to be printed or accompany each Bond.

Section 4. Payment; Security; Pledges and Covenants.

4.01. Debt Service Fund. The Bonds will be paid from a (Public Utilities Commission) General Obligation Utility Revenue Refunding Bonds, Series 2021D Debt Service Fund (the "Debt Service Fund") to be administered and maintained by the Director of Finance as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City and the Commission. The City and the Commission will continue to maintain and operate its Water Fund and Sewer Fund to which will be credited all gross revenues of the sewer and water systems and out of which will be paid all normal and reasonable expenses of current operations of such systems. Any balance therein is deemed net revenues (the "Net Revenues") and will be transferred from time to time to the Debt Service Fund, which Debt Service Fund shall be used to pay the principal of and interest on the Bond and any other bonds similarly authorized. To the Debt Service Fund there is hereby pledged and irrevocably appropriated and there will be credited: (i) any amounts paid by the Purchaser over the minimum purchase price, to the extent designated for deposit in the Debt Service Fund in accordance with Section 2.02 hereof; (ii) any collections of all taxes hereafter levied for the payment of the Bonds and interest thereon; (iii) all investment earnings on funds in the Debt Service Fund; (iv) Net Revenues pledged to the repayment of the Bonds; and (viii) any and all other moneys which are properly available and are appropriated by the City Council and the Board of the Commission to the Debt Service Fund. There will be deposited from time to time in the Debt Service Fund a sufficient amount to pay the principal of and interest on the Bonds when due, and the Director of Finance and the General Manager of the Commission will report any current or anticipated deficiency in the Debt Service Fund to the City Council and the Commission. If a payment of principal or interest on the Bonds becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the Director of Finance is directed to pay such principal or interest from other funds of the City, and such fund will be reimbursed for those advances out of the proceeds of taxes when collected.

4.02 Redemption Fund. All proceeds of the Bonds, less any appropriations made in Section 4.01 hereof and the costs of issuance of the Bonds, will be deposited in a separate fund (the "Redemption Fund") to be used solely to redeem and prepay the Refunded Bonds. Any balance remaining in the Redemption Fund

after the redemption of the Refunded Bonds on the Redemption Date shall be deposited in the Debt Service Fund herein created.

4.03. 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 will be and are hereby irrevocably pledged. If the balance in the Debt Service Fund is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency will be promptly paid out of monies in the general fund of the City which are available for such purpose, and such general fund may be reimbursed with or without interest from the Debt Service Fund when a sufficient balance is available therein. To the extent that it shall ever be necessary to provide full and timely payment of the debt service on the Bonds, the City shall, pursuant to the authority described in this paragraph, levy an ad valorem tax on all taxable property within the City sufficient for such purposes.

4.04. Pledge of Tax Levy. It is hereby determined that the estimated collection of Net Revenues for the payment of principal and interest on the Bonds will produce at least 5% in excess of the amount needed to meet when due, the principal and interest payments on the Bonds, and that no tax levy is needed at this time.

4.06. Filing. The City Clerk is authorized and directed to file a certified copy of this resolution with the County Auditor/Treasurer of Itasca County and to obtain the certificate required by Section 475.63 of the Act and the tax levy required by law has been made.

4.07 Prior Resolution Pledges. The pledges and covenants of the City and the Commission made by the Prior Resolution relating to the ownership, protection of and other particulars governing the operation and financial management of the municipal sewer and water systems and the improvements thereto financed by the Refunded Bonds are restated and confirmed in all respects. The provisions of the Prior Resolution are hereby supplemented to the extent necessary to give full effect to the provisions of this resolution.

4.08. Prior Debt Service Fund. The debt service fund heretofore established for the Refunded Bonds pursuant to the Prior Resolution shall be terminated on the Redemption Date and all monies therein are hereby transferred to the Debt Service Fund herein created.

Section 5. Refunding; Findings; Redemption of Refunded Bonds.

5.01. Deposit of Funds. On the Redemption Date, the Refunded Bonds will be called for redemption in the principal amount of \$1,170,000. It is hereby found and determined that based upon information presently available to the City from its municipal advisor the issuance of the Bonds which will be used to redeem and prepay the Refunded Bonds, is consistent with covenants made with the holder of the Refunded Bonds and is necessary and desirable for the reduction of debt service costs to the City.

5.02. Application of Proceeds of Bonds. It is hereby found and determined that the proceeds of the Bonds deposited in the Redemption Fund, along with any other funds on hand in the debt service fund established pursuant to the Prior Resolution, will be sufficient to prepay all of the principal of, interest on and redemption premium (if any) on the Refunded Bonds.

5.03. Notice of Redemption. The Refunded Bonds maturing after the Redemption Date will be redeemed and prepaid on the Redemption Date. The Refunded Bonds will be redeemed and prepaid in accordance with their terms and in accordance with the terms and conditions set forth in the form of Notice of Call for Redemption hereto as EXHIBIT C which terms and conditions are hereby approved and incorporated herein by reference. The Registrar for the Refunded Bonds is authorized and directed to send a copy of the Notice of Redemption to the registered holder of the Refunded Bonds.

Section 6. Authentication of Transcript.

6.01. City Proceedings and Records. The officers of the City and the Commission are authorized and hereby directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the City and the Commission relating to the Bonds and to the financial condition and affairs of the City and the Commission, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, may be deemed representations of the City and the Commission as to the facts stated therein.

6.02. Certification as to Official Statement. The Mayor, the City Administrator, the City Clerk, or the Director of Finance, or any of them, are hereby authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is, as of the date thereof, a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement, as it relates to the City and the Bonds.

6.03. Other Certificates. The Mayor, the Director of Finance, the City Clerk, the City Administrator, the General Manager of the Commission, or any of them, are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor, the Director of Finance, the City Clerk, the City Administrator, or any of them, shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Director of Finance shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

6.04. Electronic Signatures. The electronic signature of the Mayor, the Director of Finance, the City Administrator, the General Manager of the Commission, and/or the City Clerk to this resolution and to any document or certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) “electronic signature” means (a) a manually signed original signature that is then transmitted by electronic means or (b) a signature obtained through DocuSign or Adobe or a similarly digitally auditable signature gathering process; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

6.05. Payment of Costs of Issuance. The City authorizes the Purchaser to deposit the amount of Bond proceeds allocable to the payment of issuance expenses being paid on the closing date in accordance with the closing memorandum prepared by City’s municipal adviser, Ehlers & Associates, Inc. for further distribution by Ehlers & Associates, Inc.

Section 7. Tax Covenants.

7.01. Tax-Exempt Bonds. The City covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees, or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the

Bonds. To that end, the City will comply with all requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds.

7.02. Rebate. The City will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States.

7.03. Not Private Activity Bonds. The City further covenants not to use the proceeds of the Bonds or to cause or permit the Bonds to be used 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.

7.04. 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 makes the following factual statements and representations:

- (a) the Bonds are not “private activity bonds” as defined in Section 141 of the Code;
- (b) the City designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;
- (c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which will be issued by the City (and all subordinate entities of the City) during calendar year 2021 will not exceed \$10,000,000; and
- (d) not more than \$10,000,000 of obligations issued by the City during calendar year 2021 have been designated for purposes of Section 265(b)(3) of the Code.

7.05. Procedural Requirements. The City will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

Section 8. Book-Entry System; Limited Obligation of City.

8.01. DTC. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.03 hereof. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (“DTC”). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

8.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar), of any notice with respect to the Bonds,

including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the Director of Finance of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co.," will refer to such new nominee of DTC; and upon receipt of such a notice, the City Clerk will promptly deliver a copy of the same to the Registrar and Paying Agent.

8.03. Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which will govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds will agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

8.04. Transfers Outside Book-Entry System. In the event the City, by resolution of the City Council, determines that it is in the best interests of the persons having beneficial interests, in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

8.05. Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and all notices with respect to the Bond will be made and given, respectively in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 9. Continuing Disclosure.

9.01. City Compliance with Provisions of Continuing Disclosure Certificate. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Bonds; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.

9.02. Execution of Continuing Disclosure Certificate. “Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate hereby authorized to be executed by the Mayor and City Administrator and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Section 10. Defeasance. When the Bonds and all accrued interest thereon, have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The City may discharge the Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full or by depositing irrevocably in escrow, with a suitable institution qualified by law as an escrow agent for this purpose, cash or securities which are backed by the full faith and credit of the United States of America, or any other security authorized under Minnesota law for such purpose, bearing interest payable at such times and at such rates and maturing on such dates and in such amounts as shall be required and sufficient, subject to sale and/or reinvestment in like securities, to pay said obligation(s), which may include any interest payment on such Bond and/or principal amount due thereon at a stated maturity (or if irrevocable provision shall have been made for permitted prior redemption of such principal amount, at such earlier redemption date). If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted this 22nd day of November, 2021.

By _____
Its Mayor

Attest:

Its City Clerk

STATE OF MINNESOTA)
)
COUNTY OF ITASCA)
) SS.
CITY OF GRAND RAPIDS)

I, the undersigned, being the duly qualified and acting City Clerk of the City of Grand Rapids, Itasca County, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on November 22, 2021 with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes insofar as they relate to the issuance and sale of \$1,120,000 (Public Utilities Commission) General Obligation Utility Revenue Refunding Bonds, Series 2021D of the City.

WITNESS My hand officially as such City Clerk of the City this ____ day of November, 2021.

City Clerk

EXHIBIT A

PROPOSALS



BID TABULATION

\$1,225,000* General Obligation Utility Revenue Refunding Bonds, Series 2021D

City of Grand Rapids, Minnesota

SALE: November 22, 2021

AWARD: BAIRD

Rating: S&P Global Ratings "AA-"

Tax Exempt - Bank Qualified

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
BAIRD				\$1,314,111.70	\$99,198.86	1.2959%
Milwaukee, Wisconsin	2023	3.000%	0.300%			
C.L. King & Associates	2024	3.000%	0.400%			
Colliers Securities LLC	2025	3.000%	0.550%			
Fidelity Capital Markets	2026	3.000%	0.700%			
Crews & Associates, Inc.	2027	3.000%	0.850%			
Davenport & Co. L.L.C.	2028	3.000%	1.050%			
Duncan-Williams, Inc.	2029	3.000%	1.150%			
Loop Capital Markets	2030	3.000%	1.250%			
Country Club Bank	2031	2.000%	1.300%			
SumRidge Partners	2032 ¹	2.000%	1.400%			
Sierra Pacific Securities	2033 ¹	2.000%	1.400%			
Celadon Financial Group, LLC						
Isaak Bond Investments, Inc						
UMB Bank,N.A.						
Wintrust Investments, LLC						
FMS Bonds Inc.						
Central States Capital Markets						
Midland Securities						
First Southern LLC						
Dinosaur Securities						
Mountainside Securities LLC						
Valdes and Moreno						
NORTHLAND SECURITIES, INC.				\$1,267,273.70	\$104,265.19	1.3898%
Minneapolis, Minnesota						

* Subsequent to bid opening the issue size was decreased to \$1,120,000.

Adjusted Price - \$1,202,171.14 Adjusted Net Interest Cost - \$93,998.86 Adjusted TIC - 1.3067%

¹ \$200,000 Term Bond due 2033 with mandatory redemption in 2032.

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EXHIBIT B
FORM OF BOND

No. R-_____ UNITED STATES OF AMERICA \$_____
STATE OF MINNESOTA
COUNTY OF ITASCA
CITY OF GRAND RAPIDS

(PUBLIC UTILITIES COMMISSION)
GENERAL OBLIGATION UTILITY REVENUE REFUNDING BOND,
SERIES 2021D

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	February 1, 20__	_____, 2021	_____

Registered Owner: Cede & Co.

The City of Grand Rapids, Minnesota, a duly organized and existing municipal corporation in Itasca County, Minnesota (the “City”), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal sum set forth above on the Maturity Date specified above, unless called for earlier redemption, with interest thereon from the date hereof at the annual rate specified above (calculated on the basis of a 360-day year of twelve 30 day months), payable February 1 and August 1 in each year, commencing August 1, 2022, to the person in whose name this Bond is registered at the close of business on the 15th day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by U.S. Bank National Association, St. Paul, Minnesota, as Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

The City may elect on February 1, 2030, and on any date thereafter to prepay Bonds due on or after February 1, 2031. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company (“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. Prepayments will be at a price of par plus accrued interest.

The Bond maturing on February 1, 2023 shall hereinafter be referred to as the “Term Bond.” The principal amount of the Term Bond subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bond credited against future mandatory sinking fund redemptions of such Term Bond in such order as the City shall determine. The Term

Bond is subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on February 1 of the following years and in the principal amounts as follows:

Sinking Fund Installment Date

<u>February 1, 2033 Term Bond</u>	<u>Principal Amount</u>
2032	\$100,000
2033*	\$100,000

* *Maturity*

This Bond is one of an issue in the aggregate principal amount of \$1,120,000 all of like original issue date and tenor, except as to number, maturity date, interest rate, redemption privilege and denomination, all issued pursuant to a resolution adopted by the City Council on November 22, 2021 (the "Resolution"), for the purpose of providing money to refund the outstanding principal amount of certain general obligation bonds of the City, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Section 475.67, Section 444.075 and Chapter 475. The principal and interest hereon is payable from net revenues of the sewer and water utility systems operated by the Grand Rapids Public Utilities Commission (the "Commission"). Net revenues are pledged to a special debt service fund of the City and the Commission, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the City Council has obligated itself to levy additional ad valorem taxes on all taxable property in the City in the event of any deficiency in net revenues pledged, which taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

The City Council has designated the Bond as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to disallowance of interest expense for financial institutions.

IT IS HEREBY CERTIFIED AND RECITED That in and by the Resolution, the City and the Commission have covenanted and agreed that it will continue to own and operate the sewer and water systems free from competition by other like utilities; that adequate insurance on said sewer and water systems and suitable fidelity bonds on employees will be carried; that proper and adequate books of account will be kept showing all receipts and disbursements relating to the Debt Service Fund, into which the Commission and the City will pay all of the gross revenues from the water and sewer systems; that it will also create and maintain a Debt Service Fund in the (Public Utilities Commission) General Obligation Utility Revenue Refunding Bonds, Series 2021D Fund, into which the Commission and the City will pay, out of the net revenues from the sewer system a sum sufficient to pay principal hereof and interest hereon when due; and that the City will provide, by ad valorem tax levies, for any deficiency in required net sewer system and water system revenues.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Registrar will be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional, or statutory limitation of indebtedness.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Grand Rapids, Minnesota, by its City Council, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Mayor and City Administrator and has caused this Bond to be dated as of the date set forth below.

Dated: _____

CITY OF GRAND RAPIDS, MINNESOTA

(Facsimile)
City Administrator

(Facsimile)
Mayor

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

U.S. BANK NATIONAL ASSOCIATION

By _____
Authorized Representative

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

U.S. BANK NATIONAL ASSOCIATION

By _____
Authorized Representative

ABBREVIATIONS

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

TEN COM -- as tenants in common

UNIF GIFT MIN ACT

_____ Custodian _____

(Cust) (Minor)

TEN ENT -- as tenants by entireties

under Uniform Gifts or Transfers to Minors
Act, State of _____

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

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 all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, 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:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program (“STAMP”), the Stock Exchange Medallion Program (“SEMP”), the New York Stock Exchange, Inc. Medallion Signatures Program (“MSP”) or other such “signature guarantee program” as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

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

Name and Address: _____

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

Please insert social security or other identifying number of assignee

PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Bond has been registered on the books of the Registrar in the name of the person last noted below.

Registered Owner

Signature of Registrar

Cede & Co.
Federal ID #13-2555119

EXHIBIT C

NOTICE OF REDEMPTION

\$2,025,000
City of Grand Rapids, Minnesota
(Public Utilities Commission)
General Obligation Utility Revenue Bonds
Series 2012D

NOTICE IS HEREBY GIVEN that, by order of the City Council of the City of the Grand Rapids, Minnesota (the "City"), there have been called for redemption and prepayment on

February 1, 2022

all outstanding bonds designated as City of Grand Rapids, Minnesota (Public Utilities Commission) General Obligation Utility Revenue Bonds Series 2012D, dated April 1, 2012, issued by the City in the original aggregate principal amount of \$2,025,000, having stated maturity dates of February 1 in the years 2023 through 2033, both inclusive, totaling \$1,170,000 in principal amount, and with the following CUSIP numbers:

<u>Year of Maturity</u>	<u>Amount</u>	<u>CUSIP</u>
2024*	\$210,000	386334 6A9
2026*	220,000	386334 6C5
2029*	330,000	386334 6F8
2032*	305,000	386334 6J0
2033	105,000	386334 6K7

*Term Bond

The Bonds will be redeemed at a price of par plus accrued interest to February 1, 2022, on which date all interest on said bonds will cease to accrue. Holders of the bonds hereby called for redemption are requested to present their bonds for payment at the main office of _____ (formerly known as Wells Fargo Bank, National Association), Minneapolis, Minnesota, at the following address, on or before February 1, 2022.

600 South 4th Street, 6th Floor
MAC 9300-060
Minneapolis, MN 55479
Attention: Corporate Trust Operations

Important Notice: In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2009, the City is required to withhold a specified percentage of the principal amount of the redemption price payable to the holder of any bonds subject to redemption and prepayment on the

redemption date, unless the City is provided with the Social Security Number or Federal Employer Identification Number of the holder, properly certified. Submission of a fully executed Request for Taxpayer Identification Number and Certification, Form W-9 will satisfy the requirements of this paragraph.

Dated: _____.

BY ORDER OF THE CITY COUNCIL OF THE
CITY OF GRAND RAPIDS, MINNESOTA

STATE OF MINNESOTA
COUNTY OF ITASCA

CERTIFICATE OF COUNTY
AUDITOR/TREASURER
AS TO REGISTRATION

I, the undersigned County Auditor/Treasurer of Itasca County, Minnesota, hereby certify that a certified copy of a resolution adopted by the governing body of the City of Grand Rapids, Minnesota, on November 22, 2021, relating to the \$1,120,000 General Obligation Utility Revenue Refunding Bonds, Series 2021D of said municipality dated _____, 2021, has been filed in my office and said bonds have been entered on the register of obligations in my office.

WITNESS My hand and official seal this _____ day of _____, 2021.

COUNTY AUDITOR/TREASURER
ITASCA COUNTY, MINNESOTA

By: _____

Its: _____

(SEAL)