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Title: Authorizing issuance of and negotiated sale of Special Assessment Revenue Bonds (Highland Bridge Project), Series 2021E.

Sponsors: Chris Tolbert

Indexes: Bond Sale

Code sections:

Attachments: 1. Exhibit A, 2. Exhibit B, 3. Exhibit C, 4. Ford Special Assmt Agmt Petition and Waiver

Date	Ver.	Action By	Action	Result
10/7/2021	1	Mayor's Office	Signed	
10/6/2021	1	City Council	Adopted	Pass

Authorizing issuance of and negotiated sale of Special Assessment Revenue Bonds (Highland Bridge Project), Series 2021E.

PREAMBLE

A. WHEREAS, the City of Saint Paul, Minnesota (the "City"), has incurred and will incur capital costs for certain public roads, street improvements, water, sanitary and stormwater facilities and other public utility and infrastructure improvements (the "Public Infrastructure") to an approximately 122 acres site, commonly known as "Highland Bridge" or the "Ford Redevelopment Site", located at 966 Mississippi River Boulevard in the City; and

B. WHEREAS, this Council has determined that a portion of the capital costs of the Public Infrastructure (the "429 Improvement Project") which is described in more detail in EXHIBIT B attached hereto, should be financed in whole or part through the issuance of one or more series of tax-exempt special assessment bonds pursuant to the authority granted by the City's home rule charter and by Minnesota Statutes, Chapter 429, 469 and 475, as amended (collectively, the "Act"); and

C. On December 18, 2019, the City, Project Paul, LLC, as developer (the "Developer"), and MN Ford Site Apartment Land LLC ("Weidner") entered into a Special Assessment Agreement, Petition and Waiver (Ford Site) (the "Special Assessment Agreement") whereby the Developer and Weidner as land owners of all of the real property in the Ford Redevelopment Site agreed that a portion of the cost of the 429 Improvement Project will be financed by the imposition of special assessments (the "Special Assessments") on all of the lots in Highland Bridge owned by the Developer and Weidner at the time they entered into the Special Assessment Agreement. The Special Assessment Agreement is attached to this Resolution as EXHIBIT C. In addition, the Special Assessment Agreement clearly indicates that the Special Assessments will transfer to subsequent owners of the lots that take title from the Developer and Weidner. The Special Assessment Agreement was filed in the Office of the Registrar of Titles in Ramsey County on December 19, 2019, as Document No. T02655839. Pursuant to the Special Assessment Agreement, both the Developer and Weidner also agreed to not protest the amount or imposition of the Special Assessments or the 429 Improvement Project; and

D. WHEREAS, under the terms of the Special Assessment Agreement, the parties agreed that the estimated cost of the 429 Improvement Project is at least \$11,800,000 as shown in Exhibit C to the Special Assessment Agreement. Pursuant to the terms of the Special Assessment Agreement, the parties agreed that the City will consider issuing bonds payable from the Special Assessments in order to fund the 429 Improvement Project; and

E. WHEREAS, this Council finds, determines and declares that it is necessary and expedient to issue its Special Assessment Revenue Bond (Highland Bridge Project), Series 2021E (the "Series 2021E Bond"), in an aggregate principal amount not to exceed \$8,558,000, the proceeds of which will be used to: (i) finance or reimburse the City for the 429 Improvement Project; and (ii) pay costs of the issuance of the Series 2021E Bond. The initial deposit to the Reserve Account established under this Resolution shall be funded from accounts of the City on hand to the Reserve Requirement; and

F. WHEREAS, the Series 2021E Bond shall be payable solely from Special Assessments specially assessed against the properties specially benefitted by the 429 Improvement Project, as described in EXHIBIT B and the accounts established hereunder (including the Reserve Account), and shall not be a general obligation of the City nor secured by the City's full faith and credit; and

G. WHEREAS, the City has determined that the Series 2021E Bond shall be issuable under this Resolution, as from time to time supplemented, (1) as taxable or tax-exempt bonds, (2) as bonds on which interest is paid currently or as bonds for which the payment of interest is deferred, and (3) as bonds which are subject to optional or mandatory redemption; and

H. WHEREAS, pursuant to Minnesota Statutes, Section 475.60, Subdivision 2(9), public sale requirements do not apply to the Series 2021E Bond if the City retains an independent municipal advisor and determines to sell the Series 2021E Bond by private negotiation, and the City has, with the advice of the City's independent municipal advisor, Ehlers & Associates Inc., instead authorized a competitive sale without publication of notice thereof as a form of private negotiation; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Saint Paul, Minnesota, as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions

As used in this Resolution, the following terms shall have the meanings assigned in this Section:

Account or Accounts: any account established herein or various of the accounts established herein, as appropriate.

Act: means, collectively, Minnesota Statutes, Chapters 429, 469, and 475, as amended, which provide authority in addition to the City's home rule charter.

Anti-Terrorism Laws: means any Laws relating to terrorism or money laundering, including the Executive Order and the Patriot Act.

Bank: Bremer Bank, National Association, as original purchaser of the Series 2021E Bond.

Bond Registrar: the Treasurer of the City, who shall act as bond registrar, transfer agent and paying

agent, or any Fiduciary acting as bond registrar, transfer agent or paying agent for any Series 2021E Bonds.

Bond Year: for the Series 2021E Bond, each twelve-month period starting on August 2 of each year and ending on August 1 of the next year and the first bond year shall commence on the date of issuance on the Series 2021E Bond and end on August 1, 2022.

Bondholder or Holder: the Bank or any authorized transferee that complies with the requirements of Section 8.04.

Business Day: any day other than: (i) a Saturday or Sunday; or (ii) a day on which banks in Minneapolis, Minnesota, or New York, New York, are required or authorized by law to be closed; or (iii) a day on which the Bank is required or authorized by law to be closed; or (iv) a day on which the payment system of the Federal Reserve System is not operational.

City: the City of Saint Paul, Minnesota, or any successor thereto.

Code: the federal Internal Revenue Code of 1986, as amended, or any successor code, and all regulations, rulings and decisions thereunder.

Debt: of any Person means at any date, without duplication: (i) all obligations of such Person for borrowed money; (ii) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments; (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business; (iv) all obligations of such Person as lessee under capital leases; (v) all Debt of others secured by a lien on any asset of such Person, whether or not such Debt is assumed by such Person; and (vi) all obligations of such Person under any Swap Contract.

Debt Service Account: the “Highland Bridge Special Assessment Revenue Bond Debt Service Account”, created and established by Section 4.03.

Debtor Relief Laws: the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor-relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

Default or Event of Default: any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default as set forth in Article VII hereof.

Developer: Project Paul, LLC, its successors and assigns.

Excess Earnings: the amount of investment earnings on money held in any Fund or any Account therein, or in any other fund or account, required to be transferred to the Rebate Account as earnings on “gross proceeds” (as defined by or under the Code) in excess of the “yield” (calculated as required by or under the Code) on tax-exempt bonds, which includes the Series 2021E Bond.

Fiduciary: any bank or other organization acting in a fiduciary capacity with respect to the Series 2021E Bond, whether as a paying agent, Bond Registrar, tender agent, or escrow agent, or in a similar function; provided that DTC shall not be considered a Fiduciary hereunder.

Fiscal Year: the twelve (12) month period beginning on January 1 of each year and ending on December 31 of the same year; provided that the City may, by a supplemental resolution, provide for a

different twelve (12) month Fiscal Year.

Ford Redevelopment Site or Highland Bridge: an approximately 122 acres site located at 966 Mississippi River Boulevard in the City commonly known as “Highland Bridge”.

Fund: any fund governed hereby as set forth in Article IV or various of the accounts governed hereby, as appropriate.

Improvements: any expansion, construction, reconstruction, equipping, modification or other betterment of the Ford Redevelopment Site, including the 429 Improvement Project.

Interest Payment Date: each February 1 and August 1, commencing August 1, 2022.

Letter of Representations: the Blanket Issuer Letter of Representations dated March 22, 2019, by and between the City and DTC.

Participant: has the meaning set forth in Section 8.04 hereof.

Patriot Act: the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

Paying Agent: the Treasurer of the City, or his/her successor or assigns.

Person: means any individual, corporation, not for profit corporation, partnership, limited liability company, joint venture, association, professional association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof, or any other form of entity.

Principal Payment Date: any date on which an installment of principal is scheduled to become due on the Series 2021E Bond, whether by scheduled maturity or scheduled mandatory redemption or otherwise.

Project Account: the “Highland Bridge Special Assessment Revenue Bond Project Account”, established and created in Section 4.02 hereof.

Public Infrastructure: certain public roads, street improvements, water, sanitary and stormwater facilities and other public utility and infrastructure improvements to the Ford Redevelopment Site.

Rebate Account: the “Highland Bridge Special Assessment Revenue Bond Rebate Account”, created and established by Section 4.05 hereof.

Rebate Amount: the amount required to be paid to the United States Treasury pursuant to Section 148 of the Code as a rebate of investment earnings (and, if applicable, actual or imputed earnings thereon) to the extent such investment earnings are in excess of the yield on a series of tax-exempt bonds, which includes the Series 2021E Bond, and are subject to rebate.

Reserve Account: the “Highland Bridge Special Assessment Revenue Bond Debt Service Reserve Account”, created and established by Section 4.04 hereof.

Reserve Requirement: an amount equal to one-half ($\frac{1}{2}$) of scheduled maximum annual debt service on the Series 2021E Bond (less any scheduled application of the amount in the Reserve Account) which amount is less than: (i) ten percent (10%) of the “proceeds” of such Series 2021E Bond within the meaning of Section 148(d)(1) of the Code, (ii) one hundred twenty-five percent (125%) of the average annual amount of principal and interest due on the Series 2021E Bond in any future calendar year, or (iii) the maximum amount of principal and interest due on such Series 2021E Bond in any future calendar year (excluding therefrom the year final payment is made for each series of Series 2021E Bond), with the amount of principal and interest on

each series of the Series 2021E Bond calculated on the assumption that each bond will be paid at its stated maturity or corresponding sinking fund payment dates.

Resolution: this Resolution Relating to Special Assessment Revenue Bond (Highland Bridge Project), Series 2021E adopted by the City Council of the City on October 6, 2021, as from time to time amended or supplemented.

Series 2021E Bond: the City's Special Assessment Revenue Bond (Highland Bridge Project), Series 2021E, in the original aggregate principal amount not to exceed \$8,558,000.

Special Assessment Agreement: a Special Assessment Agreement, Petition and Waiver (Ford Site), dated December 18, 2019, between the City, Project Paul, LLC, as developer (the "Developer"), and MN Ford Site Apartment Land LLC ("Weidner"), as amended or supplemented by time to time.

Special Assessment Fund: the City's fund into which special assessments received by the City are deposited (currently Fund #215), including the Special Assessments for the 429 Improvement Project.

Special Assessments: the special assessments to be levied against the properties specifically benefitted by the 429 Improvement Project as more fully described in the Special Assessment Agreement, less the amounts payable from the youth baseball association (Friends of Highland Ball).

Weidner: means the same as defined in the recitals to this Resolution.

429 Improvement Project: a portion of the capital costs of the Public Infrastructure funded by the proceeds of the Series 2021E Bond to improve the Ford Redevelopment Site as more fully described in EXHIBIT B attached hereto.

ARTICLE II

THE SERIES 2021E BOND - IN GENERAL

Section 2.01 Acceptance of Proposal

__The proposal of Bremer Bank, National Association (the "Bank"), to purchase the Series 2021E Bond, in accordance with the RFP for the bond sale, at the rate of interest set forth hereinafter, and to pay for the Series 2021E Bond the sum not to exceed \$8,558,000 (the principal amount of the Series 2021E Bond), is hereby found, determined and declared to be the most favorable proposal received and is hereby accepted for the purchase of the Series 2021E Bond. On September 13, 2021, the City Treasurer on behalf of the City, executed and delivered the necessary commitment letter or term sheet with the Bank related to the Series 2021E Bond. The City and the Bank may reduce the principal amount below the \$8,558,000 if it is determined to be in the best interests of the City and the Bank.

Section 2.02 Form of Series 2021E Bond

__The Series 2021E Bond shall be in the form of bond as set forth in Exhibit A hereto, but may contain such additional or different terms and provisions as to the form and time of payment, record date, notices and other matters as are consistent with this Resolution.

Section 2.03 Redemption of the Series 2021E Bond

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(a) Optional Redemption. (i) The City may elect on each Interest Payment Date to and including August 1, 2025 to prepay any portion of the Series 2021E Bond from prepaid Special Assessments. From and after the February 1, 2026 Interest Payment Date and on any Business Day thereafter, the City shall have the right to prepay the Series 2021E Bond. Optional redemptions (i) prior to the February 1, 2026 Interest Payment Date may only be made in part from prepaid Special Assessments and (ii) from and after the February 1, 2026 Interest Payment Date may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all the Series 2021E Bond is called for redemption, the City will notify the Bank of the particular amount to be prepaid in accordance with Section 2.03(d) below. All optional redemptions of the Series 2021E Bond shall be at a price of par plus accrued interest to the date of redemption.

(ii) Prepayments may be made on the Series 2021E Bond in minimum increments of \$1,000. If a partial prepayment is made which is equal to or greater than \$50,000 in aggregate, then the sinking fund installments due under Section 2.03(b) shall be reduced in \$1,000 increments to amortize the remaining principal balance of the Series 2021E Bond over the remaining term to provide for substantially equal annual debt service payments for each Bond Year through the original term.

(b) Scheduled Mandatory Redemption. The Series 2021E Bond is subject to mandatory sinking fund redemption on February 1 in the respective years and the respective principal amount and at a Redemption Price equal to the principal amount thereof to be redeemed plus interest accrued to the Redemption Date. The mandatory sinking fund schedule shown below is the initial mandatory sinking fund schedule and will be revised if there are prepayments of the Series 2021E Bond in accordance with the provisions of Section 2.03(a). Upon the Bank receiving prepayments of \$50,000 or more in accordance with the provisions of Section 2.03(a), the City shall propose and the Bank and the City shall agree to a new mandatory redemption schedule showing the proportionate reduction in scheduled sinking fund payments to provide for substantially equal debt service payments for each Bond Year. If the original aggregate principal amount of the Series 2021E Bond is reduced below \$8,558,000 prior to issuance, then the initial mandatory sinking fund redemption schedule shall be adjusted in the Series 2021E Bond.

Series 2021E Bond Sinking Fund Redemption Schedule

Payment Date (February 1)	Principal Amount	Payment Date (February 1)	Principal Amount
2023	\$754,000	2028	\$866,000
2024	809,000	2029	881,000
2025	823,000	2030	896,000
2026	837,000	2031	912,000
2027	852,000	2032*	928,000

**Stated Maturity*

(c) Due Date. The Series 2021E Bond or portions thereof called for redemption shall be due and payable on a redemption date, and interest thereon shall cease to accrue from and after the redemption date.

(d) Notice. Mailed notice of redemption shall be given to the paying agent (if other than a City officer) and to the Bank. If and when the City shall call any of the Series 2021E Bond for redemption and payment prior to the stated maturity thereof, the Bond Registrar shall give written notice in the name of the City of its intention to redeem and pay such Series 2021E Bond at the office of the Bond Registrar. Notice of redemption shall be given by first class mail, postage prepaid, mailed not less than fifteen (15) days prior to the redemption date, to each Holder of Series 2021E Bond to be redeemed, at the address appearing in the Bond Register. All notices of redemption shall state:

- (i) the redemption date;
 - (ii) the redemption price;
 - (iii) if less than all outstanding of the Series 2021E Bond is to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2021E Bond to be redeemed;
 - (iv) that on the redemption date, the redemption price will become due and payable upon each such Series 2021E Bond, and that interest thereon shall cease to accrue from and after said date;
 - (v) the place where such Series 2021E Bond is to be surrendered for payment of the redemption price (which shall be the office of the Bond Registrar); and
 - (vi) if such redemption is intended to be conditional, include a statement that the redemption so noticed is conditioned on sufficient funds being held by the City on or before noon on the applicable redemption date to pay the full redemption price, and if at such time the amount so held is not sufficient to pay all amounts required to effect the noticed redemption in full, the redemption shall be cancelled, with all Series 2021E Bond tendered for such redemption being returned to the holders thereof and no liability on the part of the City shall arise as a result of such cancellation.
- (e) **Notice and Effect of Redemption.** The date of redemption and the principal amount of the Series 2021E Bond to be redeemed shall be fixed by the City Treasurer, who shall give notice thereof to the Bank not less than fifteen (15) days in advance by first class mail, postage prepaid at the Bank's address appearing in the Series 2021E Bond register to be redeemed and the date on which payment will be made. On the date so fixed interest on the Series 2021E Bond or portions thereof so redeemed shall cease.

Section 2.04 Bond Registrar

The Treasurer of the City is appointed to act as bond registrar and transfer agent with respect to the Series 2021E Bond (the "Bond Registrar"), unless and until a successor or different Bond Registrar is duly appointed for the Series 2021E Bond. Only one person or entity shall be Bond Registrar for the Series 2021E Bond at any time. A successor or different Bond Registrar shall be an officer of the City or a bank or trust company eligible for designation as bond registrar pursuant to Chapter 475 of the Act, and may be appointed pursuant to any contract the City and such successor or different Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as Paying Agent unless and until a successor paying agent is duly appointed. Principal and interest on the Series 2021E Bond shall be paid to the Holders (or record holders) of the Series 2021E Bond in the manner set forth in the form of Series 2021E Bond and Section 2.09 of this Resolution.

Section 2.05 Execution and Delivery; Application of Proceeds

The Series 2021E Bond shall be executed on behalf of the City by the signatures of its Mayor, City Clerk and Director, Office of Financial Services, or their proper designees, each with the effect noted on the form of the Series 2021E Bond, provided, that any such signatures may be printed or photocopied facsimiles of the originals. In the event of disability or resignation or other absence of any such officer, the Series 2021E Bond may be signed by the manual or facsimile signature of that officer who may act on behalf of such absent or disabled officer. In case any such officer whose signature or facsimile of whose signature shall appear on the Series 2021E Bond shall cease to be such officer before the delivery of the Series 2021E Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

The Series 2021E Bond when so prepared and executed, shall be delivered by the Director, Office of Financial Services, to the Bank upon receipt of the purchase price, and the Bank shall not be obliged to see to the proper application thereof.

Section 2.06

Authentication; Date of Registration

No Series 2021E Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless a Certificate of Authentication on such Series 2021E Bond, substantially in the form set forth in Exhibit A hereto, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Series 2021E Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Series 2021E Bond by execution of the Certificate of Authentication on the Series 2021E Bond and by inserting as the date of registration in the space provided the date on which the Series 2021E Bond is authenticated. For purposes of delivering the original Series 2021E Bond to the Bank, the Bond Registrar shall insert as the date of registration the date of original issue. The Certificate of Authentication so executed on each Series 2021E Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

Section 2.07

Registration; Transfer; Exchange

The City will cause to be kept at the principal office of the Bond Registrar a Series 2021E Bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of Bonds and the registration of transfers of the Series 2021E Bond entitled to be registered or transferred as herein provided.

Upon surrender for transfer of a Series 2021E Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Bond Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Series 2021E Bond of a like aggregate principal amount and maturity, as requested by the transferor. The Bond 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.

When the Series 2021E Bond is surrendered by the registered owner for exchange, the Bond Registrar shall authenticate and deliver one or more new Series 2021E Bond of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

A Series 2021E Bond surrendered upon transfer or exchange shall be promptly cancelled by the Bond Registrar and thereafter disposed of as directed by the City.

When a Series 2021E Bond is presented to the Bond Registrar for transfer, the Bond Registrar may refuse to transfer the Series 2021E Bond until the Bond Registrar is satisfied that the endorsement on the Series 2021E Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Bond Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

The City and the Bond Registrar may treat the person in whose name a Series 2021E Bond is registered in the Bond Register as the absolute owner of the Series 2021E Bond, whether the Series 2021E Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Series 2021E Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon the Series 2021E Bond to the extent of the sum or sums so paid.

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Series 2021E Bond and any legal or

unusual costs regarding transfers and a lost Series 2021E Bond.

Section 2.08

Rights Upon Transfer or Exchange

Each Series 2021E Bond delivered upon transfer of or in exchange for or in lieu of any other Series 2021E Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Series 2021E Bond.

Section 2.09

Interest Payment and Record Date

The Interest Payment Dates for the Series 2021E Bond shall be each February 1 and August 1, commencing August 1, 2022 (each an "Interest Payment Date") from the date of issuance thereof until maturity. All computations of interest on the Series 2021E Bond shall be made on the basis of a 360-day year and twelve (12) thirty-day months.

Interest on the Series 2021E Bond shall be paid on each Interest Payment Date by check, draft, or ACH payment to the Bank or such other person in whose name the Series 2021E Bond is registered (in accordance with the provisions of 8.04 hereof) on the registration books of the City maintained by the Bond Registrar, and in each case at the address appearing thereon at the close of business on the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Bond Registrar to the Bank not less than ten (10) days prior to the Special Record Date.

If so provided in this Resolution, interest may be paid to the Bank as specified in writing, and such account must be maintained in a United States office or branch of a commercial bank, thrift institution or other financial institution.

The Principal Payment Date for the Series 2021E Bond shall be February 1 of each year, beginning on February 1, 2023.

Section 2.10

Holder; Treatment of Registered Owner; Consent of Bank

(A) For the purposes of all actions, consents and other matters affecting the Bank for the Series 2021E Bond issued under this Resolution, as from time to time supplemented, the City shall treat the Bank as the holder of the Series 2021E Bond.

(B) The City and Bond Registrar may notify the Bank or any other affiliate that the Bank notifies the City and the Bond Registrar, in a writing signed by an authorized officer of the Bank in compliance with the provisions of Section 8.04, or as the person in whose name any Series 2021E Bond is registered as the owner of such Series 2021E Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in Section 2.09) on, such Series 2021E Bond and for all other purposes whatsoever whether or not such Series 2021E Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

(C) Any consent, request, direction, approval, objection or other instrument required by this Resolution, as supplemented, to be signed and executed by an authorized officer of the Bank. Proof of the execution of any such consent, request, direction, approval, objection or other instrument

shall be sufficient for any of the purposes of this Resolution, as supplemented, and shall be conclusive in favor of the City with regard to any action taken by it under such request or other instrument, namely: (i) the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him or her the execution thereof, or by an affidavit of any witness to such execution; and (ii) subject to the provisions of subparagraph (A) above, the fact of the ownership by any person of Series 2021E Bond and the amounts and numbers of such Series 2021E Bond, and the date of the holding of the same, may be proved by reference to the Series 2021E Bond register.

Section 2.11 No Book-Entry System

 The Series 2021E Bond shall be registered in the name of the Bank and shall not be subject to the procedures of The Depository Trust Company.

ARTICLE III

THE SERIES 2021E BOND

Section 3.01 The Series 2021E Bond - General

 The Series 2021E Bond shall be titled "Special Assessment Revenue Bond (Highland Bridge Project), Series 2021E", shall be dated the date of issuance as the date of original issue and shall be issued forthwith on or after such date as fully registered bonds. The Series 2021E Bond shall be numbered from R-1 upward. The Series 2021E Bond is issued only as fully registered bonds in denominations of \$1,000 or any integral multiple thereof of single maturities. The Series 2021E Bond shall mature on February 1, 2032 and shall be subject to optional and mandatory sinking fund redemption as set forth in Section 2.03 hereof. The Series 2021E Bond shall bear interest at a rate of 1.73% and such interest shall be payable and be calculated as described in Section 2.09 hereof.

Section 3.02 Purpose; Findings

 The Series 2021E Bond shall provide funds to: (i) finance the a portion of the cost of the 429 Improvement Project; and (ii) pay costs of issuance of the Series 2021E Bond. It is hereby found, determined and declared that the Series 2021E Bond is issued pursuant to Minnesota Statutes, Chapter 429. The proceeds of the Series 2021E Bond shall be deposited in the Accounts as provided in Article IV hereof. The total cost of the 429 Improvement Project to be financed by the issuance of the Series 2021E Bond is estimated to be at least equal to the amount of the Series 2021E Bond or disbursed to pay costs of issuance of the Series 2021E Bond. Work on the 429 Improvement Project is anticipated to be completed in 2025.

Section 3.03 Deposits to Accounts; Disbursements

 The proceeds of the Series 2021E Bond of the City shall be deposited in the Accounts created by Article IV as follows:

- (a) to the Project Account, all other proceeds of the Series 2021E Bond.

The amounts deposited in the Accounts as provided above shall be disbursed or applied as provided in Article IV. In addition, on the date of issuance of the Series 2021E Bond, the City shall also deposit the initial Reserve Requirement with the Bank in a separate and segregated account held at the Bank.

Section 3.04

Other Documents

._The officers of the City are hereby authorized and directed to execute and deliver such other agreements, documents or certificates as may be necessary or desirable to effectuate the purposes of this Resolution, upon approval of the form thereof by the City Attorney, and are directed to provide to bond counsel, the Bank, and others as appropriate, certified copies of this Resolution and other pertinent proceedings of the City. All certificates provided by the City in connection with the authorization, issuance and delivery of the Series 2021E Bond shall be deemed representations of the City as to all matters stated therein.

Section 3.05

No Designation of Qualified Tax-Exempt Obligations

._The Series 2021E Bond, together with other obligations expected to be issued by the City in 2021, 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 3.06

Negotiated Sale

._The City has retained Ehlers & Associates Inc. as an independent financial/municipal advisor ("Ehlers"), and the City has heretofore determined, and hereby determines, to sell the Series 2021E Bond by private negotiation to the Bank, all as provided by Minnesota Statutes, Section 475.60, Subdivision 2(9). Pursuant to a Request for Proposals, dated August 16, 2021 (as supplemented, the "RFP"), the City, with assistance from Ehlers and Ballard Spahr LLP, as bond counsel to the City, solicited proposals from qualified financial institutions for the loan evidenced by the Series 2021E Bond. In response to the RFP, the City received four (4) proposals for financing and selected the proposal of the Bank as the most favorable proposal.

Section 3.07

No Continuing Disclosure Requirement; Reporting Requirements; City to Comply With the Following Financial Reporting

._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 2021E Bond; provided, however, 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 provide to the Bank annually, in a form acceptable to the Bank, after the end of each Fiscal Year of the City, commencing with the Fiscal Year ending on December 31, 2022, a statement of the Special Assessments collected by the City in the preceding Fiscal Year;

(b) The City shall keep proper books of record and account with respect to the Special Assessments and shall furnish to the Bank upon written request;

(c) Within three hundred sixty-five (365) days after the end of the Fiscal Year: (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 the Director, Office of Financial Services of the City 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;

(d) 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 2022 budget, the City's annual budget, and any amendments to the City's budget that would have a material impact on the Series 2021E

Bond;

(e) Forthwith and, in any event, within fifteen (15) Business Days after the City obtains knowledge thereof, 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 Reserve Account under Section 3.09 hereof is not an Event of Default; and

(f) Such other information respecting the affairs, condition, and/or operations, financial or otherwise, of the City as the Bank 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 Bank, permit the Bank by its representatives to inspect the properties, books of account, records, reports, and other papers of the City with respect to the Special Assessments and the Series 2021E Bond and related matters, to take copies and extracts therefrom, and to discuss the affairs, finances, and accounts of the City with respect to the foregoing with the Designated Officer 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 Bank any and all information as the Bank may reasonably request.

Section 3.08 Tax-Exempt Series 2021E Bond

__The City covenants and agrees with the holders from time to time of the Series 2021E Bond that it will not take or permit to be taken by any of its officers, employees, or agents any action which would cause the interest on the Series 2021E Bond to become includable in gross income for federal income tax purposes under the Code, and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Series 2021E Bond.

Section 3.09 Consideration of Appropriation to Restore Reserve Account

__If amounts in the Reserve Account have been expended in the payment of the Series 2021E Bond, or if they appear likely to be so expended in the ensuing year, the Mayor of the City will include the amount necessary to restore the Reserve Account to the Reserve Requirement for the Series 2021E Bond from amounts that do not constitute Special Assessments in his or her annual budget recommendation to the governing body of the City, and the governing body of the City will consider such recommendation in its adoption of a budget for the ensuing fiscal year of the City. If the governing body of the City adopts the Mayor's recommendation, all amounts necessary to restore the Reserve Account to the Reserve Requirement for the Series 2021E Bond shall be considered appropriated. The budget appropriation in this paragraph shall first look to amounts in the City's Special Assessment Fund that are legally available for such purpose and then, if such amounts are insufficient, then the City will look to make an appropriation from other legally available funds of the City. Although the appropriation consideration in this paragraph is a moral obligations appropriation, the City is not legally obligated to make any such appropriation.

Such amounts appropriated shall be utilized only as a reserve for the Series 2021E Bond, not for any other bonds or obligations of the City.

ARTICLE IV

ACCOUNTS

Section 4.01

Accounts.

There are various accounts established under this Resolution. These accounts shall be operated in accordance with the City's past practices, except as to the use of Special Assessments for the payment or security of the Series 2021E Bond and except as provided in this Resolution. The City may reorganize its budget and accounting system, rename and renumber its accounts, or transfer specific activities from or among the Accounts or to other accounts.

Section 4.02

Project Account

:-

(A) There is hereby created and established a "Highland Bridge Special Assessment Revenue Bond Project Account" (the "Project Account").

(B) Into the Project Account there shall be paid the proceeds from the sale of the Series 2021E Bond, less the sum of (1) unused discount and accrued interest paid by the Bank upon delivery, and (2) capitalized interest, if any, deposited in the Debt Service Account. Proceeds of the Series 2021E Bond in the Project Account shall be used to fund the costs of the 429 Improvement Project. From the Project Account (or, if applicable, from a separate subaccount therein) shall be paid all costs of the 429 Project Improvements to be financed by the Series 2021E Bond, including legal, engineering, financing and other such expenses incidental thereto. There shall also be paid from the Project Account the costs of issuance of the Series 2021E Bond. The City may transfer from the Project Account to the Debt Service Account as necessary amounts required to provide for the payment of interest on the Series 2021E Bond if determined necessary by the City Treasurer and in such case the amount so transferred shall be credited against amounts otherwise required to be transferred, however, that any amount of the proceeds of such Series 2021E Bond deposited in the Debt Service Account upon issuance of such Series 2021E Bonds shall be used for that purpose before any transfers are made from the Project Account.

(C) Any excess money remaining in the Project Account upon completion of the 429 Improvement Project shall be, at the option of the City, transferred to the Debt Service Account.

(D) Except as provided in subsection (E) below, earnings on amounts held from time to time in the Project Account shall be transferred to the Debt Service Account.

(E) Notwithstanding any provision of this Resolution to the contrary, all Excess Earnings shall be transferred from the Project Account to the Rebate Account at such times and in such amounts as may be required to maintain compliance, as to the Series 2021E Bond with the covenants expressed in Sections 5.02 and 5.04.

Section 4.03

Debt Service Account

:-

(A) There is hereby created and established a "Highland Bridge Special Assessment Revenue Bond Debt Service Account" (referred to herein as the "Debt Service Account"), into which there shall be credited and to which there is hereby irrevocably pledged and there shall be credited the amounts described in (C) below. No money shall be paid out of said Debt Service Account except to pay principal, premium, if any, and interest on the Series 2021E Bond, to correct any misapplication of accounts and to make transfers to the Rebate Account.

(B) The Debt Service Account shall be used solely to pay the principal and interest of the Series 2021E Bond. No portion of the proceeds of the Series 2021E Bond shall be used directly or

indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Series 2021E Bond were issued, and (2) in addition to the above in an amount not greater than \$100,000 of the proceeds of the Series 2021E Bond. To this effect, any sums from time to time held in the Debt Service Account in excess of amounts which under then-applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. In addition, the proceeds of the Series 2021E Bond or amounts in the Debt Service Account shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Series 2021E Bond to be "federally guaranteed" within the meaning of Section 149(b) of the federal Internal Revenue Code of 1986, as amended (the "Code").

(C) There shall be credited to and deposited in the Debt Service Account each of the following:

(1) collections of Special Assessments levied with respect to the 429 Improvement Project that is financed with proceeds of the Series 2021E Bond;

(2) all amounts remaining in the Project Account after payment of costs of issuance relating to the Series 2021E Bond and the payment in full of the costs of the 429 Improvement Project that are required to be paid from the Series 2021E Bond, and any amounts that the Director, Office of Financial Services or designee determines should be appropriately transferred to the Debt Service Account; and

(3) all investment earnings on money held in such special account in the Debt Service Account or (at the City's option) on money held in the Project Account.

(D) The City shall immediately deposit in the Debt Service Account, from Special Assessments or the Reserve Account if Special Assessments are insufficient for such purpose, any amount required to pay the principal of and premium, if any, and interest on all Series 2021E Bonds when due on any Principal Payment Date or Interest Payment Date to the extent such amounts have not previously been deposited in the Debt Service Account from Special Assessments or transferred to the Debt Service Account from the Reserve Account. In the event that such funds are insufficient, then the City will consider appropriating funds as necessary in accordance with Section 3.09.

(E) Notwithstanding any provision of this Resolution to the contrary, Excess Earnings shall be transferred from the Debt Service Account to the Rebate Account at such times and in such amounts as may be required to maintain compliance, as to all Series 2021E Bonds, with the covenants expressed in Sections 5.02 and 5.04.

Section 4.04 Reserve Account

-

(A) There is hereby created and established a "Highland Bridge Special Assessment Revenue Bond Debt Service Reserve Account" (referred to herein as the "Reserve Account") to be held by the City in an account at the Bank. On the date of issuance of the Series 2021E Bond, money equal to the initial Reserve Requirement shall be deposited by the City into the Reserve Account from funds of the City and not proceeds of the Series 2021E Bond, which amount shall be drawn from the City's Special Assessment Fund. While the Series 2021E Bond is outstanding, the Reserve Account shall be held at the Bank. The Reserve Account shall be drawn upon by the City with three (3) Business Days written notice to the Bank only when and if the amount in the Debt Service Account is insufficient on a

Principal Payment Date or on an Interest Payment Date to pay the principal of, and premium, if any, and interest on the Series 2021E Bond payable from the Debt Service Account, or when otherwise permitted by this Section 4.04.

(B) If determined necessary by the City Treasurer, money in the Reserve Account may be withdrawn therefrom and applied to the payment of the latest installments of principal on the Series 2021E Bond if the amount remaining in the Reserve Account after each such withdrawal is not less than the Reserve Requirement then in effect for any Series 2021E Bond then outstanding.

(C) At the determination of the City Treasurer, money in the Reserve Account may be used to prepay the Series 2021E Bond, when such prepayment will retire the Series 2021E Bond then outstanding.

(D) Investments held for the credit of the Reserve Account shall be valued (as provided in Section 4.07) as of the last day of each Fiscal Year. For the purpose of determining whether the Reserve Requirement is being maintained, the securities held for the Reserve Account shall be assumed to have the value established on the most recent valuation date.

(E) Notwithstanding any provision of this Resolution to the contrary, Excess Earnings shall be transferred by the City from the Reserve Account to the Rebate Account at such times and in such amounts as may be required to maintain compliance, as to all tax-exempt bonds, which includes the Series 2021E Bond, with the covenants expressed in Sections 5.02 and 5.04.

(F) Except as provided in subsection (E) above, earnings on investments held for the credit of the Reserve Account shall be transferred to the Debt Service Account no less often than annually. The balance of accounts on hand in the Reserve Account shall at all times be maintained in an amount equal to the Reserve Requirement, and accordingly, the City shall include in its budget for the ensuing fiscal year of the City an amount sufficient to cure any deficiency in the Reserve Account as further provided above.

(G) Whenever the money in the Reserve Account exceeds the Reserve Requirement after giving effect to any withdrawal made pursuant to other subsections of this Section 4.04, such excess may be transferred by the City to the Debt Service Account and applied to the purchase or prepayment of the Series 2021E Bond.

(H) If the City makes partial prepayments in accordance with Section 2.03(a) of this Resolution, then the City may request that the Bank reduce the amount on hand in the Reserve Account as the Reserve Requirement to a new level that is equal to the revised Reserve Requirement at $\frac{1}{2}$ of maximum annual debt service on the Series 2021E Bond. The Bank will consider such request upon its receipt from the City, but is not required to agree to such reduction unless the amount then on deposit in the Reserve Account would exceed the three-pronged test in the definition of Reserve Requirement.

Section 4.05

Rebate Account

(A) There is hereby created a "Highland Bridge Special Assessment Rebate Account" (the "Rebate Account"). The City shall deposit in the Rebate Account, within thirty (30) days after the last day of the Bond Year for the Series 2021E Bond, all Excess Earnings attributable to such Series 2021E Bond; and for purposes of making such deposits the City shall transfer from the Project Account, Reserve Account, and Debt Service Account to the Rebate Account a sum equal to the Excess Earnings attributable to sums held in each such other Fund or Account as "gross proceeds" of the Series 2021E Bond, as defined in and under Section 148 of the Code.

(B) The City shall, within thirty (30) days after the last day of the Bond Year for the Series 2021E Bond, prepare and file a report with respect to the Project Account, Reserve Account, and Debt Service Account setting forth the total amount invested during the preceding Bond Year, the investments made with the money in the Project Account, Reserve Account, and Debt Service Account and investment earnings (and losses) resulting from such investments. Such records shall be retained for the period required by Section 148 of the Code.

(C) The City shall remit sums in the Rebate Account to the United States Treasury as payment of rebatable arbitrage as required by Section 148 of the Code together with any additional amount then held in any Fund or Account required to bring the total amount of such remittance to the correct Rebate Amount.

(D) The City may at any time transfer to any Account any amount held in the Rebate Account which the City determines is in excess of amounts required to be paid to the United States as rebatable arbitrage.

Section 4.06 Insufficient Amounts

_. In the event that the money in the Debt Service Account shall be insufficient at any particular time to pay the principal then due and interest then accrued on the Series 2021E Bond and such deficiency cannot be cured by a withdrawal from the Reserve Account or from some other source, said money shall first be applied to the payment pro rata of the accrued interest on the Series 2021E Bond, payable over a period ending on February 1 or August 1, as appropriate, and any balance shall be applied in payment of the principal then due on the 2021E Bond; provided that if it shall ever be determined by a court of competent jurisdiction while the Series 2021E Bond remain outstanding that the sums available and to become available for the payment of the principal thereof and interest thereon are insufficient whether or not then due, then the money in the Debt Service Account shall be applied in payment of all principal then outstanding whether or not then due and the interest accrued thereon to the date of payment ratably according to the aggregate amount thereof without any preference or priority.

Section 4.07 Investments

..

(A) Money held from time to time in any Account may be invested by the City in any investment then permitted by Minnesota law, and, to the extent applicable, by federal law.

(B) Investments shall be valued as follows:

- (1) investments maturing within one (1) year or less shall be valued at par;
- (2) investment agreements or similar instruments which may be liquidated at par shall be valued at par regardless of maturity;
- (3) investments maturing after one (1) year shall be valued at cost; and
- (4) investments purchased at a discount or premium shall be valued on the basis that such discount is included in cost, or such premium is amortized, in equal installments for each year to elapse until the stated maturity of the investments;

provided, that for the purposes of calculating Excess Earnings and Rebate Amounts and amounts held or deposited in the Reserve Account attributable to the Series 2021E Bond, investments shall be valued as required by Section 148 of the Code.

(C) Amounts held for the credit of each Account shall be invested to mature at such time or times as may be necessary to assure that the amounts so invested will be available for the purposes of such Account, when needed; provided that amounts held for the credit of the Reserve Account and attributable to the Reserve Requirement for the Series 2021E Bond may be invested at the discretion of the Treasurer of the City for a term not exceeding the term of such Series 2021E Bond.

Section 4.08

Pledge and Security for the Series 2021E Bond

.

The City hereby irrevocably pledges all Special Assessments and funds held in the Debt Service Account and the Reserve Account to the prompt and full payment of the principal of and interest on the Series 2021E Bond as the same respectively become due.

ARTICLE V

COVENANTS

Section 5.01

Covenants

For the protection of the Holders of the Series 2021E Bond, the City herein covenants and agrees to and with the Holders thereof from time to time as follows:

(A) It shall cause to be kept proper books, records and accounts adapted to the 429 Improvement Project separate from other accounts of the City. The Bank or their duly appointed representative, from time to time shall have the right, at all reasonable times, to inspect the 429 Improvement Project and to inspect and copy the books, records, accounts and data relating thereto. The City agrees to furnish copies of such audit, without cost, to any Holder or Holders of the Series 2021E Bond at their request within a reasonable time after the end of each Fiscal Year.

(B) It will faithfully and punctually perform all duties with reference to the 429 Improvement Project required by the City Charter, the Constitution and laws of the State of Minnesota and this Resolution.

Section 5.02

Tax Covenants

.

The following special covenants of the City apply to the Series 2021E Bond.

(A) Notwithstanding anything to the contrary herein, money in the Rebate Account and the Accounts, in that order, shall be used to pay any rebate of excess investment earnings on gross proceeds of tax-exempt bonds, which includes the Series 2021E Bond (and, if applicable, any actual or imputed earnings on Excess Earnings amounts) required to be paid to the United States in order to maintain the exclusion from gross income under Section 103 of the Code of the interest on the Series 2021E Bond.

(B) No portion of the proceeds of any series of tax-exempt bonds, which includes the Series 2021E Bond, shall be used directly or indirectly to acquire higher yielding investments or to replace accounts which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Series 2021E Bond were issued, (2) as part of a reasonably required reserve or replacement fund not in excess

of ten percent (10%) of the proceeds of the Series 2021E Bond (or in a higher amount which the City establishes is necessary to the satisfaction of the Secretary of the Treasury of the United States), and (3) in addition to the above in an amount not greater than the lesser of five percent (5%) of the proceeds of the Series 2021E Bond or \$100,000. To this effect, any proceeds of the Series 2021E Bond and any sums from time to time held in the Project Account, Reserve Account or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the Series 2021E Bond payable therefrom) in excess of amounts which under then-applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods", minor portion or reserve made available under the federal arbitrage regulations. Money in the Accounts shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause a series of Tax-Exempt Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 5.03

Negative Covenant as to Use of Improvements

._The City hereby covenants not to use the proceeds of the Series 2021E Bond or to use the 429 Improvement Project, or to cause or permit them or any of them to be used, or to enter into any deferred payment arrangements for the cost of the Improvements, in such a manner as to cause the Series 2021E Bond to be a "private activity bond" within the meaning of Sections 103 and 141 through 150 of the Code, unless such Series 2021E Bond is issued, and the proceeds thereof applied, in full compliance with the provisions of the Code applicable to "private activity bonds". The City reasonably expects that no actions will be taken over the term of the Series 2021E Bond that would cause them to be private activity bonds, and the average term of the Series 2021E Bond is not longer than reasonably necessary for the governmental purpose of the issue. The City hereby covenants not to use the proceeds of the Series 2021E Bond in such a manner as to cause the Series 2021E Bond to be a "hedge bond" within the meaning of Section 149(g) of the Code.

Section 5.04

Tax-Exempt Status of the Series 2021E Bond; Rebate; Elections

._The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Series 2021E Bond, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Series 2021E Bond, and the rebate of excess investment earnings to the United States.

The City expects that the two-year expenditure exception to the rebate requirements may apply to the construction proceeds of the Series 2021E Bond.

If any elections are available now or hereafter with respect to arbitrage or rebate matters relating to the Series 2021E Bond, the Mayor and Director, Office of Financial Services (or their proper designees), or any of them, are hereby authorized and directed to make such elections as they deem necessary, appropriate or desirable in connection with the Series 2021E Bond, and all such elections shall be, and shall be deemed and treated as elections of the City.

Section 5.05

Covenant with Holders

._Each and all of the terms and provisions of this Resolution as from time to time supplemented shall be and constitute a covenant on the part of the City to and with each and every Holder from time to time of the Series 2021E Bond issued hereunder.

ARTICLE VI

NO ADDITIONAL BONDS AND OTHER PROVISIONS

Section 6.01 No Additional Bonds

•

The City shall not issue any additional bonds payable from the Special Assessments.

Section 6.02 Suit by Bondholders

• The Holders of fifty-one percent (51%) or more in aggregate principal amount of all Series 2021E Bonds issued under this Resolution as from time to time supplemented and at any time outstanding may, either at law or in equity, by suit, action, or other proceedings, protect and enforce the rights of all Holders of Series 2021E Bonds issued hereunder and then outstanding or enforce or compel the performance of any and all of the covenants and duties specified in this Resolution to be performed by the City or its officers and agents, including the collection and proper segregation of Special Assessments and the application and use thereof.

Section 6.03 Amendments

• No change, amendment, modification or alteration shall be made in the covenants made with Holders of the Series 2021E Bond authorized by this Resolution as from time to time supplemented without the consent of the Bank; provided that changes, amendments, modifications and alterations may be made without such consent in order to:

- (A) cure any ambiguity or formal defect or omission herein, or
- (B) preserve the exclusion from gross income of interest on the Series 2021E Bond under Section 103 of the Code, or
- (C) make any other change which would not materially prejudice the Bank or Bondholder of outstanding Series 2021E Bond,

provided further, however, that nothing herein contained shall permit or be construed as permitting (i) an extension of the maturity of the principal of or the interest on any Series 2021E Bond, or (ii) a reduction in the principal amount of any Series 2021E Bond or the rate of interest thereon, or (iii) a privilege or priority of any Series 2021E Bond over any other Series 2021E Bond except as otherwise provided herein, or (iv) a reduction in the aggregate principal amount of Series 2021E Bond required for consent to any change, amendment, modification or alteration, or (v) the creation of any lien ranking prior to or on a parity with the lien of such Series 2021E Bonds, except as herein expressly permitted, or (vi) a modification of any of the provisions of this Section 6.03, unless for any such change the consent of the Bank.

Section 6.04 Discharge

• When the Series 2021E Bond issued under this Resolution has been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this Resolution to the Holders of the Series 2021E Bond shall cease. The City may discharge all or a portion of Series 2021E Bond which are due on any date by depositing with the Bank or a paying agent or an escrow agent (which paying agent or escrow agent shall not be an officer of the City) for such Series 2021E Bond on or before that date a sum sufficient for the payment thereof through the date of redemption. If the Series 2021E Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bank or a paying agent or an escrow agent (which paying agent or escrow agent shall not be an officer of the City) a sum sufficient for the payment thereof in full.

The City may also discharge a Series 2021E Bond which is called for redemption on any date when it is prepayable according to its terms, by depositing with the paying agent or an escrow agent (which paying agent or escrow agent shall not be an officer of the City) on or before that date an amount equal to the principal, interest and redemption premium, if any, which are then due, provided that notice of such redemption has been duly given as provided in this Resolution.

The City may also at any time discharge the Series 2021E Bond by complying with the applicable provisions of Minnesota Statutes, Section 475.67, and any amendments thereto, except that the accounts deposited in escrow in accordance with said provisions may but need not be in whole or part proceeds of advance refunding bonds and except that if a partial defeasance is effected from accounts other than the proceeds of advance refunding bonds, the requirements in Minnesota Statutes, Section 475.67, Subdivision 3, need not be satisfied.

The City may discharge all or a portion of the Series 2021E Bond as herein provided without the consent of the Bank. An escrow discharge may include prepayment of the Series 2021E Bond to be discharged.

Section 6.05

Records and Certificates

The officers of the City are hereby authorized and directed to prepare and furnish to the Bank of the Series 2021E Bond, and to the attorneys approving the legality of the issuance of the Series 2021E Bond, certified copies of all proceedings and records of the City relating to such Series 2021E Bond and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Series 2021E Bond as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.01 Events of Default. If any of the following events shall occur, each such event shall be an "Event of Default":

(a) any representation or warranty made by the City in this Resolution (or incorporated herein by reference) or in any certificate, document, instrument, opinion, or financial or other statement contemplated by or made or delivered pursuant to or in connection with this Resolution, shall prove to have been incorrect, incomplete, or misleading in any material respect when made;

(b) the City shall fail to pay: (i) any amount of the principal of or interest on the Series 2021E Bond as and when due hereunder (other than as a result of an event of failure to replenish the Reserve Account); or (ii) within five (5) days after the same becomes due, any other amount payable hereunder;

(c) failure in the due observance or performance by the City of any covenant set forth in this Resolution and the continuance of such failure for thirty (30) days after the occurrence thereof;

(d) the City shall: (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended; (ii) become insolvent or shall not pay, or be unable to pay, or admit in writing its inability to pay, its Debts generally as they become due; (iii) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator, or similar official for it or any substantial part of its property; or (iv) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment, or

composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization, or relief of debtors, or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it;

(e) a custodian, receiver, trustee, examiner, liquidator, or similar official shall be appointed for the City or any substantial part of its property, or a proceeding described in Section 7.01(d)(iv) above shall be instituted against the City and such proceeding continues undischarged or any such proceeding continues undismissed or unstayed for a period of sixty (60) or more days;

(f) a debt moratorium, debt restructuring, debt adjustment, or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on the Series 2021E Bond;

(g) any provision of this Resolution related to payment of principal of or interest on the Series 2021E Bond or the validity or enforceability of any pledge or security interest created by this Resolution shall at any time for any reason cease to be valid and binding on the City as a result of any legislative or administrative action by a governmental authority with competent jurisdiction, or shall be declared, in a final non-appealable judgment by any court of competent jurisdiction, to be null and void, invalid, or unenforceable;

(h) the validity or enforceability of any material provision of this Resolution related to payment of principal of or interest on the Series 2021E Bond or the validity or enforceability of any pledge or security interest created by this Resolution shall be publicly contested by the City; or

(i) dissolution or termination of the existence of the City.

Section 7.02 Remedies Upon Event of Default. If an Event of Default specified in Section 7.01 hereof shall occur and be continuing, the Bank may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(i) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Series 2021E Bond or to enforce performance or observance of any obligation, agreement, or covenant of the City under this Resolution, whether for specific performance of any agreement or covenant of the City or in aid of the execution of any power granted to the Bank;

(ii) cure any Default, Event of Default, or event of nonperformance hereunder or under the Series 2021E Bond; provided, however, that the Bank shall have no obligation to effect such a cure; and

(iii) exercise, or cause to be exercised, any and all remedies as it may have under any other provisions of this Resolution and as otherwise available at law and at equity.

Section 7.03 Remedies Cumulative; Solely for the Benefit of Bank. To the extent permitted by, and subject to the mandatory requirements of, applicable Law, each and every right, power, and remedy herein specifically given to the Bank herein shall be cumulative, concurrent, and nonexclusive and shall be in addition to every other right, power, and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power, and remedy (whether specifically herein given or otherwise existing) may be exercised from time to time and as often and in such order as may be deemed expedient by the Bank, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power, or remedy. The rights and remedies of the Bank specified herein are for the sole and exclusive benefit, use, and protection of the Bank, and the Bank is entitled, but shall have no duty or obligation to the City or any other Person or otherwise, to exercise or to refrain from exercising any right or remedy reserved to the Bank hereunder.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Severability. If any section, paragraph or provision of this Resolution as from time to time supplemented shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 8.02 Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

Section 8.03 Electronic Communications. Notices and other communications to the Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Bank. The Bank or the City may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Unless the Bank otherwise prescribes: (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that if such notice or other communication is not sent during the normal business hours of the recipient or on a Business Day, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient; and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

Section 8.04 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 Bank 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 Bank. The Bank 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 2021E Bond in accordance with the provisions of paragraph (b) or (c) of this Section 8.04. The Bank may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section 8.04. The Bank may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section. Bremer Bank, National Association shall be the Bank under this Resolution until such time as the Bank designates an alternate Person to serve as the Bank under this Resolution by delivery of written notice to the City and such Person accepts and agrees to act as the Bank under this Resolution and the Series 2021E Bond. The Bank may so designate an alternate Person to act as the Bank from time to time. Upon acceptance and notification thereof to the City, the successor to the Bank for such purposes shall thereupon succeed to and become vested with all of the rights, powers, privileges, and responsibilities of the Bank, and Bremer Bank, National Association or any other Person being replaced as the Bank shall be discharged from its duties and obligations as the Bank hereunder.

(b) Sales and Transfers by Bank to a Bank Transferee. The Bank may at any time sell or otherwise transfer to one or more transferees all or a portion of the Series 2021E Bond to a Person that is: (i) a Bank Affiliate; or (ii) a trust or other custodial arrangement established by the Bank or a Bank Affiliate, 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 a "Bank Transferee"). From and after the date of such sale or transfer, Bremer Bank, National Association (and its successors) shall continue to have all of the rights of the Bank hereunder and under the Series 2021E Bond as if no such transfer or sale had occurred; provided, however,

that no such sale or transfer referred to in clauses (i) or (ii) hereof shall in any way affect the obligations of the Bank hereunder, the City shall be required to deal only with the Bank with respect to any matters under this Resolution, and in the case of a sale or transfer referred to in clauses (i) or (ii) hereof, only the Bank shall be entitled to enforce the provisions of this Resolution against the City.

(c) Sales and Transfers by Bank to a Non-Bank Transferee. With the prior written consent of the City (which consent shall not be unreasonably withheld), the Bank may at any time sell or otherwise transfer to one or more transferees which are not Bank 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-Bank Transferee”) all or a portion of the Series 2021E Bond if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non-Bank Transferee, together with addresses and related information with respect to the Non-Bank Transferee, shall have been given to the City and the Bank (if different than Bremer Bank, National Association) by such Bank or Non-Bank Transferee, and (B) the Non-Bank Transferee shall have delivered to the City and the Bank, an investment letter in substantially the form delivered to the City by Bremer Bank, National Association upon the purchase of the Series 2021E Bond by the Bank (the “Investor Letter”). From and after the date the City and the Bank have received written notice and an executed Investor Letter, the Non-Bank Transferee thereunder shall be a party hereto and shall have the rights and obligations of the Bank hereunder and under the Series 2021E Bond, and this Resolution shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Bank Transferee, and any reference to the assigning Bank hereunder and under the Series 2021E Bond shall thereafter refer to such transferring Bank and to the Non-Bank Transferee to the extent of their respective interests, and if the transferring Bank no longer owns any interest in the Series 2021E Bond, then it shall relinquish its rights and be released from its obligations under this Resolution.

(d) Participations. The Bank shall have the right to grant participations in all or a portion of the Bank’s interest in the Series 2021E 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 Bank hereunder; (ii) the City shall be required to deal only with the Bank, with respect to any matters under this Resolution and the Series 2021E Bond; and (iii) no such Participant shall be entitled to enforce any provision hereunder against the City.

Section 8.05 Severability. If any provision of this Resolution or the Series 2021E Bond is held to be illegal, invalid, or unenforceable: (i) the legality, validity, and enforceability of the remaining provisions of this Resolution and the Series 2021E Bond shall not be affected or impaired thereby; and (ii) the parties shall endeavor in good faith negotiations to replace the illegal, invalid, or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid, or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.06 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver, or other modification hereof or of the Series 2021E 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 2021E Bond; (ii) the Bank 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 Bank 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 Bank 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 Bank has no obligation to disclose any of such interests to the City or its Affiliates.

Section 8.07 Electronic Signature; Electronically Signed Document. For purposes hereof, “electronic signature” means a manually-signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other replicating image attached to an e-mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature. The parties agree that the electronic signature of a party to this Resolution (or any amendment or supplement of this Resolution) shall be as valid as an original signature of such party and shall be effective to bind such party to this Resolution. The parties agree that any electronically signed document shall be deemed: (i) to be “written” or “in writing”; (ii) to have been signed; and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts,” if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, shall be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Section 8.08 Patriot Act. The Bank 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 Bank, provide all documentation and other information that the Bank 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.