

## ARTICLE III

### THE SERIES 2024E BOND AND REPRESENTATIONS AND COVENANTS FOR THE BENEFIT OF THE 2024E PURCHASER

Section 3.01 Acceptance of Offer of 2024E Purchaser, Loan Servicing. Upon the recommendation of City finance staff and Ehlers, as the City's registered municipal advisor, the City hereby accepts the offer of the 2024E Purchaser to purchase the Series 2024E Bond; provided that the aggregate principal amount of the Series 2024E Bond shall not exceed \$6,576,000, with a fixed interest rate of 3.95% and a final maturity date of December 1, 2039. The 2024E Purchaser shall fund the loan from the 2024E Purchaser to the City evidenced by the Series 2024E Bond, and the Servicer will service and administer the loan as agent of the 2024E Purchaser. Representations, warranties and covenants of the City herein and otherwise made in connection with the sale of the Series 2024E Bond to the 2024E Purchaser are for the benefit of both the 2024E Purchaser and the Servicer. The 2024E Purchaser or the Servicer, as servicing agent acting on behalf of the 2024E Purchaser, may exercise all the rights, powers, privileges, and responsibilities, and duties and obligations of the 2024E Purchaser hereunder and with respect to the Series 2024E Bond. For any notices, certificates, information, statements and reports furnished to the 2024E Purchaser, a copy shall be provided to the Servicer. The 2024E Purchaser may remove the Servicer or appoint a replacement Servicer, in its sole discretion, by written notice provided to the City. Notwithstanding anything herein or in the Series 2024E Bond to the contrary, during any period the Servicer services the loan evidenced by the Series 2024E Bond, the City shall make all payments in connection with the Series 2024E Bond to the Servicer, on behalf and for the benefit of the 2024E Purchaser, and Servicer will remit to the 2024E Purchaser all payments of principal of, premium or make-whole redemption price, if any, and interest due with respect to the Series 2024E Bond, together with any other amounts due to the 2024E Purchaser. The City acknowledges the Servicer to be a third-party beneficiary of this Resolution and the Series 2024E Bond.

Section 3.02 The Series 2024E Bond - General. The Series 2024E Bond shall be titled "Gross Revenue Recycling and Solid Waste Bond, Series 2024E," shall be dated the date of issuance as the date of original issue and shall be issued forthwith on or after such date as a fully registered bond in substantially the form of Exhibit A attached hereto. The Series 2024E Bond shall be issued as a single physical bond. The Series 2024E Bond shall be issued and payable in minimum denominations of \$1,000 maturing on a single date, or, if a portion of said principal amount is prepaid, said principal amount less the prepayment. The Series 2024E Bond shall be issued as a single Tax-Exempt Bond to which all Tax-Exempt Bond provisions and covenants herein shall apply.

Section 3.03 Purpose; Findings. The Series 2024E Bond shall also provide funds to pay or reimburse for the cost of (i) acquiring, bettering, improving and equipping the 2024E Project as an improvement to the Recycling and Solid Waste System, (ii) funding the Reserve Requirement with respect to the Series 2024E Bond, and (iii) paying the costs of issuance thereof, with any excess to be used for any other purpose permitted by law. The proceeds of the Series 2024E Bond shall be deposited in the Accounts in the Project Fund as provided in Article IV.

Section 3.04 Interest. The Series 2024E Bond shall be as issued Fixed Rate Bonds, and shall bear interest payable semiannually on June 1 and December 1 of each year (each, an "Interest Payment Date"), commencing June 1, 2025, calculated on the basis of a 360-day year of twelve 30-day months, at a fixed interest rate of 3.95% to the final maturity date set forth above in Section 3.01.

Section 3.05 Redemption.

(A) Optional Redemption. The Series 2024E Bond is prepayable and subject to optional redemption prior to maturity on or before August 31, 2039, at the Make-Whole Redemption Price (as defined below), which includes interest accrued to, but not including, the applicable redemption date, on the Series 2024E Bond, or portions thereof, being redeemed. From and after September 1, 2039, the Series 2024E Bond shall be payable at a price of par, plus accrued interest to the date of redemption, without a premium.

“Make-Whole Redemption Price” means an amount equal to the greater of:

1. 100% of the principal amount of the Series 2024E Bond, or portion thereof, being redeemed; and
2. an amount equal to the sum of the present values of the remaining unpaid payments of principal and interest to be paid on such Series 2024E Bond to be redeemed from and including the date of redemption to the stated maturity date of such Series 2024E Bond, discounted to the date of redemption on a semiannual basis at a discount rate equal to the Applicable Tax-Exempt Municipal Bond Rate (as described below) for such Series 2024E Bond, plus a spread of 30% (30 basis points).

The “Applicable Tax-Exempt Municipal Bond Rate” will be the yield curve rate for the stated maturity date of such Series 2024E Bond as published by Municipal Market Data five business days prior to the date of redemption. If no such yield curve rate is established for the applicable year, the yield curve rate for the two published maturities most closely corresponding to the applicable year will be determined, and the “Applicable Tax-Exempt Municipal Bond Rate” will be interpolated or extrapolated from those yield curve rates on a straight-line basis.

In calculating the Applicable Tax-Exempt Municipal Bond Rate, should Municipal Market Data no longer publish a yield curve rate, then the Applicable Tax-Exempt Municipal Bond Rate will be determined by the Servicer based upon the yield of a comparable Treasury security that closely aligns with the remaining weighted average life of the Series 2024E Bond multiplied by (1 minus the corporate tax rate). The Servicer’s determination of the Applicable Tax-Exempt Municipal Bond Rate is the presumptive rate to be utilized absent a written objection from the City after review by the City’s municipal advisor and such objection shall be filed within two business days.

(B) Scheduled Mandatory Redemption. The Series 2024E Bond shall be subject to scheduled mandatory redemption and prepayment on each December 1 in the years and amounts set forth below at a price of par plus accrued interest.

**Series 2024E Bond Maturing December 1, 2039**

<u>Sinking Fund Payment Date (December 1)</u>	<u>Principal Amount</u>
2025	\$215,000
2026	231,000
2027	240,000
2028	250,000
2029	260,000
2030	270,000
2031	280,000
2032	292,000
2033	303,000
2034	315,000
2035	327,000
2036	340,000
2037	354,000
2038	368,000
2039 <sup>(1)</sup>	2,531,000 <sup>(2)</sup>

<sup>(1)</sup> *Maturity.*

<sup>(2)</sup> *Scheduled mandatory sinking fund redemption for 2039 is \$382,000. With \$2,531,000 to be the remaining unamortized principal due on the scheduled final maturity date for the Series 2024E Bond.*

(C) General Redemption Provisions. Redemption may be in whole or in part of the Series 2024E Bond subject to prepayment. If only part of the Series 2024E Bond is called for prepayment, the Series 2024E Bond may be prepaid in \$1,000 increments of principal and, if applicable, shall be chosen by lot by the Bond Registrar and such portion thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date.

Section 3.06 Deposits to Accounts; Disbursements. The proceeds of the Series 2024E Bond shall be deposited in the Accounts created by Article IV as follows:

- (a) to the Series 2024E Subaccount of the Reserve Account, the Reserve Requirement for the Series 2024E Bond;
- (b) to the Series 2024E Subaccount of the Project Account, all other proceeds of the Series 2024E Bond.

The amounts deposited in the Accounts as provided above shall be disbursed or applied as provided in Article IV.

Section 3.07 No DTC for Series 2024E Bond.

The 2024E Purchaser has not requested that any CUSIP number be assigned to the Series 2024E Bond. The 2024E Purchaser has requested that the Series 2024E Bond not be issued in the book-entry system and, therefore, the Series 2024E Bond will be issued outside of the book-entry only system. The Series 2024E Bond shall be registered in the name of the 2024E

Purchaser and shall not be subject to the procedures of The Depository Trust Company. All amounts payable to the 2024E Purchaser shall be paid directly to the Servicer in accordance with the provisions of Section 3.01.

Section 3.08 No Designation of Qualified Tax-Exempt Obligations. The Series 2024E Bond, together with other obligations expected to be issued by the City in 2024, exceed in amount those which may be qualified as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, and hence are not designated for such purpose.

Section 3.09 Negotiated Sale. The City has retained Ehlers as an independent municipal advisor, and the City has heretofore determined, and hereby determines, to sell the Series 2024E Bond by private negotiation to the 2024E Purchaser, all as provided by Minnesota Statutes, Section 475.60, Subdivision 2(9).

Section 3.10 Ongoing Financial Reporting for the Series 2024E Bond. The City is not subject to the continuing disclosure requirements of Rule 15c2-12(b)(5), 17 CFR §240.15c2-12, promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), with respect to the Series 2024E Bond (except to the extent required pursuant to other continuing obligations to which the City is a party); provided, however, for the benefit of the 2024E Purchaser, the City hereby agrees to comply with the following financial filing requirements:

(a) As soon as available but no later than three hundred sixty-five (365) days after the end of the Fiscal Year, the City shall notify the 2024E Purchaser and the Servicer that such information has either (i) been posted on EMMA or (ii) provide to the 2024E Purchaser and the Servicer annually, in a form acceptable to the Servicer, after the end of each Fiscal Year of the City, commencing with the Fiscal Year ending on December 31, 2024, a statement of the Recycling and Solid Waste Fund for such Fiscal Year (which may be included in the audited financial statements of the City);

(b) Within three hundred sixty-five (365) days after the end of the Fiscal Year, the City shall either (a) provide to the 2024E Purchaser and the Servicer or (b) notify the 2024E Purchaser and the Servicer that such information has been posted on EMMA the following: (i) the annual audited financial statements of the City together with an audit report of the Minnesota Office of the State Auditor or of an independent certified public accountant selected by the City; and (ii) a compliance certificate signed by an Authorized Representative of the City in substantially the form attached to this Resolution as Exhibit B stating that no Event of Default or Default has occurred, or if such Event of Default or Default has occurred, specifying the nature of such Event of Default or Default, the period of its existence, the nature and status thereof, and any remedial steps taken or proposed to correct such Event of Default or Default;

(c) As soon as available but not later than three hundred sixty-five (365) days after the end of the Fiscal Year, commencing with the Fiscal Year 2025 budget, the City shall either (a) provide to the 2024E Purchaser and the Servicer or (b) notify the 2024E Purchaser and the Servicer that such information has been posted on EMMA: the City’s annual budget, and any amendments to the City’s budget that would have a material impact on the Revenues that are pledged to the repayment of the Series 2024E Bond;

(d) Forthwith and, in any event, within fifteen (15) Business Days after the City obtains knowledge thereof, the City shall provide to the 2024E Purchaser and the Servicer a certificate of the City setting forth the occurrence of any Default or Event of Default, the

details thereof and the action which the City is taking or proposes to take with respect thereto; provided however, that a failure by the City to replenish the applicable subaccount of the Reserve Account is not an Event of Default; and

(e) The City shall provide to the 2024E Purchaser and the Servicer such other information respecting the affairs, condition, and/or operations, financial or otherwise, of the City as the 2024E Purchaser or the Servicer may from time to time reasonably request.

The City shall at any and all times during regular business hours, upon the written request of the 2024E Purchaser or the Servicer, permit the 2024E Purchaser or the Servicer by its representatives to inspect the properties, books of account, records, reports, and other papers of the Recycling and Solid Waste Fund, to take copies and extracts therefrom, and to discuss the affairs, finances, and accounts of the City with respect to the foregoing with the Authorized Representative or the independent public accountants of the City. The City will afford and procure a reasonable opportunity to make any such inspection, and the City will furnish to the 2024E Purchaser and the Servicer any and all information as the 2024E Purchaser or the Servicer may reasonably request.

### Section 3.11 Successors and Assigns.

(a) Successors and Assigns Generally. This Resolution is a continuing obligation and shall be binding upon the City, its successors, transferees, and assigns, and shall inure to the benefit of the 2024E Purchaser and its respective permitted successors, transferees, and assigns. The City may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the 2024E Purchaser. The 2024E Purchaser may, in its sole discretion and in accordance with applicable law, from time to time assign, sell, or transfer, in whole or in part, its interest in the Series 2024E Bond in accordance with the provisions of paragraph (b) or (c) below. The 2024E Purchaser may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) below. The 2024E Purchaser shall be the purchaser under this Resolution until such time as the 2024E Purchaser designates an alternate Person to serve as the 2024E Purchaser under this Resolution by delivery of written notice to the City and such Person accepts and agrees to act as the 2024E Purchaser under this Resolution and the Series 2024E Bond. The 2024E Purchaser may so designate an alternate Person to act as the 2024E Purchaser from time to time. Upon acceptance and notification thereof to the City, the successor to the 2024E Purchaser for such purposes shall thereupon succeed to and become vested with all of the rights, powers, privileges, and responsibilities of the 2024E Purchaser or any other Person being replaced as the 2024E Purchaser shall be discharged from its duties and obligations as the 2024E Purchaser hereunder. The successor shall be a party hereto, and this Resolution shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Affiliate Transferee or Non-Affiliate Transferee, and any reference to the assigning Person hereunder and under the Series 2024E Bond shall thereafter refer to such transferring Person and to the Affiliate Transferee or Non-Affiliate Transferee to the extent of their respective interests, and if the transferring Person no longer owns any interest in the Series 2024E Bond, then it shall relinquish its rights and be released from its obligations under this Resolution.

(b) Sales and Transfers by 2024E Purchaser to a Transferee. The 2024E Purchaser may at any time sell or otherwise transfer to one or more transferees, without consent of the City, all or a portion of the Series 2024E Bond to a Person that is: (i) an

Affiliate of the 2024E Purchaser; or (ii) a trust or other custodial arrangement established by the 2024E Purchaser or an Affiliate of the 2024E Purchaser, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act (each an “Affiliate Transferee”).

(c) Sales and Transfers by Bank to a Non-Affiliate Transferee. With the prior written consent of the City (which consent shall not be unreasonably withheld), the 2024E Purchaser may at any time sell or otherwise transfer to one or more transferees which are not Transferees but each of which constitutes: (i) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act; and (ii) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this clause (c), of not less than \$5,000,000,000 (each a “Non-Affiliate Transferee”) all or a portion of the Series 2024E Bond if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non-Affiliate Transferee, together with addresses and related information with respect to the Non-Affiliate Transferee, shall have been given to the City and the 2024E Purchaser Non-Affiliate Transferee, and (B) the Non-Affiliate Transferee shall have delivered to the City and the 2024E Purchaser, an investment letter in substantially the form delivered to the City by the 2024E Purchaser upon the original purchase of the Series 2024E Bond from the City by the 2024E Purchaser (the “Investor Letter”).

(d) Participations. The 2024E Purchaser shall have the right to grant participations in all or a portion of the 2024E Purchaser’s interest in the Series 2024E Bond and this Resolution to one or more other banking institutions (each a “Participant”); provided, however, that: (i) no such participation by any such Participant shall in any way affect the obligations of the 2024E Purchaser hereunder; (ii) the City shall be required to deal only with the 2024E Purchaser, with respect to any matters under this Resolution and the Series 2024E Bond; and (iii) no such Participant shall be entitled to enforce any provision hereunder against the City.

Section 3.12 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction relating to the Series 2024E Bond contemplated hereby (including in connection with any amendment, waiver, or other modification hereof or of the Series 2024E Bond), the City acknowledges and agrees: (i) the City has consulted its own legal, accounting, regulatory, and tax advisors to the extent it has deemed appropriate, and the City is capable of evaluating, and understands and accepts, the terms, risks, and conditions of the transactions contemplated hereby and by the Series 2024E Bond; (ii) the 2024E Purchaser has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent, or fiduciary for the City or any of its Affiliates, or any other Person, and the 2024E Purchaser has no obligation to the City or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein; and (iii) the 2024E Purchaser and its respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the City and its Affiliates, and the 2024E Purchaser has no obligation to disclose any of such interests to the City or its Affiliates.

Section 3.13 Patriot Act. The 2024E Purchaser has notified the City that pursuant to the requirements of the Patriot Act, it is required to obtain, verify, and record information that identifies the City, which information includes the name and address of the City and other information that will allow it to identify the City in accordance with the Patriot Act. The City shall, promptly following

a request by the 2024E Purchaser, provide all documentation and other information that the 2024E Purchaser requests in order to comply with its ongoing obligations under applicable “know your customer” provisions of the Anti-Terrorism Laws (including the Executive Order), including the Patriot Act.

Section 3.14 Complete and Correct Information. All information, reports, and other papers and data with respect to the Recycling and Solid Waste System and the Recycling and Solid Waste Fund furnished by the City to the 2024E Purchaser or the Servicer were, at the time the same were so furnished, correct in all material respects. Any financial, budget and other projections furnished by the City to the 2024E Purchaser or the Servicer were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent (subject to the updating or supplementation of any such financial, budget or other projections by any additional information provided to the 2024E Purchaser or the Servicer in writing, the representations contained in this Resolution being limited to financial, budget, or other projections as so updated or supplemented), in the judgment of the City, a reasonable, good faith estimate of the information purported to be set forth, it being understood that uncertainty is inherent in any projections and that no assurance can be given that the results set forth in the projections will actually be obtained.

Section 3.15 Amendments relating to Series 2024E Bond. So long as the principal of or interest on the Series 2024E Bond remains unpaid and the obligations of this Resolution are unsatisfied, the City shall not amend, modify, or supplement, or agree to any amendment or modification of, or supplement to, this Resolution, any Supplemental Resolution or the Series 2024E Bond, or consent to, or permit or suffer to occur any action, course of dealing, or omission which results in, or is equivalent to, an amendment, supplementation, termination, or modification of this Resolution, any Supplemental Resolution or the Series 2024E Bond, without the prior written consent of the 2024E Purchaser, and any such amendment, supplementation, termination, or modification made or entered into in violation of this subsection shall be deemed a nullity and of no force and effect.

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