

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 at the City Hall of the City on Monday, August 26, 2024, commencing at 5:00 p.m.

The following members were present:

and the following were absent:

* * *

* * *

* * *

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 General Obligation Equipment Certificates, Series 2024B, to be issued in the original aggregate principal amount of \$1,055,000.

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

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

RESOLUTION NO. _____

A RESOLUTION AWARDING THE SALE OF GENERAL OBLIGATION EQUIPMENT CERTIFICATES, SERIES 2024B, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,055,000; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; AND PROVIDING FOR THEIR PAYMENT

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

Section 1. Sale of Certificates.

1.01. Background; Authority.

(a) On July 8, 2024, the City Council adopted a resolution (the “Authorizing Resolution”) authorizing the issuance and sale of the City’s General Obligation Equipment Certificates, Series 2024B (the “Certificates”), pursuant to Minnesota Statutes, Chapter 475, as amended, and Minnesota Statutes, Section 412.301, as amended (together, the “Act”), to finance the purchase and acquisition of computer software to be used by the City and the Grand Rapids Public Utilities Commission or other items of capital equipment authorized under the Act (collectively, the “Equipment”).

(b) Subsequent to the adoption of the Authorizing Resolution, the City was advised that the principal amount of the Certificates, together with the principal amount of a portion of a separate series of bonds to be concurrently issued by the City under the Act, will exceed one-quarter of one percent (0.25%) of the estimated market value of taxable property in the City for the year 2024. As a result, pursuant to Section 412.301(e) of the Act, the City may not sell the Certificates until a period of ten (10) days has elapsed after publication of the Authorizing Resolution, during which period a petition signed by at least ten percent (10%) of the voters of the City at the last regular City election requesting submission of the question of the issuance of the Certificates may be submitted to the City Clerk. If the petition is so filed, the Certificates may not be issued unless approved by the voters at a regular or special election of the City.

(c) On August 4, 2024, the City published a public notice including the relevant portions of the Authorizing Resolution.

(d) The City Council has determined that, within ten (10) days after the publication of the public notice, no petition for a referendum on the issuance of the Certificates was received by the City in accordance with the Act.

1.02. Award to the Purchaser and Interest Rates. The proposal of _____ (the “Purchaser”) to purchase the Certificates is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Certificates at a price of \$_____ (par amount of \$1,055,000.00, [plus original issue premium of \$_____,] [less original issue discount of \$_____,] and less an underwriter’s discount of \$_____), plus accrued interest, if any, to the date of delivery for the Certificates bearing interest as follows:

<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
2026	%	2030	%
2027		2031	
2028		2032	
2029			

1.03. Purchase Contract. The amount proposed by the Purchaser in excess of the minimum bid shall be credited to the Debt Service Fund hereinafter created or deposited in the Equipment Fund hereinafter created, as determined by the Director of Finance in consultation with the Municipal Advisor. The good faith deposit of the Purchaser shall be retained and deposited until the Certificates have been delivered and shall be deducted from the purchase price paid at settlement. The Mayor and City Administrator are directed to execute a contract with the Purchaser on behalf of the City.

1.04. Terms and Principal Amounts of the Certificates. The City will forthwith issue and sell the Certificates pursuant to the Act in the original aggregate principal amount of \$1,055,000, originally dated September 18, 2024, in fully registered form, in denominations of \$5,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as above set forth, and maturing serially on February 1 in the years and amounts as follows:

<u>Year of Maturity</u>	<u>Amount</u>	<u>Year of Maturity</u>	<u>Amount</u>
2026	\$	2030	\$
2027		2031	
2028		2032	
2029			

1.05. Optional Redemption. The City may elect on February 1, 2030, and on any day thereafter to prepay Certificates due on or after February 1, 2031. If less than all Certificates of a maturity are called for redemption, the City will notify DTC (as defined in Section 7 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.

[1.06. Mandatory Redemption; Term Certificates. The Certificates maturing on February 1, 20___, February 1, 20___, and February 1, 20___ shall hereinafter be referred to as the "Term Certificates." The principal amount of the Term Certificates subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Certificates credited against future mandatory sinking fund redemptions of such Term Certificate in such order as the City shall determine. The Term Certificates are 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:

<u>Sinking Fund Installment Date</u>	<u>Principal Amount</u>
February 1, 20___ Term Certificates	

* Maturity

February 1, 20__ Term Certificate

* *Maturity*

February 1, 20__ Term Certificate

* *Maturity]*

Section 2. Registration and Payment.

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

2.02. Dates; Interest Payment Dates. Each Certificate will be dated as of the last interest payment date preceding the date of authentication to which interest on the Certificate 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 Certificate 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 Certificate will be dated as of the date of original issue. The interest on the Certificates is payable on February 1 and August 1 of each year, commencing August 1, 2025, to the registered owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day.

2.03. Registration. The City will appoint, and will maintain, a bond registrar, transfer agent, authenticating agent and paying agent (the “Registrar” and “Paying Agent”). 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 must keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of the Certificates and the registration of transfers and exchanges of the Certificates entitled to be registered, transferred or exchanged.

(b) Transfer of Certificates. Upon surrender for transfer of a Certificate 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 Certificates 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 fifteenth day of the month preceding each interest payment date and until that interest payment date.

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

(d) Cancellation. Certificates surrendered upon 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 Certificate is presented to the Registrar for transfer, the Registrar may refuse to transfer the Certificate until the Registrar is satisfied that the endorsement on the Certificate 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 Certificate is registered in the bond register as the absolute owner of the Certificate, whether the Certificate is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Certificate 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 Certificate 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 Certificates, 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 Certificates. If a Certificate becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Certificate of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Certificate or in lieu of and in substitution for any Certificate 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 Certificate destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Certificate 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. Certificates 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 Certificate has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Certificate prior to payment.

(i) Redemption. In the event any of the Certificates are called for redemption, notice thereof identifying the Certificates to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Certificate 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 Certificates. Certificates 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.

2.04. Appointment of Initial Registrar. The City appoints U.S. Bank Trust Company, National Association, Saint Paul, Minnesota, as the initial Registrar. The Mayor and the 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 deliver all cash and Certificates in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of the City Council, the Director of Finance must transmit to the Registrar money sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Certificates will be prepared under the direction of the Director of Finance 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 Certificates ceases to be such officer before the delivery of any Certificate, 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 Certificate 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 the Certificate has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Certificates need not be signed by the same representative. The executed certificate of authentication on a Certificate is conclusive evidence that it has been authenticated and delivered under this resolution. When the Certificates have been so prepared, executed and authenticated, the Director of Finance 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 is not obligated to see to the application of the purchase price.

Section 3. Form of Certificate.

3.01. Execution of the Certificates. The Certificates will be printed or typewritten in substantially the form as set forth in EXHIBIT B attached hereto.

3.02. 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 on or accompany each Certificate.

Section 4. Payment; Security; Pledges and Covenants.

4.01. Debt Service Fund. The Certificates will be payable from the General Obligation Equipment Certificates, Series 2024B Debt Service Fund (the "Debt Service Fund") hereby created. The Debt Service Fund shall 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. The Director of Finance shall timely deposit in the Debt Service Fund the ad valorem taxes hereinafter levied (the "Taxes"), which Taxes are pledged to the Debt Service Fund. There will always be retained in the Debt Service Fund a sufficient amount to pay principal of and interest on the Certificates, and the Director of Finance must report any current or anticipated deficiency in the Debt Service Fund to the City Council. In accordance with Section 4.03 hereof, if payment of principal or interest on the Certificates 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 the general fund of the City, and the general fund will be reimbursed for the advances out of the proceeds of Taxes when collected. There is also appropriated to the Debt Service Fund (i) capitalized interest financed from Certificate proceeds, if any; and (ii) amounts over the minimum purchase price of the Certificates paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03 hereof. There also shall be deposited to the Debt Service Fund all investment earnings on amounts in the Debt Service Fund and any other funds appropriated for the payment of principal or interest on the Certificates.

4.02. Equipment Fund. The City hereby creates the General Obligation Equipment Certificates, Series 2024B Equipment Fund (the "Equipment Fund"). Amounts in the Equipment Fund are irrevocably pledged to the portion of the Equipment payable from the Certificates. Proceeds of the Certificates, less the appropriations made in Section 4.01 hereof, together with any other funds appropriated from the Certificates, will be deposited in the Equipment Fund to be used solely to defray expenses of the portion of the Equipment funded with the proceeds of the Certificates. When the Equipment is purchased and the cost thereof paid, the Equipment Fund is to be closed and any remaining funds are to be deposited in the Debt Service Fund.

4.03. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Certificates, as the same respectively become due, the full faith, credit, and taxing powers of the City are irrevocably pledged. If the balance in the Debt Service Fund is ever insufficient to pay all principal and interest then due on the Certificates, 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.

4.04. Pledge of Taxes. For the purpose of paying the principal of and interest on the Certificates, there is levied a direct annual irrepealable ad valorem tax upon all of the taxable property in the City, which will be spread upon the tax rolls and collected with and as part of other general taxes of the City. The Taxes will be credited to the Debt Service Fund above provided and will be in the years and amounts set forth in EXHIBIT C attached hereto.

4.05. Certification to County Auditor/Treasurer as to Debt Service Fund Amount. It is hereby determined that the estimated collections of Taxes will produce at least 5% in excess of the amount needed to meet when due the principal and interest payments on the Certificates. The tax levy herein provided is irrepealable until all of the Certificates are paid, provided that at the time the City makes its annual tax levies the Director of Finance may certify to the County Auditor/Treasurer of Itasca County, Minnesota (the "County Auditor/Treasurer") the amount available in the Debt Service Fund to pay principal and interest due during the ensuing year, and the County Auditor/Treasurer will thereupon reduce the levy collectible during such year by the amount so certified.

4.06. Registration of Resolution. The City Clerk is authorized and directed to file a certified copy of this resolution with the County Auditor/Treasurer and to obtain the certificate required by Minnesota Statutes, Section 475.63.

Section 5. Authentication of Transcript.

5.01. City Proceedings and Records. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Certificates certified copies of proceedings and records of the City relating to the Certificates and to the financial condition and affairs of the City, 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 Certificates, and such instruments, including any heretofore furnished, may be deemed representations of the City as to the facts stated therein.

5.02. Certification as to Official Statement. The Mayor, the City Administrator, the City Clerk, and/or the Director of Finance 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 Certificates and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

5.03. Other Certificates. The Mayor, the City Administrator, City Clerk, and/or the Director of Finance 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 Certificates or the organization of the City or incumbency of its officers, at the closing the Mayor, the Director of Finance, and the City Administrator 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 Certificates.

5.04. Electronic Signatures. The electronic signature(s) of the Mayor, the City Administrator, the Director of Finance, and/or the City Clerk to this resolution and to any 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.

5.05. Payment of Costs of Issuance. The City authorizes the Purchaser to forward the amount of Certificate proceeds allocable to the payment of issuance expenses in accordance with the closing memorandum to be prepared and distributed by the Municipal Advisor on the date of closing.

Section 6. Tax Covenants.

6.01. Tax-Exempt Bonds. The City covenants and agrees with the holders from time to time of the Certificates 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 Certificates 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 Certificates. 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 Certificates under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, and limitations on amounts invested at a yield greater than the yield on the Certificates.

6.02. 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 Certificates 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 Certificates, and the rebate of excess investment earnings to the United States.

6.03. Not Private Activity Bonds. The City further covenants not to use the proceeds of the Certificates or the improvements to be financed by the Certificates, or to cause or permit them to be used, in such a manner as to cause the Certificates to be “private activity bonds” within the meaning of Sections 103 and 141 through 150 of the Code.

6.04. Qualified Tax-Exempt Obligations. In order to qualify the Certificates 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 Certificates are not “private activity bonds” as defined in Section 141 of the Code;

(b) the City hereby designates the Certificates 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 2023 will not exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations issued by the City during calendar year 2023 have been designated for purposes of Section 265(b)(3) of the Code.

6.05. 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 7. Book-Entry System; Limited Obligation of City.

7.01. DTC. The Certificates will be initially issued in the form of a separate single typewritten or printed fully registered Certificate for each of the maturities set forth in Section 1.04 hereof. Upon initial issuance, the ownership of each Certificate 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 Certificates will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Certificates 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 Certificates as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Certificates, 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 Certificates, (ii) the delivery to any Participant or any other person (other than a registered owner of Certificates, as shown by the registration books kept by the Registrar) of any notice with respect to the Certificates, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Certificates, of any amount with respect to principal of, premium, if any, or interest on the Certificates. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Certificate is registered in the registration books kept by the Registrar as the holder and absolute owner of such Certificate for the purpose of payment of principal, premium and interest with respect to such Certificate, for the purpose of registering transfers with respect to such Certificates, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Certificates 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 Certificates to the extent of the sum or sums so paid. No person other than a registered owner of Certificates, as shown in the registration books kept by the Registrar, will receive a certificated Certificate evidencing the obligation of this resolution. Upon delivery by DTC to the City Administrator 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 Administrator will promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. 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 Certificates and notices with respect to the Certificates. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Certificates 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.

7.04. 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 Certificates that they be able to obtain Certificate certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Certificate certificates. In such event, the City will issue, transfer and exchange Certificate 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 Certificates 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 Certificate certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this resolution to the contrary, so long as a Certificate 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 Certificate and notices with respect to the Certificate will be made and given, respectively in the manner provided in DTC’s Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure.

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

8.02. 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 Certificates; however, any Certificate holder 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.

Section 9. Interfund Loan. A portion of the proceeds of the Certificates in an amount not to exceed \$685,000 shall be loaned as an internal loan by the City to the Public Utilities Commission, a body corporate and politic and political subdivision of the State of Minnesota (the “PUC”) to finance the PUC’s portion of the Equipment (the “Interfund Loan”). Interest shall accrue on the principal amount of the Interfund Loan on the date of issuance in the same manner and at the same rate as interest shall accrue on the Certificates. Payments on the Interfund Loan shall be on each August 1 and February 1 commencing on the first interest payment date on the Certificates and continuing until the maturity date of the Certificates in the amounts as determined by the Director of Finance of the City. All payments from the PUC shall be applied first to accrued interest, and then to unpaid principal of the Interfund Loan. The City intends to apply the payments from the PUC to pay a portion of debt service on the Certificates and shall reduce the tax levy on the Certificates to the extent such payments from the PUC are received.

Section 10. Defeasance. When all Certificates 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 Certificates 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 Certificates will remain in full force and effect. The City may discharge all Certificates 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 Certificate 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 Certificate 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 remainder of this page is intentionally left blank.)

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.

Approved by the City Council of the City of Grand Rapids, Minnesota this August 26, 2024.

Tasha Connelly
Mayor

Attest:

Kimberly Gibeau
City Clerk

EXHIBIT A

PROPOSALS

EXHIBIT B

FORM OF CERTIFICATE

No. R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF ITASCA
CITY OF GRAND RAPIDS

GENERAL OBLIGATION EQUIPMENT CERTIFICATE
SERIES 2024B

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	February 1, 20__	September 18, 2024	386335 ____

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 of \$_____ on the maturity date specified above, 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, 2025, to the person in whose name this Certificate is registered at the close of business on the fifteenth 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, draft, or wire by U.S. Bank Trust Company, National Association, Saint 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 day thereafter, to prepay the Certificates 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 Certificates 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.

This Certificate is one of an issue in the aggregate principal amount of \$1,055,000 all of like original issue date and tenor, except as to number, maturity date, interest rate, and redemption privilege, all issued pursuant to a resolution adopted by the City Council on August 26, 2024 (the “Resolution”), for the purpose of providing money to defray the expenses incurred and to be incurred in acquiring items of capital equipment, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapter 475, as amended, and Section 412.301, as amended. The principal hereof and interest hereon are payable from ad valorem taxes, 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 Certificate 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 taxes pledged, which additional taxes may be levied without limitation as to rate or amount. The Certificates of this series are issued only as fully registered Certificates in denominations of \$5,000 or any integral multiple thereof of single maturities.

The City Council has designated the issue of Certificates of which this Certificate forms a part as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) relating to disallowance of interest expense for financial institutions and within the \$10 million limit allowed by the Code for the calendar year of issue.

As provided in the Resolution and subject to certain limitations set forth therein, this Certificate 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 Certificates of other authorized denominations. Upon such transfer or exchange the City will cause a new Certificate or Certificates 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 Certificate is registered as the absolute owner hereof, whether this Certificate 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 Certificate 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 Certificate does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

This Certificate 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, Itasca County, Minnesota, by its City Council, has caused this Certificate to be executed on its behalf by the facsimile or manual signatures of the Mayor and the City Administrator and has caused this Certificate to be dated as of the date set forth below.

Dated: September 18, 2024

CITY OF GRAND RAPIDS, MINNESOTA

(Facsimile)
Mayor

(Facsimile)
City Administrator

CERTIFICATE OF AUTHENTICATION

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

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

By _____
Authorized Representative

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Certificate, 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 Certificate and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Certificate on the books kept for registration of the within Certificate, 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 Certificate 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 Certificate unless the information concerning the assignee requested below is provided.

Name and Address: _____

(Include information for all joint owners if this Certificate 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 Certificate has been registered on the books of the Registrar in the name of the person last noted below.

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Registrar</u>
_____	Cede & Co. Federal ID #13-2555119	_____

EXHIBIT C

TAX LEVY SCHEDULE

<u>YEAR *</u>	<u>TAX LEVY</u>
2025	
2026	
2027	
2028	
2029	
2030	
2031	

** Year tax levy collected.*