

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:

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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 General Obligation Refunding Bonds, Series 2024A, to be issued in the original aggregate principal amount of \$8,380,000.

The City Administrator presented a tabulation of the proposals that had been received in the manner specified in the Official Terms of Proposal for the Bonds. 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 REFUNDING BONDS, SERIES 2024A, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,380,000; 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 of the City of Grand Rapids, Itasca County, Minnesota (the “City”) as follows:

Section 1. Sale of Bonds.

1.01. Background; Authority.

(a) On December 22, 2022, the City issued its Taxable General Obligation Temporary Bonds, Series 2022 (the “Temporary Bonds”), in the original aggregate principal amount of \$10,000,000, pursuant to Minnesota Statutes, Chapter 475, as amended, including Section 475.61, subdivision 6, Section 412.301, and Sections 469.1812 through 469.1815, as amended (collectively, the “Act”), and the provisions of Laws of Minnesota 2021, First Special Session, Chapter 14, Article 8, Section (the “Special Law”). The proceeds of the Temporary Bonds were used to provide temporary financing for the construction, renovation, and improvement of the ice arena located at 1401 NW Third Avenue in the City, including but not limited to replacement of the roof, replacement of the ice plant, new capital equipment, and building, utility and grounds improvements (the “Project”).

(b) The Temporary Bonds mature on December 1, 2025 and are subject to optional redemption on or after December 1, 2023, at a price of par plus accrued interest.

(c) On July 8, 2024, the City Council adopted a resolution (the “Authorizing Resolution”) authorizing the issuance and sale of the City’s General Obligation Refunding Bonds, Series 2024A (the “Bonds”), pursuant to the Special Law and the Act, including Section 475.67, subdivision 3, to redeem and prepay the Temporary Bonds and provide permanent financing for the Project. A portion of the Bonds will be payable from a combination of abatement revenues (the “Abatement Revenues”) collected from certain parcels of land previously identified by the City by resolution (the “Abatement Parcels”) and ad valorem taxes and is referred to herein as the “Abatement Refunding Bonds.” A portion of the Bonds will be payable from sales and use taxes authorized by the Special Law (the “Sales Tax Revenues”) and is referred to herein as the “Sales Tax Refunding Bonds.” A portion of the Bonds used to provide permanent financing for the capital equipment including replacement of the ice plant, elevator replacement, heaters, dasher boards, security cameras, tv monitors, furniture, and lighting will be payable from ad valorem taxes and is referred to herein as the “Refunding Equipment Certificates.”

(d) Subsequent to the adoption of the Authorizing Resolution, the City was advised that the principal amount of the Refunding Equipment Certificates 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 Refunding Equipment 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 Refunding Equipment Certificates may be submitted to the City Clerk. If the petition is so filed, the Refunding Equipment Certificates may not be issued unless approved by the voters at a regular or special election of the City.

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

(f) 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 Refunding Equipment 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 Bonds 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 \$_____ (par amount of \$8,380,000, [plus original issue premium of \$_____,] [less original issue discount of \$_____,] and less an underwriter’s discount in the amount of \$_____), plus accrued interest, if any, to the date of delivery for the Bonds bearing interest as follows:

<u>Year of</u> <u>Maturity</u>	<u>Interest Rate</u>	<u>Year of</u> <u>Maturity</u>	<u>Interest Rate</u>
2026	%	2035	%
2027		2036	
2028		2037	
2029		2038	
2030		2039	
2031		2040	
2032		2041	
2033		2042	
2034			

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 Redemption 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 Bonds 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 Bonds. The City will forthwith issue and sell the Bonds pursuant to the Act, including Section 475.67, subdivision 3, in the original aggregate principal amount of \$8,380,000, 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	\$	2035	\$
2027		2036	
2028		2037	
2029		2038	
2030		2039	
2031		2040	
2032		2041	
2033		2042	
2034			

(a) \$_____ of the principal amount of the Bonds constituting the Abatement Refunding Bonds, maturing on February 1 of the year and in the amount set forth below, will be used to refinance the portion of the Project payable from the Abatement Revenues and ad valorem taxes:

<u>Year of Maturity</u>	<u>Amount</u>	<u>Year of Maturity</u>	<u>Amount</u>
2026	\$	2035	\$
2027		2036	
2028		2037	
2029		2038	
2030		2039	
2031		2040	
2032		2041	
2033		2042	
2034			

(b) \$_____ of the principal amount of the Bonds constituting the Sales Tax Refunding Bonds, maturing on February 1 of the year and in the amount set forth below, will be used to refinance the portion of the Project payable from the Sales Tax Revenues:

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

(c) The remainder of the Bonds in the principal amount of \$_____ constituting the Refunding Equipment Certificates, maturing on February 1 of the year and in the amount set forth below, will be used to refinance the equipment portion of the Project payable from the ad valorem taxes:

<u>Year of Maturity</u>	<u>Amount</u>	<u>Year of Maturity</u>	<u>Amount</u>
2026	\$	2035	\$
2027		2036	
2028		2037	
2029		2038	
2030		2039	
2031		2040	
2032		2041	
2033		2042	
2034			

1.05. Optional Redemption. The City may elect on February 1, 2034 and on any day thereafter, to prepay the Bonds due on or after February 1, 2035. 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 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 Bonds. The Bonds maturing on February 1, 20___, February 1, 20___, and February 1, 20___ shall hereinafter be referred to as the "Term Bonds." The principal amount of the Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bonds credited against future mandatory sinking fund redemptions of such Term Bond in such order as the City shall determine. The Term Bonds 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>
<u>February 1, 20___ Term Bond</u>	

<i>* Maturity</i>	
<u>February 1, 20___ Term Bond</u>	

<i>* Maturity</i>	
<u>February 1, 20___ Term Bond</u>	

<i>* Maturity]</i>	

Section 2. Registration and Payment.

2.01. 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, draft, or wire issued by the Registrar described herein.

2.02. 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, 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 Bonds and the registration of transfers and exchanges of the Bonds entitled to be registered, transferred or exchanged.

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

(c) Exchange of Bonds. When 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. Bonds 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 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 registered in the bond register as the absolute owner of the 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 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 it 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 is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, 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) 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.

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 Bonds 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 Bonds 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 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 the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Bonds 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 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 Bond.

3.01. Execution of the Bonds. The Bonds 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 Bond.

Section 4. Payment; Security; Pledges and Covenants.

4.01. Debt Service Fund. The Bonds will be payable from the General Obligation Refunding Bonds, Series 2024A 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 City will maintain the following accounts in the Debt Service Fund: the “Abatement Bonds Account,” the “Sales Tax Bonds Account,” and the “Equipment Certificates Account.” Amounts in the Abatement Bonds Account are irrevocably pledged to the Abatement Refunding Bonds, amounts in the Sales Tax Bonds Account are irrevocably pledged to the Sales Tax Refunding Bonds, and amounts in the Equipment Certificates Account are irrevocably pledged to the Refunding Equipment Certificates.

(a) Abatement Bonds Account. There is hereby pledged to the Abatement Bonds Account (i) the Abatement Revenues collected from the Abatement Parcels; (ii) the proceeds of ad valorem taxes hereinafter levied for the payment of the Abatement Refunding Bonds; (iii) a pro rata portion of amounts over the minimum purchase price of the Bonds paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03 hereof; (iv) all investment earnings on funds in the Abatement Bonds Account; and (v) any and all other moneys which are properly available and are appropriated by the City Council to the Abatement Bonds Account, including but not limited to certain available funds from the ice arena operating account available to pay debt service as determined by the Director of Finance.

(b) Sales Tax Bonds Account. There is hereby pledged to the Sales Tax Bonds Account (i) the Sales Tax Revenues; (ii) a pro rata portion of amounts over the minimum purchase price of the Bonds paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03 hereof; (iii) all investment earnings on funds in the Sales Tax Bonds Account; and (iv) any and all other moneys which are properly available and are appropriated by the City Council to the Sales Tax Bonds Account, including but not limited to certain available funds from the ice arena operating account available to pay debt service as determined by the Director of Finance.

(c) Equipment Certificates Account. There is hereby pledged to the Equipment Certificates Account (i) the proceeds of ad valorem taxes hereinafter levied for the payment of the Refunding Equipment Certificates; (ii) a pro rata portion of amounts over the minimum purchase price of the Bonds paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03 hereof; (iii) all investment earnings on funds in the

Equipment Certificates Account; and (iv) any and all other moneys which are properly available and are appropriated by the City Council to the Equipment Certificates Account, including but not limited to certain available funds from the ice arena operating account available to pay debt service as determined by the Director of Finance.

4.02. Redemption Fund. All proceeds of the Bonds, less the appropriations made in Section 4.01 hereof, will be deposited in a separate fund (the “Redemption Fund”) to be used solely to pay the Temporary Bonds on October 1, 2024 (the “Redemption Date”). Any balance remaining in the Redemption Fund after the payment in full of the Temporary Bonds shall be deposited in the accounts of the Debt Service Fund herein created for the Bonds.

4.03. General Obligation Pledge. For the prompt and full payment of the principal of 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.

4.04. Pledge of Tax Levy. For the purpose of paying a portion of the principal of and interest on the Abatement Refunding Bonds and all of the principal of and interest on the Refunding Equipment Certificates, there is levied a direct annual irrevocable ad valorem tax (the “Taxes”) 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 accounts of the Debt Service Fund provided above 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 Abatement Revenues, Sales Tax Revenues, and Taxes will produce at least 5% in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levy herein provided is irrevocable until all of the Bonds 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 accounts of 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. Prior Debt Service Fund. The debt service fund heretofore established for the Temporary Bonds pursuant to the resolution providing for the issuance and sale of the Temporary Bonds shall be closed following the payment of the Temporary Bonds, and all monies therein shall be transferred to the accounts of the Debt Service Fund herein created.

4.07. 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 Section 475.63 of the Act.

Section 5. Refunding of Temporary Bonds; Findings.

5.01. Purpose of Refunding. Proceeds of the Bonds will be used to pay the Temporary Bonds on the Redemption Date, thereby providing permanent financing for the Project. It is hereby found and determined that based upon information presently available from the Municipal Advisor, the issuance of the Bonds is consistent with covenants made with the holders of the Temporary Bonds and is necessary and desirable for the reduction of debt service costs to the City and for the extension or adjustment of the maturities in relation to the resources available for their payment.

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 accounts of the debt service fund established for the Temporary Bonds and other funds of the City, will be sufficient to pay all of the principal of, interest on and redemption premium (if any) on the Temporary Bonds on the Redemption Date.

5.03. Redemption; Date of Redemption; Notice of Call for Redemption. The Temporary Bonds will be redeemed and prepaid on the Redemption Date. The Temporary 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 attached hereto as EXHIBIT D, which terms and conditions are hereby approved and incorporated herein by reference. The registrar for the Temporary Bonds is authorized and directed to send a copy of the Notice of Call for Redemption to each registered holder of the Temporary Bonds at least thirty (30) days prior to the Redemption Date.

Section 6. Authentication of Transcript.

6.01. 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 Bonds certified copies of proceedings and records of the City relating to the Bonds 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 Bonds, and such instruments, including any heretofore furnished, may be deemed representations of the City as to the facts stated therein.

6.02. 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 Bonds 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.

6.03. 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 Bonds 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 Bonds.

6.04. 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.

6.05. Payment of Costs of Issuance. The City authorizes the Purchaser to forward the amount of Bond 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 7. Tax Covenants.

7.01. Qualified Users of the Project. Pursuant to the Authorizing Resolution, following a duly noticed public hearing, the City Council approved the designation of one or more nonprofit organizations exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the “Code”), as a result of the application of Section 501(c)(3) of the Code, as qualified 501(c)(3) users of the Project (the “Qualified Users”), including but not limited to the Grand Rapids Amateur Hockey Association, a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Code, Grand Itasca Clinic and Hospital, a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Code, and Star of the North Skating Club, a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Code.

7.02. Qualified 501(c)(3) Bonds. Pursuant to the Authorizing Resolution, following a duly noticed public hearing, the City Council approved the designation of the Bonds as “qualified 501(c)(3) bonds.” The City shall not take any action or authorize any action to be taken in connection with the application or investment of the proceeds of the Bonds or any related activity which would cause the Bonds to be deemed to be “private activity bonds,” within the meaning of Section 141 of the Code, other than “qualified 501(c)(3) bonds” within the meaning of Section 145 of the Code. The City shall not take any action or authorize any action to be taken in connection with the application or investment of the proceeds of the Bonds or any related activity which would cause the Bonds to be deemed to be “arbitrage bonds,” within the meaning of Section 148 of the Code. Furthermore, the City shall take all such actions as may be required under the Code to ensure that interest on the Bonds is not and does not become includable in gross income for federal income tax purposes.

7.03. Costs of Issuance. No more than two percent (2%) of the proceeds of the Bonds will be used for the costs of issuing the Bonds.

7.04. 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.

7.05. 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 “qualified 501(c)(3) bonds” and are therefore not considered “private activity bonds” pursuant to Section 265(b)(3)(B) 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 2024 will not exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations issued by the City during calendar year 2024 have been designated for purposes of Section 265(b)(3) of the Code.

7.06. 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 1.04 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 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.

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. Execution of Continuing Disclosure Certificate. "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate 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.

9.02. 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 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.

Section 10. Defeasance. When all Bonds and all 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 all 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. 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 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 BOND

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

GENERAL OBLIGATION REFUNDING BOND
SERIES 2024A

<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 (12) thirty (30) day months), payable February 1 and August 1 in each year, commencing August 1, 2025, to the person in whose name this Bond 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 or draft by U.S. Bank Trust Company, National Association, Saint Paul, Minnesota, as Bond 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, 2034, and on any day thereafter to prepay Bonds due on or after February 1, 2035. 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.

This Bond is one of an issue in the aggregate principal amount of \$8,380,000, 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 refund certain outstanding general obligations of the City, thereby providing permanent financing for expenses incurred and to be incurred in financing the construction, renovation, equipping and improvement of the ice arena located at 1401 NW 3rd Avenue in the City, including but not limited to replacement of the roof, replacement of the ice plant, new capital equipment and improvements to the building, utilities and grounds, pursuant to and in full conformity with the Constitution and laws of the

State of Minnesota, including Law of Minnesota 2021, First Special Session, Chapter 14, Article 8, Section 7, and Minnesota Statutes, Chapter 475, as amended, including Section 475.67, subdivision 3, and Sections 410.32 and 469.1812 through 469.1815, all as amended. The principal hereof and interest hereon are payable in part from abatement revenues, sales and use tax revenues, and 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 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 abatement revenues, sales and use tax revenues, and ad valorem taxes 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 issue of Bonds of which this Bond 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 Bond is transferable upon the books of the City at the principal office of the Bond 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 Bond 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 Bond 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 Bond 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 Bond 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 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: September 18, 2024

CITY OF GRAND RAPIDS, MINNESOTA

(Facsimile)

(Facsimile)

Mayor

City Administrator

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds 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 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.

Date of Registration

Registered Owner

Signature of
Officer of Registrar

Cede & Co.
Federal ID #13-2555119

EXHIBIT C
TAX LEVY SCHEDULES

Tax Levy Schedule for the Abatement Refunding Bonds

<u>YEAR *</u>	<u>TAX LEVY</u>
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	

** Year tax levy collected.*

Tax Levy Schedule for the Refunding Equipment Certificates

<u>YEAR *</u>	<u>TAX LEVY</u>
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	

** Year tax levy collected.*

EXHIBIT D

NOTICE OF CALL FOR REDEMPTION

\$10,000,000
CITY OF GRAND RAPIDS, MINNESOTA
TAXABLE GENERAL OBLIGATION TEMPORARY BONDS
SERIES 2022A

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

October 1, 2024

all outstanding principal of the bonds of the City designated as the Taxable General Obligation Temporary Bonds, Series 2022A (the “Bonds”), dated December 22, 2022, having a stated maturity date of December 1, 2025, totaling \$10,000,000 in principal amount, and with the following CUSIP number:

<u>Year of Maturity</u>	<u>Amount to Be Redeemed</u>	<u>CUSIP</u>
2025	\$10,000,000	386335 FL2

The Bonds are being called at a price of par plus accrued interest to October 1, 2024, on which date all interest on the Bonds will cease to accrue. Holders of the Bonds hereby called for redemption are requested to present the Bonds for payment at U.S. Bank Trust Company, National Association, on or before October 1, 2024:

U.S. Bank Trust Company, National Association
Corporate Trust Services
111 Fillmore Avenue East
St. Paul, MN 55107

Important Notice: In compliance with the Jobs and Growth Tax Relief Reconciliation Act of 2003, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment by the redeeming institutions if they are not provided with your social security number or federal employer identification number, properly certified. This requirement is fulfilled by submitting a W-9 Form, which may be obtained at a bank or other financial institution.

Dated: _____, 2024.

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

By /s/ Tom Pagel
City Administrator
City of Grand Rapids, Minnesota