

CITY OF HOYT LAKES
RESOLUTION 2025-016 AUTHORIZING THE ISSUANCE, SALE AND
DELIVERY OF A \$1,100,000 GENERAL OBLIGATION UTILITY
REVENUE BONDS, SERIES 2025A

BE IT RESOLVED, by the City Council (the “City Council”) of the City of Hoyt Lakes, St. Louis County, Minnesota (the “Issuer”), as follows:

Section 1. Bond Purpose, Authorization, and Award.

1.01 Statutory Authority. Pursuant to authority contained in Minnesota Statutes, Section 444.075 and Chapter 475, the Issuer is authorized to issue its general obligation bonds for the purpose of financing improvements to the Utilities (defined below), including the utility reconstruction (city portion) of the CSAH 110 and CR 665 Reconstruction Projects (the “Project”).

1.02 Authorization. A. The Issuer directs the issuance and sale of its \$1,100,000 General Obligation Utility Revenue Bonds, Series 2025A of the Issuer dated as of the date and closing and delivery thereof (the “Bond”).

B. The principal of and interest on the Bond shall be paid primarily from net revenues derived from the operation of the Issuer’s water system (the “Water Utility”) and sewer utility (the “Sewer Utility,” and together with the Water Utility, the “Utilities”).

1.03 Municipal Advisor. The Issuer has retained the services of David Drown Associates, Inc. as its municipal advisor.

1.04 Award. the Issuer has received a proposal for a loan to be evidenced by the Bond from the Security Bank & Trust Co., Winsted, Minnesota (the “Lender”), in the amount of \$1,100,000, plus accrued interest to the date of delivery, upon condition that the Bond matures and bears interest at the times and annual rate set forth in Section 2. The Issuer, after due consideration, finds such offer reasonable and proper and the offer of the Lender is accepted. All actions of the Mayor and City Administrator taken with regard to the sale of the Bond are ratified and approved.

Section 2. Terms of the Bond.

2.01 Interest Rate and Principal Maturities. The Bond shall be dated the date of its closing and delivery as the date of original issue, shall be issued in the denomination equal to the principal amount thereof, shall be issued in fully registered form and lettered and numbered R-1. The Bond shall bear interest at the annual rate of 5.25 percent and shall mature on the dates and in the installment amounts shown below:

<u>Date</u>	<u>Principal Amount</u>
2/1/2028	\$35,000
2/1/2029	\$37,000
2/1/2030	\$39,000
2/1/2031	\$41,000

2/1/2032	\$43,000
2/1/2033	\$45,000
2/1/2034	\$48,000
2/1/2035	\$50,000
2/1/2036	\$53,000
2/1/2037	\$56,000
2/1/2038	\$58,000
2/1/2039	\$62,000
2/1/2040	\$65,000
2/1/2041	\$68,000
2/1/2042	\$72,000
2/1/2043	\$76,000
2/1/2044	\$80,000
2/1/2045	\$84,000
2/1/2046	\$88,000

2.02 Prepayment. The Bond is prepayable, in whole or in part, beginning on February 1, 2032, and on any date thereafter without notice at a price of par plus accrued interest to the prepayment date.

2.03 Interest Payment Dates. A. The interest on the Bond shall be payable semiannually on February 1 and August 1 of each year (each referred to herein as an "Interest Payment Date") commencing on February 1, 2026. Interest will be computed upon the basis of a 360-day year of twelve 30-day months.

B. The Registrar designated below shall make all interest payments with respect to the Bond by check or draft mailed to the registered owner of the Bond shown on the Bond registration records maintained by the Registrar at the close of business on the 15th day (whether or not on a business day) of the month next preceding the Interest Payment Date at such owners' addresses shown on such Bond registration records.

2.04 Preparation and Execution. A. The Bond shall be prepared for execution in accordance with the approved form and shall be signed by the manual signature of the Mayor and attested by the manual signature of the City Administrator. The corporate seal of the Issuer may be omitted from the Bond as permitted by law. In case any officer whose signature shall appear on the Bond shall cease to be an officer before delivery of the Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

B. The City Administrator is authorized and directed to obtain a copy of the proposed approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota, which is to be complete thereof and cause the opinion to be attached to the Bond.

2.05 Appointment of Registrar. The City Council hereby appoints Northland Bond Services, a division of First National Bank of Omaha of Minneapolis, Minnesota, as registrar, authenticating agent, paying agent and transfer agent for the Bond (the "Registrar"). No Bond

shall be valid or obligatory for any purpose unless or until the Bond has been executed by the manual signature of at least one officer of the Issuer or the Registrar's Authentication Certificate on such Bond, substantially set forth in this resolution, shall have been duly executed by an authorized representative of the Registrar. Authentication certificates on different bonds need not be signed by the same representative. The executed Authentication Certificate or manual signature of an officer of the Issuer on the Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

2.06 Registered Owner. The Bond shall be registered in the name of the Lender.

2.07 Bond Register. The Issuer shall cause to be kept by the Registrar a bond register in which, subject to such reasonable regulations as the Registrar may prescribe, the Issuer shall provide for the registration of the Bond and the registration of transfers of the Bond entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Registrar as may be appointed by the Issuer.

2.08 Payment. A. The Issuer and the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and interest on such Bond and for all other purposes whatsoever, whether or not such Bond be overdue, and neither the Issuer nor the Registrar shall be affected by notice to the contrary.

B. The principal of and interest on the Bond shall be payable by the Registrar in such funds as are legal tender for the payment of debts due the United States of America. The Issuer shall pay the reasonable and customary charges of the Registrar for the disbursement of principal and interest.

2.09 Delivery. Delivery of the Bond and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Lender. A typewritten and executed Bond shall be furnished by the Issuer without cost to the Lender. The Bond, when prepared in accordance with this resolution and executed, shall be delivered by or under the direction of the City Administrator to the Lender upon receipt of the purchase price plus accrued interest.

Section 3. Form of the Bond.

3.01 The Bond shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
ST. LOUIS COUNTY

R-1

\$1,100,000

CITY OF HOYT LAKES
GENERAL OBLIGATION UTILITY REVENUE BONDS, SERIES 2025A

Rate
5.25%

Maturity Date
February 1, 2046

Date of Original Issue
July 16, 2025

REGISTERED OWNER: SECURITY BANK & TRUST CO.

PRINCIPAL AMOUNT: ONE MILLION ONE HUNDRED THOUSAND DOLLARS

The City of Hoyt Lakes, St. Louis County, Minnesota (the "Issuer"), for value received, promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, and to pay interest on said principal amount to the registered owner hereof from the date of original issue set forth above, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above.

Interest is payable semiannually on February 1 and August 1 of each year (each referred to herein as an "Interest Payment Date"), commencing on February 1, 2026. Interest will be computed upon the basis of a 360-day year of twelve 30-day months.

The Bond is payable in the principal installment amounts and at the times described below. Payments shall be applied first to interest due on the outstanding principal balance and thereafter to reduction of the principal balance.

<u>Date</u>	<u>Principal Amount</u>
2/1/2028	\$35,000
2/1/2029	\$37,000
2/1/2030	\$39,000
2/1/2031	\$41,000
2/1/2032	\$43,000
2/1/2033	\$45,000
2/1/2034	\$48,000
2/1/2035	\$50,000
2/1/2036	\$53,000
2/1/2037	\$56,000
2/1/2038	\$58,000
2/1/2039	\$62,000
2/1/2040	\$65,000
2/1/2041	\$68,000
2/1/2042	\$72,000
2/1/2043	\$76,000
2/1/2044	\$80,000
2/1/2045	\$84,000
2/1/2046	\$88,000

Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the main office of the City Administrator, as Registrar, authenticating agent, paying agent and transfer agent (the "Registrar"), or at the office of such successor Registrar as may be designated by the governing body of the Issuer. The Registrar shall make all payments with respect to this Bond directly to the registered owner hereof shown on the Bond registration records maintained on behalf of the Issuer by the Registrar at the close of business on the 15th day of the month next preceding the Interest Payment Date (whether or not a business day) at such owner's address shown on said Bond registration records, without, except for final payment of principal of this Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligation of the Issuer to the extent of the payments so made. The final payment of principal of this Bond shall be made upon presentation and surrender of this Bond to the Registrar when due.

For the prompt and full payment of such principal and interest as they become due, the full faith and credit and taxing power of the Issuer are irrevocably pledged. The Issuer has designated the Bond as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond comprises the entire amount of this series issued by the Issuer as one fully registered Bond without coupons, in the aggregate amount of \$1,100,000, pursuant to the authority contained in Minnesota Statutes, Section 444.075, Chapter 475, and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the Issuer on June 23, 2025 (the "Resolution"), for the purpose of financing improvements to the Utilities (defined below), including the utility reconstruction (city portion) of the CSAH 110 and CR 665 Reconstruction Projects (the "Project"). The principal of and interest on the Bond shall be paid primarily from net revenues derived from the operation of the water utility and sewer utility (the "Utilities") and other funds of the Issuer which are available for that purpose (the "Net Revenues"). The Net Revenues are sufficient to pay the interest on and principal of this Bond.

The Issuer has designated this Bond as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The principal amount evidenced by this Bond was drawn upon by Issuer in accordance with the Loan Agreement between Issuer and Lender dated as of the date of the date hereof.

The Bond is prepayable, in whole or in part, beginning on February 1, 2032, and on any date thereafter without notice at a price of par plus accrued interest to the prepayment date.

The Issuer has qualified this Bond for participation in the State of Minnesota Public Facilities Credit Enhancement Program under which the State of Minnesota

guaranties payment of city debt obligations pursuant to Minnesota Statutes, Section 446A.086. If the Issuer is unable to make any portion of the principal or interest payments on the Bond as they become due, the State of Minnesota has agreed to make such payment in the Issuer's place.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the Issuer in accordance with its terms, have been done and do exist in form, time and manner as so required; that all taxable property within the limits of the Issuer is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest hereon when due, without limitation as to rate or amount and that the issuance of this Bond does not cause the indebtedness of the Issuer to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Hoyt Lakes, St. Louis County, Minnesota, by its governing body, has caused this Bond to be executed in its name by the signature of the Mayor and attested by the signature of the City Administrator.

ATTEST:

(form no signature)
City Administrator

(form no signature)
Mayor

Date of Authentication: _____

REGISTRAR'S AUTHENTICATION CERTIFICATE

The Registrar confirms that the books reflect the ownership of the Bond registered in the name of the owner named above in the principal amount and maturity date stated above and this Bond comprises the entire amount of the series issued pursuant to the Resolution hereinabove described.

NORTHLAND BOND SERVICES, A DIVISION OF FIRST NATIONAL BANK
OF OMAHA
Registrar

By _____
Authorized Representative

REGISTRATION CERTIFICATE

This Bond must be registered as to both principal and interest in the name of the owner on the books to be kept by Northland Bond Services, a division of First National Bank of Omaha of Minneapolis, Minnesota, as Registrar. No transfer of this Bond shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Bond and the interest accruing thereon is registered on the books of the Registrar, in the name of the registered owner last noted below.

<u>Date</u>	<u>Registered Owner</u>	<u>Signature of Registrar</u>
7/16/2025	Security Bank & Trust Co. 110 First Street North Winsted, MN 55395 Federal Tax I.D. No.: 41-0531690	<i>(form-no signature required)</i>

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

Social Security or Other
Identifying Number of Assignee

the within Bond and all rights thereunder and irrevocably constitutes and appoints _____ attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without

alteration or enlargement or any
change whatsoever.

Signature Guaranteed:

(Bank, Trust Company, member of
National Securities Exchange)

THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF FOR VALUE, OR TRANSFERRED, WITHOUT (i) AN OPINION OF COUNSEL THAT SUCH SALE, DISPOSITION OR TRANSFER MAY LAWFULLY BE MADE WITHOUT REGISTRATION UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED AND UNDER APPLICABLE STATE SECURITIES LAWS, OR (ii) SUCH REGISTRATION. THE TRANSFERABILITY OF THIS INSTRUMENT IS SUBJECT TO RESTRICTIONS REQUIRED BY (1) FEDERAL AND STATE SECURITIES LAWS GOVERNING UNREGISTERED SECURITIES; AND (2) THE RULES, REGULATIONS, AND INTERPRETATIONS OF THE GOVERNMENTAL AGENCIES ADMINISTERING SUCH LAWS. THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER CHAPTER 80A OF MINNESOTA STATUTES OR OTHER APPLICABLE STATE BLUE SKY LAWS AND MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF FOR VALUE EXCEPT PURSUANT TO REGISTRATION OR OPERATION OF LAW.

Section 4. Covenants, Accounts and Tax Levies.

4.01 Water Fund. The Issuer covenants and agrees with the holder of the Bond and with its taxpayers as follows:

(1) It will impose and collect just and equitable charges for all use and for the availability of all facilities of its water utility (the "Water Utility") at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining such Water Utility, and also to produce net revenues that will be at least adequate, together with the Sewer Utility, at all times to pay the principal and interest due on the Bond and on all other notes and bonds heretofore or hereafter issued and made payable from said net revenues, and will operate the Water Utility and segregate and account for the revenues thereof as provided in this Section.

(2) It will place all such charges for the use and availability of the Water Utility, when collected, and all money received from the sale of any facilities or equipment of the Water Utility in the Water Fund (the "Water Fund"). Except as provided in this Section, this fund shall be used only to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Water Utility, and to

maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time. Sums in excess of those required to make such payments and maintain such reserves constitute the "Water Utility Net Revenues", which are herein pledged and appropriated first to pay the principal of and interest when due on the Bond.

(3) Surplus Water Utility Net Revenues from time to time received in the Water Fund, in excess of payments due from and reserves required to be maintained in the Water Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Water Utility, for the prepayment and redemption of notes and bonds constituting a lien on the Water Utility, and for any other proper municipal purpose consistent with policies established by resolution of the Council.

4.02. Sewer Fund. The Issuer covenants and agrees with the holder of the Bond and with its taxpayers as follows:

(1) It will impose and collect just and equitable charges for all use and for the availability of all facilities of its sewer utility (the "Sewer Utility") at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining such Sewer Utility, and also to produce net revenues that will be at least adequate, together with the Water Utility, at all times to pay the principal and interest due on the Bond and on all other notes and bonds heretofore or hereafter issued and made payable from said net revenues, and will operate the Sewer Utility and segregate and account for the revenues thereof as provided in this Section.

(2) It will place all such charges for the use and availability of the Sewer Utility, when collected, and all money received from the sale of any facilities or equipment of the Sewer Utility in the Sewer Fund (the "Sewer Fund"). Except as provided in this Section, this fund shall be used only to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Sewer Utility, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time. Sums in excess of those required to make such payments and maintain such reserves constitute the Sewer Utility Net Revenues which are herein pledged and appropriated first to pay the principal of and interest when due on the Bond. The Water Utility Net Revenues and Sewer Utility Net Revenues are together referred to as the "Net Revenues".

(3) Surplus Sewer Utility Net Revenues from time to time received in the Sewer Fund, in excess of payments due from and reserves required to be maintained in the Sewer Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Sewer Utility, for the prepayment and redemption of notes and bonds constituting a lien on the Sewer Utility, and for any other proper municipal purpose consistent with policies established by resolution of the Council.

4.02 Fund. There is created a special fund to be designated the "2025A General Obligation Utility Revenue Bonds Fund" (the "Fund") to be administered and maintained by the

Administrator as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Fund shall be maintained in the manner herein specified until the Bond and the interest thereon have been fully paid. There shall be maintained in the Fund two (2) separate accounts, to be designated the "Construction Account" and "Debt Service Account," respectively:

A. *Construction Account.* On receipt of the purchase price of the Bond, the Issuer shall credit proceeds from the sale of the Bond, less amounts used to pay part of the interest of the issue as allowed by Minnesota Statutes Section 475.56 (the "Additional Interest") and less any accrued interest paid by the Lender upon closing and delivery of the Bond (the "Accrued Interest"), and less any rounding amount (the "Rounding Amount"), to the Construction Account. Proceeds from the Bond on deposit in the Construction Account, along with other monies of the Issuer available therefor, shall be used from time to time to pay, or reimburse the Issuer for payment of, the capital costs of the Project and costs of legal, financial advisory, and other professional services, printing and publication costs, and costs of issuance of the Bond and interest due on the Bond prior to completion of the Project, as such become due.

B. *Debt Service Account.* The Debt Service Account shall be administered and maintained by the City Administrator as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Debt Service Account shall be maintained in the manner herein specified until all of the Bond and the interest thereon have been fully paid:

(i) There is pledged and appropriated and there shall be credited to the Debt Service Account: (A) the Accrued Interest and the Additional Interest, if any; (B) the Rounding Amount, if any; (C) Net Revenues of the Utilities in such amounts, which will be sufficient to pay the principal of and interest on the Bond when due; (D) all funds remaining in the Construction Account after completion of the Project and payment of the costs thereof; (E) any and all other moneys which are properly available and are appropriated by the governing body of the Issuer to the Debt Service Account; and (F) investment earnings on the monies identified in the foregoing clauses (A) through (E). The proceeds of the Bond described in clauses (A) and (B) of the preceding sentence shall be used for payment of interest on the Bond.

(ii) The money in such account shall be used for no purpose other than the payment of principal and interest and redemption premium, if any, on the Bond and any other general obligation bonds of the Issuer hereafter issued by the Issuer and made payable from said account as provided by law; provided, however, that if any payment of principal or interest shall become due when there is not sufficient money in the Debt Service Account, the City Administrator shall pay the same from any other fund of the Issuer, which fund shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

(iii) Immediately prior to each Interest Payment Date, the City Administrator shall transfer to the Debt Service Account amounts of Net Revenues of the Utilities which are sufficient, along with funds then on deposit in the Debt Service Account, for the payment of all interest and principal then due on the Bond.

(iv) If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bond, the City Administrator shall nevertheless provide sufficient money first from the Construction Account, second from the Water Fund and Sewer Fund and third from any other funds of the Issuer which are available for that purpose, and such other funds shall be reimbursed from the Debt Service Account when the balance therein is sufficient. All such reimbursements shall comply with Treasury Regulations, Section 1.150-2.

C. Surplus Revenues. Surplus revenues of the Utilities from time to time received in the Fund, in excess of payments due from and reserves required to be maintained in the Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Utilities, for the prepayment and redemption of notes and bonds issued pursuant to Section 444.075 of the Act, and for any other proper municipal purpose consistent with law and policies established by resolution of the Issuer.

D. Investments. Monies on deposit in the Fund and accounts therein may, at the discretion of the Issuer, be invested in securities permitted by Minnesota Statutes, Chapter 118A; provided, that any such investments shall mature at such times and in such amounts as will permit for payment of the principal and interest on the Bond when due.

4.03 No Tax Levy. A. It is determined that the estimated net revenues of the Utilities and other funds of the Issuer pledged and appropriated for payment of principal and interest on the Bond will produce at least five percent in excess of the amount needed to meet when due, the principal and interest payments on the Bond and that no tax levy is needed at this time.

B. It is recognized that the Issuer's liability on the Bond is not limited to the net revenues of the Utilities so pledged, and the City Council covenants and agrees that in the event of any current or anticipated deficiency in net revenues of the Utilities it will levy upon all taxable property within the Issuer and cause to be extended, assessed, and collected, any additional taxes found necessary for full payment of the principal of and interest on the Bond, without limitation as to rate or amount.

Section 5. Tax Covenants. A. The Issuer covenants and agrees with the holders of the Bond that the Issuer will (i) take all action on its part necessary to cause the interest on the Bond to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bond and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Bond to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Bond and investment earnings thereon on certain specified purposes.

B. For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the Issuer finds, determines and declares:

- (i) the Issuer is a governmental unit with general taxing powers;
- (ii) the Bond is not a "private activity bond" as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the "Code");
- (iii) 95% or more of the net proceeds of the Bond is to be used for local governmental activities of the Issuer; and
- (iv) the aggregate face amount of the tax exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Bond is issued is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

C. In order to qualify the Bond as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the Issuer makes the following factual statements and representations:

- (i) the Bond is not a "private activity bond" as defined in Section 141 of the Code;
- (ii) the Issuer designates the Bond as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
- (iii) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Bond is being issued will not exceed \$10,000,000; and
- (iv) not more than \$10,000,000 of obligations issued by the Issuer during the calendar year in which the Bond is being issued have been designated for purposes of Section 265(b)(3) of the Code.

5.02 Minnesota Public Facilities Authority Credit Enhancement Program.

A. The Issuer covenants and obligates itself to be bound by the provisions of Minnesota Statutes, Section 446A.086. The Issuer hereby approves the State of Minnesota Public Facilities Authority Credit Enhancement Program Agreement (the "PFA Agreement") with the Minnesota Public Facilities Authority (the "PFA") in substantially the form presented to the Issuer and approves or ratifies the submission of an application to participate in the PFA Credit Enhancement Program. The PFA Agreement is incorporated by reference as if fully set forth

herein. The PFA Agreement shall be signed by the manual signature of the Mayor and the manual signature of the City Administrator.

B. The Issuer understands that as a result of its entering into the PFA Agreement, the provisions of Minnesota Statutes, Section 446A.086, shall be binding as long as any portion of the Bond remains outstanding.

C. The Registrar is authorized and directed to notify the Minnesota Commissioner of Management and Budget if it becomes aware of a potential default in the payment of principal or interest on the Bond or if, on the day two business days prior to the date a payment is due on the Bond, there are insufficient funds to make that payment on deposit with the Registrar.

D. The Issuer further covenants to comply with all procedures now or hereafter established by the Minnesota Department of Management and Budget pursuant to Minnesota Statutes, Section 446A.086 and otherwise to take such actions as necessary to comply with that section.

Section 6. Certificate of Proceedings; Miscellaneous.

6.01 The City Administrator or its designee is directed to file with the County Auditor a certified copy of this resolution and such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the Bond herein authorized has been duly entered on the County Auditor's register.

6.02 The officers of the Issuer are authorized and directed to prepare and furnish to the Lender of the Bond and to bond counsel for the Bond certified copies of all proceedings and records of the Issuer relating to the authorization and issuance of the Bond and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Bond as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of facts recited therein and the actions stated therein to have been taken.

6.03 In the event of the absence or disability of the Mayor or the City Administrator, such officers or members of the Issuer as in the opinion of the Issuer's attorney may act in their behalf shall, without further act or authorization, execute and deliver the Bond, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

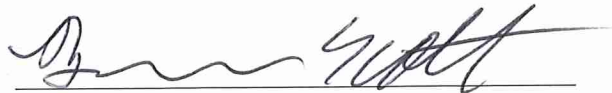
6.04 Offering Materials. The Mayor and City Administrator are hereby authorized and directed to certify that they have examined the Offering Circular prepared and circulated in connection with the issuance and sale of the Bond and that to the best of their knowledge and belief the Offering Circular is a complete and accurate representation of the facts and representations made therein as of the date of the Offering Circular.

Section 7. Loan Agreement. The proceeds of the Bond will be advanced to the Issuer in accordance with the terms of this Resolution and with a Loan Agreement between the Issuer, and the Lender (the "Loan Agreement"). The Mayor and City Administrator of the Issuer are hereby authorized and directed to execute the Loan Agreement substantially in the form currently on file in the office of the Issuer.

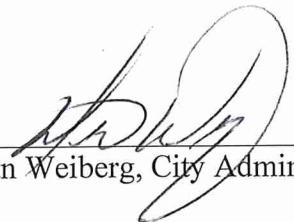
Section 8. Pre- and Post-Issuance Compliance Policy and Procedures. The Issuer has previously approved a Pre- and Post-Issuance Compliance Policy and Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the "Policy and Procedures"). The Issuer hereby ratifies the Policy and Procedures for the Bond. The City Administrator continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

(remainder of page intentionally left blank)

Adopted: June 23, 2025


Brennan Scott, Mayor

ATTEST:


Dean Weiberg, City Administrator