

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

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Grand Rapids, Minnesota, was duly held in the City Hall in said City on Monday, August 9, 2021, commencing at 5:00 P.M.

The following members were present:

and the following were absent:

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The Mayor announced that the next order of business was consideration of the proposals which had been received for the purchase of the City's (Public Utilities Commission) Taxable General Obligation Utility Revenue Refunding Bonds, Series 2021C to be issued in the original aggregate principal amount of \$1,210,000.

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

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

RESOLUTION NO. 21-___

RESOLUTION AWARDING THE SALE OF (PUBLIC UTILITIES COMMISSION) TAXABLE GENERAL OBLIGATION UTILITY REVENUE REFUNDING BONDS, SERIES 2021C IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,210,000; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; PROVIDING FOR THEIR PAYMENT; PROVIDING FOR THE ESCROWING AND INVESTMENT OF THE PROCEEDS THEREOF; AND PROVIDING FOR THE REDEMPTION OF BONDS REFUNDED THEREBY.

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

Section 1. Background; Findings.

1.01. It is hereby determined that:

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

(b) the City is authorized by the provisions of Minnesota Statutes, Chapter 475, as amended (the “Act”) and particularly Section 475.67, of the Act to issue and sell its general obligation bonds to refund outstanding bonds when determined by the City Council to be necessary and desirable;

(c) on September, 12, 2013, at the request of the Commission, the City issued its (Public Utilities Commission) Taxable General Obligation Utility Revenue Bonds, Series 2013C in the original aggregate principal amount of \$2,305,000 (the “Series 2013 Bonds”) pursuant to Minnesota Statutes, Section 444.075 and Chapter 475, as amended, in order to undertake improvements to water and wastewater facilities within the City (the “Project”), which facilities the City has constructed, owns, and operates through its Commission;

(d) at the request of the Commission, the City has determined that it is necessary and desirable to achieve debt service savings and for the sound financial management of the affairs of the City and the Commission that the City issue its (Public Utilities Commission) Taxable General Obligation Utility Revenue Refunding Bonds, Series 2021C (the “Bonds”), in the original aggregate principal amount of \$1,210,000 to refund in advance of maturity the 2025 through 2029 maturities of the Series 2013 Bonds (the “Refunded Bonds”), of which \$1,100,000 in the principal amount is callable on February 1, 2023; and

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

Section 2. Sale of Bonds.

2.01. Award to the Purchaser and Interest Rates. The proposal of Northland Securities, Inc., Minneapolis, Minnesota, as syndicate manager (the “Purchaser”), to purchase the Bonds of the City is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$1,202,740.00 (par amount of \$1,210,000.00, less underwriter’s discount of \$7,260.00), for Bonds bearing interest as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Interest Rate</u>
2024*	0.450%	2027	1.000%
2025	0.650	2028	1.150
2026	0.850	2029	1.250

**Term Bond*

2.02. Purchase Contract. Any amount paid by the Purchaser over the minimum purchase price shall be credited to the Debt Service Fund hereinafter created, or deposited in the Escrow Fund hereinafter created as determined by the City Administrator and the General Manager of the Commission in consultation with the City’s municipal advisor. The City Administrator is directed to deposit the good faith check or deposit of the Purchaser, pending completion of the sale of the Bonds. The Mayor and City Administrator are directed to execute a contract with the Purchaser on behalf of the City. The Purchaser will hold the Bonds for its own account and will not reoffer them to the public.

2.03. Terms and Principal Amounts of the Bonds. The City will forthwith issue and sell the Bonds to the Purchaser, pursuant to the Act in the original aggregate principal amount of \$1,210,000, originally dated as of the date of delivery, in fully registered form and issued in denominations of \$5,000 each or any integral multiple thereof, numbered No. R-1 and upward, bearing interest as above set forth, and maturing on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2024*	\$240,000	2027	\$190,000
2025	190,000	2028	195,000
2026	195,000	2029	200,000

**Term Bond*

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

2.04. Optional Redemption. The City may elect on February 1, 2027, and on any day thereafter to prepay Bonds maturing on or after February 1, 2028. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 8 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

2.05. Mandatory Redemption; Term Bond. The Bonds maturing on February 1, 2024 shall hereinafter be referred to collectively as the “Term Bond.” The principal amount of the Term Bond subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with

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

Sinking Fund Installment Date

<u>February 1, 2024 Term Bond</u>	<u>Principal Amount</u>
2022	\$ 15,000
2023	35,000
2024*	190,000

* *Maturity*

Section 3. Form; Registration.

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

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

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

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

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

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

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

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

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

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

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

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

3.04. Appointment of Initial Registrar. The City appoints U.S. Bank National Association, St. Paul, Minnesota, as the initial Registrar. The Mayor and the City Clerk are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and deliver

the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Council, the Director of Finance must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.

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

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

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

Section 4. Payment; Security; Escrow.

4.01. Funds and Accounts. For the convenience and proper administration of the moneys to be borrowed and repaid on the Bonds and the Refunded Bonds, and to provide adequate and specific security for the Purchaser and holders from time to time of the Bonds and Refunded Bonds, there is hereby created a special fund to be designated the (Public Utilities Commission) Taxable General Obligation Utility Revenue Refunding Bonds, Series 2021C Fund (the "Fund") to be administered and maintained by the Director of Finance as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City and the Commission. The Fund will be maintained in the manner herein specified until all of the Refunded Bonds have been paid and until all of the Bonds and the interest thereon will have been fully paid. There will be maintained in the Fund two separate accounts, to be designated the Escrow Account and Debt Service Account.

(a) Escrow Account. Pursuant to an escrow agreement (the "Escrow Agreement") with Zions Bancorporation, National Association, Chicago, Illinois (the "Escrow Agent") the City will establish and maintain an escrow account (the "Escrow Account"). The Escrow Agent is a suitable financial institution within the State, whose deposits are insured by the Federal Deposit Insurance Corporation, whose combined capital and surplus is not less than \$500,000 and said financial institution is hereby designated as the escrow agent for the Escrow Account. All proceeds of the sale of the Bonds (less amounts deposited in the Debt Service Account under Section 4.01(b)) will be received by the Escrow Agent and applied to fund the Escrow Account and to pay costs of issuance. Proceeds of the Bonds not used to pay costs of issuance or fund the Escrow Account will be returned to the City for deposit into the Debt Service Account. All investment earnings on the Escrow Account are hereby irrevocably pledged and appropriated thereto. The Escrow Account will be invested in securities maturing or callable at the option of the holder on such dates and bearing interest at such

rates as will be required to provide sufficient funds, together with any cash or other funds retained in the Escrow Account, to pay when due the interest to accrue on each Refunded Bond to and including February 1, 2023 (the “Redemption Date”), and to pay on the Redemption Date the principal amount of each of the Refunded Bonds, by transferring to the Registrar sufficient funds to make such payment. From the Escrow Account there will be paid (i) all interest paid on, or to be paid on, or to accrue on, the Refunded Bonds to and including the Redemption Date, and (ii) the principal of the Refunded Bonds due by reason of redemption on the Redemption Date. The moneys in the Escrow Account will be used solely for, and the Escrow Account will be irrevocably appropriated to, the purposes herein set forth and in the Escrow Agreement and for no other purpose, except that any surplus in the Escrow Account may be remitted to the City, all in accordance with the Escrow Agreement. Any moneys remitted to the City upon termination of the Escrow Agreement will be deposited in the Debt Service Account.

(b) Debt Service Account. To the Debt Service Account there is hereby pledged and irrevocably appropriated and there will be credited: (i) any amounts paid by the Purchaser over the minimum purchase price, to the extent designated for deposit in the Debt Service Fund in accordance with Section 2.02 hereof; (ii) any balance remitted to the City upon the termination of the Escrow Agreement; (iii) any balance remaining on February 2, 2023, in the debt service fund created by the City Council resolution authorizing the issuance and sale of the Refunded Bonds (the “Prior Resolution”); (iv) any collections of all taxes hereafter levied for the payment of the Bonds and interest thereon; (v) all investment earnings on funds in the Debt Service Account; (vi) accrued interest (if any) received upon delivery of the Bonds, and any other proceeds of the Bonds to the extent not required to fund the Escrow Account; (vii) net revenues of the municipal wastewater system pledged to the repayment of the Bonds; and (viii) any and all other moneys which are properly available and are appropriated by the City Council to the Debt Service Account. There will be deposited from time to time in the Debt Service Fund a sufficient amount to pay the principal of and interest on the Bonds when due, and the Director of Finance and the General Manager of the Commission will report any current or anticipated deficiency in the Debt Service Fund to the City Council and the Commission. If a payment of principal or interest on the Bonds becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the Director of Finance is directed to pay such principal or interest from other funds of the City, and such fund will be reimbursed for those advances out of the proceeds of taxes when collected.

4.02 Utility Fund. The Commission has created and will continue to maintain and operate its Utility Fund to which will be credited all gross revenues of the wastewater system (the “Utility System”) and out of which will be paid all normal and reasonable expenses of current operations of such system. Any balance therein is deemed net revenues (the “Net Revenues”) and will be transferred, from time to time, to the Debt Service Account, in an amount sufficient to pay principal of and interest on the Bonds and any other bonds similarly authorized.

4.03. Findings. It is hereby found and determined that based upon information presently available from the City’s municipal advisor, the issuance of the Bonds will result in a reduction of debt service cost to the City on the Refunded Bonds, such that the present value of such debt service or interest cost savings (the “Reduction”) is at least 3.00% of the debt service on the Refunded Bonds. The Reduction, after the inclusion of all authorized expenses of refunding in the computation of the effective interest rate on the Bonds, is adequate to authorize the issuance of the Bonds as provided by Minnesota Statutes, Section 475.67, Subdivisions 12.

4.04. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City will be and are hereby irrevocably pledged. If the balance in the Debt Service Account 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 Account when a sufficient balance is available therein. To the extent that it shall ever be necessary to provide full and timely payment of the debt service on the Bonds, the City shall, pursuant to the authority described in this paragraph, levy an ad valorem tax on all taxable property within the City sufficient for such purposes.

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

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

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

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

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

5.01. Deposit of Funds. As of the date of delivery of and payment for the Bonds proceeds of the Bonds, plus accrued interest on the Bonds, less necessary expenses of the issuance of the Bonds (the "Proceeds"), are hereby pledged and appropriated and will be deposited in the Escrow Account. Proceeds of the Bonds in excess of amount needed to fund the Escrow Account and pay costs of issuance are appropriated to the Debt Service Account in accordance with Section 4.01(b).

5.02. Payment of Bonds and Refunded Bonds. It is hereby found and determined that money available and appropriated to the Escrow Account will be sufficient, together with the permitted earnings on the investment of the Escrow Account, to pay interest on the Refunded Bonds through the Redemption Date, and to pay at maturity or redemption all of the principal of and redemption premium (if any) on the Refunded Bonds maturing after the Redemption Date.

5.03. Permitted Investments. Securities purchased from the monies in the Escrow Account will be limited to securities specified in Section 475.67, Subdivision 8 of the Act. The Escrow Agent and the Municipal Advisor, as agent for the City is hereby authorized and directed to purchase for and on behalf of the City and in its name, appropriate securities or investments to fund the Escrow Account. Upon the issuance and delivery of the Bonds, the securities or investments so purchased will be deposited with the Escrow Agent and held pursuant to the terms of the Escrow Agreement and the Resolution.

5.04. Notice of Redemption. The Refunded Bonds maturing after February 1, 2023 will be redeemed and prepaid on the Redemption Date. The Refunded Bonds will be redeemed and prepaid in accordance with their terms and in accordance with the terms and conditions set forth in the form of Notice of Call for Redemption attached to the Escrow Agreement as EXHIBIT C which terms and conditions are hereby

approved and incorporated herein by reference. The Registrar for the Refunded Bonds is authorized and directed to send a copy of the Notice of Redemption to the registered holder of the Refunded Bonds.

5.05. Escrow Agreement. On or prior to the delivery of the Refunding Bonds, the Mayor and City Clerk are hereby authorized and directed to execute the Escrow Agreement on behalf of the City in substantially the form now on file with the City Clerk. All essential terms and conditions of the Escrow Agreement including payment by the City of reasonable charges for the services of the Escrow Agent, are hereby approved and adopted and made a part of this resolution, and the City covenants that it will promptly enforce all provisions thereof in the event of default thereunder by the Escrow Agent.

Section 6. Authentication of Transcript.

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

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

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

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

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

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

7.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar), of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City’s obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the Director of Finance of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words “Cede & Co.,” will refer to such new nominee of DTC; and upon receipt of such a notice, the City Clerk will promptly deliver a copy of the same to the Registrar and Paying Agent.

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 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.

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 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.

7.05. 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 8. Continuing Disclosure.

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

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

Section 9. Defeasance. When the Bonds and all accrued interest thereon, have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The City may discharge the Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full or by depositing irrevocably in escrow, with a suitable institution qualified by law as an escrow agent for this purpose, cash or securities which are backed by the full faith and credit of the United States of America, or any other security authorized under Minnesota law for such purpose, bearing interest payable at such times and at such rates and maturing on such dates and in such amounts as shall be required and sufficient, subject to sale and/or reinvestment in like securities, to pay said obligation(s), which may include any interest payment on such Bond and/or principal amount due thereon at a stated maturity (or if irrevocable provision shall have been made for permitted prior redemption of such principal amount, at such earlier redemption date). If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

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

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted this 9th day of August, 2021.

By _____
Its Mayor

Attest:

Its City Clerk

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

I, the undersigned, being the duly qualified and acting City Clerk of the City of Grand Rapids, Itasca County, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on August 9, 2021 with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes insofar as they relate to the issuance and sale of \$1,210,000 (Public Utilities Commission) Taxable General Obligation Utility Revenue Refunding Bonds, Series 2021C of the City.

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

City Clerk

EXHIBIT A

PROPOSALS



BID TABULATION

**\$1,235,000* (Public Utilities Commission) Taxable General Obligation Utility Revenue Refunding Bonds,
Series 2021C**

City of Grand Rapids, Minnesota

SALE: August 9, 2021

AWARD: NORTHLAND SECURITIES, INC.

Rating: S&P Global Ratings "AA-"

Taxable - Non-Bank Qualified

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
NORTHLAND SECURITIES, INC. Minneapolis, Minnesota	2022 ¹	0.450%	0.450%	\$1,227,590.00	\$65,884.83	1.1137%
United Bankers Bank	2023 ¹	0.450%	0.450%			
	2024 ¹	0.450%	0.450%			
	2025	0.650%	0.650%			
	2026	0.850%	0.850%			
	2027	1.000%	1.000%			
	2028	1.150%	1.150%			
	2029	1.250%	1.250%			
BAIRD Milwaukee, Wisconsin				\$1,260,993.45	\$73,789.69	1.2315%
BOK FINANCIAL SECURITIES, INC. Milwaukee, Wisconsin				\$1,251,400.95	\$73,880.81	1.2390%
PIPER SANDLER & CO. Chicago, Illinois				\$1,226,052.50	\$73,769.60	1.2477%
UMB BANK, N.A. Kansas City, Missouri				\$1,230,837.80	\$75,167.08	1.2694%
FIDELITY CAPITAL MARKETS Boston, Massachusetts				\$1,238,783.30	\$106,568.95	1.7965%

* Subsequent to bid opening the issue size was decreased to \$1,210,000.

Adjusted Price - \$1,202,740.00 Adjusted Net Interest Cost - \$64,310.93 Adjusted TIC - 1.1134%

1 \$240,000 Term Bond due 2024 with mandatory redemption in 2022-2023.

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EXHIBIT B
FORM OF BOND

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

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

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	February 1, 20__	September 2, 2021	_____

Registered Owner: Cede & Co.

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

The City may elect on February 1, 2027, and on any date thereafter to prepay Bonds due on or after February 1, 2028. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company (“DTC”) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

The Bonds maturing on February 1, 2024 shall hereinafter be referred to collectively as the “Term Bond.” The principal amount of the Term Bond subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bond credited against future mandatory sinking fund redemptions of such Term Bond in such order as the City shall

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

Sinking Fund Installment Date

<u>February 1, 2024 Term Bond</u>	<u>Principal Amount</u>
2022	\$ 15,000
2023	35,000
2024*	190,000

* *Maturity*

This Bond is one of an issue in the aggregate principal amount of \$1,210,000 all of like original issue date and tenor, except as to number, maturity date, interest rate, redemption privilege and denomination, all issued pursuant to a resolution adopted by the City Council on August 9, 2021 (the “Resolution”), for the purpose of providing money for an advance refunding of certain maturities of the City’s (Public Utilities Commission) Taxable General Obligation Utility Revenue Bonds, Series 2013C, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 475.67, Section 444.075 and Chapter 475. The principal and interest hereon is payable from net revenues of the wastewater utility system operated by the Grand Rapids Public Utilities Commission (the “Commission”). Net revenues are pledged to a special debt service fund of the City and the Commission, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the City Council has obligated itself to levy additional ad valorem taxes on all taxable property in the City in the event of any deficiency in net revenues pledged, which taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

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

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

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

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

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

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

Dated: _____

CITY OF GRAND RAPIDS, MINNESOTA

(Facsimile)
City Administrator

(Facsimile)
Mayor

CERTIFICATE OF AUTHENTICATION

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

U.S. BANK NATIONAL ASSOCIATION

By _____
Authorized Representative

CERTIFICATE OF AUTHENTICATION

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

U.S. BANK NATIONAL ASSOCIATION

By _____
Authorized Representative

ABBREVIATIONS

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

TEN COM -- as tenants in common

UNIF GIFT MIN ACT

_____ Custodian _____

(Cust) (Minor)

TEN ENT -- as tenants by entireties

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

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

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

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

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

Name and Address: _____

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

Please insert social security or other identifying number of assignee

PROVISIONS AS TO REGISTRATION

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

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

STATE OF MINNESOTA
COUNTY OF ITASCA

CERTIFICATE OF COUNTY
AUDITOR/TREASURER
AS TO REGISTRATION

I, the undersigned County Auditor/Treasurer of Itasca County, Minnesota, hereby certify that a certified copy of a resolution adopted by the governing body of the City of Grand Rapids, Minnesota, on August 9, 2021, relating to the \$1,210,000 Taxable General Obligation Utility Revenue Refunding Bonds, Series 2021C of said municipality dated September 2, 2021, has been filed in my office and said bonds have been entered on the register of obligations in my office.

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

COUNTY AUDITOR/TREASURER
ITASCA COUNTY, MINNESOTA

By: _____

Its: _____

(SEAL)