

Barnesville City Council
Regular Meeting
July 12, 2021

Mayor Rick called this regular meeting to order at 7:00 p.m. Member's present were Council members Brad Field, Tonya Stokka, Alyssa Bergman, Dawn Stuvland, Scott Bauer, and Don Goedtke. Others in attendance were Interim City Administrator John Chattin, Lucas Croaker with Ohnstad Twitchell, City Clerk Jeri Reep, TEC Manager Guy Swenson, EDA Director Karen Lauer, Finance Director Laurie Schell, Public Works Supt. Charlie Revering, Police Chief Joel Voxland, Mike Kurkowski with NWS, Travis Braton with NWS, Chris Hoppe, Cris Mortensen, and Michael Stein with Barnesville Record Review.

Mayor Rick asked if there were any additions or corrections to the agenda. Interim City Administrator John Chattin stated there were no additions or corrections.

07-12-21-01 Motion by Mrs. Stuvland and second by Mrs. Bergman to approve the agenda as presented. Motion carried.

Mayor Rick stated the next item on the agenda was the consent agenda.

07-12-21-02 Motion by Mrs. Stokka and second by Mrs. Stuvland to approve the consent agenda as presented. Motion carried. The following items were on the consent agenda:

1. Approval of the minutes of the regular meeting held on June 14, 2021
2. Approval of the minutes of the special meeting held on June 10, 2021.
3. Approval of the minutes of the special meeting held on June 28, 2021.
4. Approval of department head reports.
5. Approval of check numbers 85586 – 90864 and EFT payments for a total of \$888,101.24.
6. Approval of gambling permit for Thursday Nite Lions for July 17-18, 2021.
7. Approval of gambling permit for Thursday Nite Lions
8. Approval of 2nd quarter transfers
9. Approval to hire Dane Nelson as Volunteer EMT
10. Approval of Midwest Bank/Ehlers monthly report

Mayor Rick stated the next item on the agenda was the board and commission reports.

Council members reported on the boards and commissions they serve on.

Mayor Rick stated the next item on the agenda was the public forum. Mayor Rick asked if there were any citizens present to be heard.

Mr. Chris Hoppe approached the council, and thanked them for allowing him to move a house from the school.

Mayor Rick asked if there were any other citizens to be heard. There were none.

Mayor Rick stated the next item on the agenda was the Mayor and council members announcements.

Mayor Rick thanked Merlin Strom for the 9 years on the TEC Board.

Mayor Rick stated the next item on the agenda was the sale of surplus property and quit claim deed.

Interim City Administrator John Chattin informed council members that part of the elevator that Cris Mortensen owns may be built on property owned by the city. There are two parcels that needs to be cleared up for any title issues for the sale of this property. Clay County has provided market values for the two parcels, for a total of \$400.00. Mr. Cris Mortensen has been behind in the grant loans with the city, for a balance of approximately \$2,000. The City will need to approve the sale of this property and then execute the purchase agreement and quit claim deed.

Mr. Cris Mortensen stated that he has a potential buyer for the property.

07-12-21-03 Motion by Mr. Field and second by Mrs. Stuvland to approve to sell two parcels of property to Mr. Cris Mortensen for a total of \$400.00, and to execute the purchase agreement and quit claim deed for the sale of the property, contingent upon Mr. Mortensen's grant loans with the city to be paid in full prior to the sale of property. Motion carried.

Mayor Rick stated the next item on the agenda was the variance request at 805 11th Ave SE.

Interim City Administrator John Chattin stated that the proposed building exceeds the ground coverage of the home, that a Conditional Use Permit is required. The Planning Commission provided feedback to the applicant as to the size and location of the proposed detached accessory building. The Planning Commission recommends that this variance application be denied.

07-12-21-04 Motion by Mr. Bauer and second by Mr. Goedtke to deny the variance request at 805 11th Ave SE. Motion carried.

Mayor Rick stated the next item on the agenda was the variance request at 550 10th Street NE.

Interim City Administrator John Chattin informed council members that this is the house located to the east of the ballfield in the Blue Eagle Park area. The property is zoned R-1. The house is located on a 2.8680-acre lot, which equates to 124,930 square feet. The Planning Commission recommends that the Variance application to use vertical steel siding and a steel roof for his planned accessory building be approved.

07-12-21-05 Motion by Mr. Goedke and second by Mrs. Stuvland to approve the variance request at 550 10th Street NE for Ryan Hauck. Motion carried.

Mayor Rick stated the next item on the agenda was the Cup request from the Barnesville EDA.

Interim City Administrator John Chattin stated that the Planning Commission is recommending approval of the CUP request from the Barnesville EDA. In an effort to maximize the use of the small amount of remaining acreage in the Commercial Park, the EDA Board of Directors has approved a purchase agreement for the north 195 ft of Lot 7, Block 3, which leaves 155 feet at the south end of the lot. The Barnesville EDA is requesting that the south portion of the lot be added to the PUD in place for the first phase of the Commercial Condos. Because this property abuts the Del Acres Gilbertson 2nd Addition to the south, it would be important that any future development on that section of land be carefully reviewed by both the EDA and the Planning Commission.

07-12-21-06 Motion by Mrs. Stuvland and second by Mr. Goedtke to approve the CUP request from the Barnesville EDA, Barnesville Commercial Park 4th Addition, excluding the north 195 feet of Block 3, Lot 7, Barnesville Commercial Park 4th Addition. Motion carried.

Mayor Rick stated the next item on the agenda was the lot split request for Block 3, Lot 7, Barnesville Commercial Park Fourth Addition.

Interim City Administrator John Chattin informed council members that the Barnesville EDA has entered into a Purchase Agreement with an individual who would like to purchase a portion of Block 3, Lot 7, Commercial Park Fourth Addition to construct a building of the desired size. The Barnesville EDA requests that a lot split for the north 195 feet of Block 3, Lot 7 in the Barnesville Commercial Park Fourth Addition.

07-12-21-07 Motion by Mr. Goedtke and second by Mrs. Stokka to approve the lot split for the north 195 feet of Block 3, Lot 7 in the Barnesville Commercial Park Fourth Addition. Motion carried.

Mayor Rick stated the next item on the agenda was the resolution for the GO Tax Abatement bonds, Series 2021A.

Interim City Administrator John Chattin next called Mr. Todd Hagen with Ehlers. Mr. Hagen informed council members that two bond sales were held earlier in the day. The City of Barnesville bond rating is at a A+, which allows the city to receive lower interest rates. For Bond Series 2021, for the liquor store, three bids were received. Bids received were lower than estimated. Northland Securities interest rate is 1.8089%. Other bids received were from Bernardi Securities, Inc. in the amount of 1.8723% and Baird in the amount of 1.8911%.. Mr. Hagen was recommending council approve the bid from Northland Securities, Inc.

07-12-21-08 Motion by Mr. Bauer and second by Mrs. Stokka to approve the resolution accepting the offer on the sale of \$1,135,000 General Obligation tax abatement bonds, Series 2021A. Upon a roll call vote, the following voted aye: council members Stokka, Goedtke, Stuvland, Bauer, Bergman, and Field. The following were absent: none. Motion carried.
Approved at 7:36 p.m.

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE CITY OF
BARNESVILLE, MINNESOTA

HELD: July 12, 2021

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Barnesville, Clay County, Minnesota, was duly called and held at the City Hall in said City on Monday, the 12th day of July, 2021, at 7:00 p.m., for the purpose of awarding the sale of \$1,135,000 General Obligation Tax Abatement Bonds, Series 2021A, of the City.

The following members were present: Stokka, Goedtke, Stuvland, Bauer, Bergman and Field, and the following were absent: none.

Member Bauer introduced the following resolution and moved its adoption:

CITY OF BARNESVILLE

COUNTY OF CLAY

STATE OF MINNESOTA

RESOLUTION NO. 07-12-21-08

RESOLUTION ACCEPTING OFFER ON THE
SALE OF \$1,135,000 GENERAL OBLIGATION TAX ABATEMENT BONDS,
SERIES 2021A, PROVIDING FOR THEIR ISSUANCE AND
LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City Council of the City of Barnesville, Minnesota (the "City"), has heretofore determined and declared that it is necessary and expedient to issue \$1,135,000 General Obligation Tax Abatement Bonds, Series 2021A of the City, pursuant to Minnesota Statutes, Chapters 469 and 475, to finance with cash, the construction of a new municipal liquor store in the City (the "Project"); and

B. WHEREAS, the completion of the Project to be financed by the Bonds has heretofore been ordered; and

C. WHEREAS, offers to purchase the Bonds were solicited on behalf of the City by Ehlers & Associates Inc.; and

D. WHEREAS, it is in the best interests of the City that the Bonds be issued in book-entry form as hereinafter provided; and

E. WHEREAS, the following offers were received, opened and recorded at the offices of Ehlers & Associates Inc. at 10:30 a.m. on July 12, 2021:

Bidder

Interest Rate

Net Interest Cost

See Attached Exhibit A

and

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

1. Acceptance of Offer. The offer of Ehlers and Associates, Inc. (the “Purchaser”) to purchase \$1,135,000 General Obligation Tax Abatement Bonds, Series 2021A, of the City (the “Bonds,” or individually a “Bond”), in accordance with the terms of proposal, at the rates of interest hereinafter set forth, and to pay therefore the sum of \$1,120,245 plus interest accrued to settlement, is hereby found, determined and declared to be the most favorable offer received and is hereby accepted, and the Bonds are hereby awarded to the Purchaser. The City Clerk, or her designee, is directed to retain the deposit of said Purchaser and to forthwith return to the others making offers their good faith deposits.

2. Terms of Bonds.

(a) Title: Original Issue Date: Denominations; Maturities. The Bonds shall be titled “General Obligation Tax Abatement Bonds, Series 2021A,” shall be dated August 5, 2021, as the date of original issue and shall be issued forthwith on or after such date as fully registered bonds. The Bonds shall be numbered from R-1 upward in the denomination of \$5,000 each or any integral multiple thereof of a single maturity. The Bonds shall mature on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount*</u>
2023	\$ 40,000	2033*	\$165,000
2024	50,000	2036*	175,000
2027*	160,000	2039*	185,000
2030*	165,000	2042*	195,000

* Term Bonds

(b) Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or successors to its functions hereunder (the “Depository”) will act as securities depository for the Bonds, and to this end:

(i) The Bonds shall be initially issued and, so long as they remain in book entry form only (the “Book Entry Only Period”), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 5 (with respect to Redemption) and 10 (with respect to registration, transfer, exchange) Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only period to the outstanding principal amount of that Bond.

(ii) Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by Bond Trust Services Corporation, Roseville, Minnesota (the “Bond Registrar”) in the name of CEDE & CO., as the nominee (it or any nominee of the existing or a successor Depository, the “Nominee”).

(iii) With respect to the Bonds, neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the “Participant”) or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the “Beneficial Owner”). Without limiting the immediately preceding sentence, neither the City, nor the Bond Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the “Holder”). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.

(iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

(v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 10 (with respect to registration, transfer, exchange) hereof, references to the Nominee hereunder shall refer to such new Nominee.

(vi) So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the

Bond Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations, to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").

(vii) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.

(viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than fifteen (15) calendar days in advance of such special record date to the extent possible.

(ix) Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency registrar agreement shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.

(x) In the case of a partial prepayment of a Bond, the Holder may, in lieu of surrendering the Bonds for a Bond of a lesser denomination as provided in paragraph 5 hereof (with respect to redemption), make a notation of the reduction in principal amount on the panel provided on the Bond stating the amount so redeemed.

(c) Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:

(i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.

(ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 10 hereof. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10 (with respect to registration, transfer, exchange) hereof, the Bonds will be delivered to the Beneficial Owners.

(iii) Nothing in this subparagraph (c) shall limit or restrict the provisions of paragraph 10 (with respect to registration, transfer, exchange) hereof.

(d) Letter of Representations. The provisions in the Letter of Representations are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Letter of Representations shall control.

3. Authority and Purpose. The Bonds are being issued pursuant to Minnesota Statutes, Chapters 469 and 475, and Section 469.1814, by the City to finance with cash, the construction of the Project. Per Minnesota Statutes, Chapter 469, in any year, the total amount of property taxes abated by a political subdivision under this section may not exceed (i) ten percent of the net tax capacity of the political subdivision for the taxes payable year to which the abatement applies, or (ii) \$200,000, whichever is greater.

The total cost of the Project, which shall include all costs enumerated in Minnesota Statutes Section 475.65, is estimated to be at least equal to the amount of the Bonds. Work on the Project shall proceed with due diligence to completion. The City covenants that it shall do all things and perform all acts required of it to assure work on and pursuance of the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

4. Interest. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each an “Interest Payment Date”), commencing August 1, 2022, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Maturity</u> <u>Year</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Year</u>	<u>Interest</u> <u>Rate</u>
2023	1.75%	2033*	1.40%
2024	1.75%	2036*	1.60
2027*	0.75%	2039*	2.00

2030* 1.10% 2042* 2.00

5. Optional Redemption. At the option of the City, the Bonds maturing on or after February 1, 2031, shall be subject to optional redemption prior to maturity on February 1, 2030, or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

5.1 *Term Bonds.* The Bonds maturing in the year 2027 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

Redemption Date <u>February 1</u>	Principal <u>Amount</u>
2025	\$ 50,000
2026	55,000

Giving effect to the sinking fund redemption schedule, \$55,000 in principal amount of the Term Bonds will mature on February 1, 2027.

The Bonds maturing in the year 2030 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

Redemption Date <u>February 1</u>	Principal <u>Amount</u>
2028	\$ 55,000
2029	55,000

Giving effect to the sinking fund redemption schedule, \$55,000 in principal amount of the Term Bonds will mature on February 1, 2030.

The Bonds maturing in the year 2033 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

<u>Redemption Date February 1</u>	<u>Principal Amount</u>
2031	\$ 55,000
2032	55,000

Giving effect to the sinking fund redemption schedule, \$55,000 in principal amount of the Term Bonds will mature on February 1, 2033.

The Bonds maturing in the year 2036 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

<u>Redemption Date February 1</u>	<u>Principal Amount</u>
2034	\$ 55,000
2035	60,000

Giving effect to the sinking fund redemption schedule, \$60,000 in principal amount of the Term Bonds will mature on February 1, 2036.

The Bonds maturing in the year 2039 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

<u>Redemption Date February 1</u>	<u>Principal Amount</u>
2037	\$ 60,000
2038	60,000

Giving effect to the sinking fund redemption schedule, \$65,000 in principal amount of the Term Bonds will mature on February 1, 2039.

The Bonds maturing in the year 2042 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

<u>Redemption Date</u> <u>February 1</u>	<u>Principal Amount</u>
2040	\$ 65,000
2041	65,000

Giving effect to the sinking fund redemption schedule, \$65,000 in principal amount of the Term Bonds will mature on February 1, 2042.

Within ten (10) days before the thirtieth (30th) day prior to such Redemption Date, the Bond Registrar will proceed to select for redemption (by lot in such manner as the Bond Registrar may determine) from all outstanding Term Bonds a principal amount of such Term Bonds equal to the aggregate principal amount of such Term Bonds redeemable on the Redemption Date, and will call such Term Bonds or portions thereof (\$5,000 in principal amount of any integral multiple thereof) for redemption on such Redemption Date and give notice to such call pursuant to the redemption provisions contained herein.

In the event that part but not all of the Term Bonds are purchased or redeemed at the option of the Issuer, the Bond Registrar shall redeem the Term Bonds in inverse order of maturity and mandatory Redemption Date and by lot within any maturity or mandatory Redemption Date.

6. Bond Registrar. Bond Trust Services Corporation, Roseville, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the “Bond Registrar”), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and 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 Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond and paragraph 13 of this resolution (with respect to interest payment and record date).

7. Form of Bond. The Bonds, together with the Bond Registrar’s Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the following form:

(Remainder of page intentionally left blank.)

UNITED STATES OF AMERICA
STATE OF MINNESOTA
CLAY COUNTY
CITY OF BARNESVILLE

R- _____ \$ _____

GENERAL OBLIGATION TAX
ABATEMENT BOND, SERIES 2021A

<u>INTEREST</u> <u>RATE</u>	<u>MATURITY</u> <u>DATE</u>	<u>DATE OF</u> <u>ORIGINAL ISSUE</u>	<u>CUSIP NUMBER</u>
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REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the City of Barnesville, Clay County, Minnesota (the “Issuer”), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, unless called for earlier redemption, and to pay interest thereon semiannually on February 1 and August 1 of each year (each an “Interest Payment Date”), commencing August 1, 2022, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of Bond Trust Services Corporation, Roseville, Minnesota (the “Bond Registrar”), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the “Holder” or “Bondholder”) on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the “Regular Record Date”). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof 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 to Bondholders not less than ten (10) days prior to the special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

Redemption. All Bonds of this issue (the “Bonds”) maturing on February 1, 2031, and on any date thereafter, are subject to redemption and prepayment at the option of the Issuer on or after February 1, 2030, at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the Issuer shall determine the maturities and principal amount within each maturity to be prepaid; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be

due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the Paying Agent and to each affected Holder of the Bonds.

Bonds maturing in the year 2027 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

Redemption Date <u>February 1</u>	Principal <u>Amount</u>
2025	\$ 50,000
2026	55,000
2027*	55,000

*Final Maturity

The Bonds maturing in the year 2030 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

Redemption Date <u>February 1</u>	Principal <u>Amount</u>
2028	\$ 55,000
2029	55,000
2030*	55,000

*Final Maturity

The Bonds maturing in the year 2033 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

Redemption Date <u>February 1</u>	Principal <u>Amount</u>
2031	\$ 55,000
2032	55,000
2033*	55,000

*Final Maturity

The Bonds maturing in the year 2036 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

Redemption Date <u>February 1</u>	Principal <u>Amount</u>
2034	\$ 55,000
2035	60,000
2036*	60,000

*Final Maturity

The Bonds maturing in the year 2039 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

Redemption Date <u>February 1</u>	Principal <u>Amount</u>
2037	\$ 60,000
2038	60,000
2039*	65,000

*Final Maturity

The Bonds maturing in the year 2042 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

Redemption Date <u>February 1</u>	Principal <u>Amount</u>
2040	\$ 65,000
2041	65,000
2042*	65,000

*Final Maturity

In the event this Bond is called for prior redemption, not more than sixty (60) days and not less than thirty (30) days prior to the date specified for redemption and prepayment of any of the Bonds, the Issuer will cause notice of the call thereof to be sent by mail to the Bond Registrar, Paying Agent and registered owner of the bond to be redeemed in whole or in part at the address shown on the registration books of the Registrar. The Bonds to be redeemed shall be selected by the Bond Registrar in the manner prescribed in the Bond Resolution.

Selection of Bonds for Redemption; Partial Redemption. To affect a partial redemption of Bonds having a common maturity date, the Bond Registrar shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to the Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and Bond Registrar duly executed by the Holder thereof or his, her or its attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same series having the same stated maturity and interest rate and of any authorized denomination or denominations, as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Issuance; Purpose: General Obligation. This Bond is one of an issue in the total principal amount of \$1,135,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, which Bond has been issued pursuant to and in full conformity with the Constitution, laws of the State of Minnesota and the Charter of the Issuer and pursuant to a resolution adopted by the City Council of the Issuer on July 21, 2021 (the "Resolution"), for the purpose of financing the construction of a new municipal liquor store. This Bond is payable out of the General Obligation Tax Abatement Bonds, Series 2021A, Fund of the Issuer. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Denominations; Exchange Resolution. The Bonds are issuable solely as fully registered bonds in the denominations of \$5,000 and integral multiples thereof of a single maturity and are exchangeable for fully registered Bonds of other authorized denominations in equal aggregate principal amounts at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

Transfer. This Bond is transferable by the Holder in person or by his, her or its attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the

Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee (but not registered in blank or to “bearer” or similar designation), of an authorized denomination or denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

Fees upon Transfer or Loss. 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 this Bond and any legal or unusual costs regarding transfers and lost Bonds.

Treatment of Registered Owners. The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except as otherwise provided on the reverse side hereof with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar.

Qualified Tax-Exempt Obligation. This Bond has been designated by the Issuer as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution, laws of the State of Minnesota and Charter of the Issuer to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional, statutory or charter limitation of indebtedness.

IN WITNESS WHEREOF, the City of Barnesville, Clay County, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the manual signatures of its Mayor and its City Clerk, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

(Signatures on following page)

Date of Registration:

Bond Registrar's

CITY OF BARNESVILLE,
CLAY COUNTY, MINNESOTA

CERTIFICATE OF AUTHENTICATION

This Certificate is one of the
Certificates described in the
Resolution mentioned
within.

Jason Rick, Mayor

BOND TRUST SERVICES CORPORATION

3060 Centre Pointe Drive #110
Roseville, MN 55113
Bond Registrar

John Chattin, Interim City Administrator

By: _____
Authorized Signature

ABBREVIATIONS

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

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

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

UTMA - _____ as custodian for _____

(Cust) (Minor)
under the _____ Uniform

(State)
Transfers to Minors Act

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

ASSIGNMENT

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

Dated: _____

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

Signature Guaranteed:

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having
a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution"
as defined in 17 CFR 240.17 Ad-15(a) (2).

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

Name and Address: _____

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

CERTIFICATE AS TO LEGAL OPINION

We certify that attached is the legal opinion rendered by Bond Counsel on the issue of Bonds which includes the within Bond, dated as of the date of delivery of and payment for the Bonds.

Jason Rick, Mayor

John Chattin, Interim City Administrator

8. Execution; Temporary Bonds. The Bonds shall be prepared, shall be executed on behalf of the City by the signatures of its Mayor and City Clerk, and be sealed with the seal of the City; provided, however, that the seal of the City may be a printed (or, at the request of the Purchaser, photocopied) facsimile; and provided further that both of such signatures may be printed (or, at the request of the Purchaser, photocopied) facsimiles and the corporate seal may be omitted on the Bonds as permitted by law. In the event of disability or resignation or other absence of either such officer, the Bonds 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 either such officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, 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 City may elect to deliver, in lieu of printed definitive bonds, one or more typewritten temporary bonds in substantially the form set forth above, with such changes as may be necessary to reflect more than one maturity in a single temporary bond. The temporary bonds may be executed with photocopied facsimile signatures of the Mayor and City Clerk. Such temporary bonds shall, upon the printing of the definitive bonds and the execution thereof, be exchanged therefore and canceled.

9. Authentication. No 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 Bond, substantially in the form herein above set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

10. Registration; Transfer; Exchange. The City will cause to be kept at the principal office of the Bond Registrar a 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 Bonds entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 9, with respect to authentication) of, and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any authorized denomination or denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Bonds may be exchanged for Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration of, and deliver the Bonds which the Holder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the City.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Bonds surrendered for such exchange or transfer.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the Holder thereof or his, her or its attorney duly authorized in writing.

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 Bond and any legal or unusual costs regarding transfers and lost Bonds.

Transfers shall also be subject to reasonable regulations of the City contained in any agreement with the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The City Clerk, or her designee, is hereby authorized to negotiate and execute the terms of said agreement.

11. Rights Upon Transfer or Exchange. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

12. Interest Payment; Record Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the City maintained by the Bond Registrar and 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 Holders not less than ten (10) days prior to the Special Record Date.

13. Treatment of Registered Owner. The City and Bond 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 premium, if any, and interest (subject to the payment provisions in paragraph 12 above, with respect to interest payment and record date) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

14. Delivery; Application of Proceeds. The Bonds when so prepared and executed shall be delivered by the City to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

15. Fund. There is hereby created a special fund to be designated the "\$1,135,000 General Obligation Tax Abatement Bonds, Series 2021A Fund" (the "Fund") to be administered and maintained by the City as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund two (2) separate accounts, to be designated the "Project Account" and "Debt Service Account," respectively.

(a) Project Account. To the Project Account there shall be credited \$1,083,652 of the proceeds of the sale of the Bonds, less issuance expenses which shall be paid at closing. From the Project Account there shall be paid all costs and expenses of making the Project including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65; and the moneys in said account shall be used for no other purpose except as otherwise provided by law, provided that the proceeds of the Bonds may also be used to the extent necessary to pay interest on the Bonds due prior to the anticipated date of commencement of the collection of ad valorem taxes herein levied or covenanted to be levied; and provided further that if upon completion or acquisition of the Project there shall remain any unexpended balance in the Project Account, the balance shall be transferred to the Debt Service Account.

(b) Debt Service Account. There are hereby irrevocably appropriated and pledged to, and there shall be credited to, the Debt Service Account: (a) all accrued and capitalized interest received upon delivery of the Bonds; (b) all collections of taxes herein or hereafter levied for the payment of the Bonds and interest thereon; (c) all funds remaining in the Project Account after completion of the Project and payment of the costs thereof, not so transferred to the account of another improvement; (d) all investment earnings on funds held in the Debt Service Account; and (e) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Debt Service Account. The Debt Service Account shall be used solely to pay the principal and interest and any premiums for redemption of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said account as provided by law.

No portion of the proceeds of the Bonds 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 Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent (5%) of the proceeds of the Bonds or \$100,000. To this effect any taxes are also pledged to the Fund, 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" or "minor portion" made available under the federal arbitrage regulations. Money in the Fund 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 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

16. Property Tax Abatements. To provide monies for the payment of principal and interest on the Bonds, there is hereby levied upon all properties included within the City's Resolution Approving Property Tax Abatements Pursuant to Minnesota Statutes Sections 469.1812 through 469.1815 (the "Abatement Resolution") a direct annual ad valorem tax, which is hereby abated in accordance with the terms of the Abatement Resolution.

17. Tax Levy; Coverage Test. To provide monies for the payment of principal and interest on the Bonds, there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of, other general property taxes in said City for the years and in the amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
2022	2023	\$69,045.67
2023	2024	69,930.00
2024	2025	69,011.25
2025	2026	73,867.50
2026	2027	73,434.38
2027	2028	73,001.25
2028	2029	72,366.00
2029	2030	71,730.75
2030	2031	71,095.50
2031	2032	70,287.00
2032	2033	69,478.50
2033	2034	68,670.00
2034	2035	72,996.00
2035	2036	71,988.00
2036	2037	70,980.00
2037	2038	69,720.00
2038	2039	73,710.00
2039	2040	72,345.00
2040	2041	70,980.00
2041	2042	69,615.00

Said tax levies are such that if collected in full they, together with estimated collections of investment earnings and other revenues herein pledged for the payment of the Bonds will, if collected when due, produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds.

The tax levies shall be irrevocable so long as any of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes Section 475.61(3).

18. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Fund is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed with or without interest from the Fund when a sufficient balance is available therein.

19. Certificate of Registration. The City Clerk is hereby directed to file a certified copy of this resolution with the County Auditor of Clay County, Minnesota, together with such other information as he or she shall require, and to obtain the County Auditor's certificate that the Bonds have been entered in the County Auditor's Bond Register, and that the tax levy required by law for the Bonds has been made.

20. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Bonds, certified copies of all proceedings and records of the City relating to the Bonds 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 Bonds 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.

21. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, subject to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

22. Negative Covenant as to Use of Proceeds. The City hereby covenants not to use the proceeds of the Bonds, or to cause or permit them to be used, in such a manner as to cause the Bonds to be “private activity bonds” within the meaning of Sections 103 and 141 through 150 of the Code.

23. Tax-Exempt Status of the Bonds; Rebate. 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 Bonds, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the Bonds, and (3) the rebate of excess investment earnings to the United States if the Bonds (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceed the small-issuer exception amount of \$5,000,000.

24. Compliance with Reimbursement Bond Regulations. The provisions of this paragraph are intended to establish and provide for the City’s compliance with United States Treasury Regulations Section 1.150-2 (the “Reimbursement Regulations”) applicable to the “reimbursement proceeds” of the Bonds, being those portions thereof which will be used by the City to reimburse itself for any expenditure which the City paid or will have paid prior to the Closing Date (a “Reimbursement Expenditure”).

The City hereby certifies and/or covenants as follows:

(a) Not later than sixty (60) days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Improvement"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Improvement; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Improvement, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed twenty percent (20%) of the "issue price" of the Bonds, and (ii) a *de minimis* amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or 5% of the proceeds of the Bonds.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Bonds or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.

(c) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Bonds and in all events within the period ending on the date which is the later of three years after payment of the Reimbursement Expenditure or one year after the date on which the Project to which the Reimbursement Expenditure relates is first placed in service.

(d) Each such reimbursement allocation will be made in a writing that evidences the City's use of Bond proceeds to reimburse the Reimbursement Expenditure and, if made within thirty (30) days after the Bonds are issued, shall be treated as made on the day the Bonds are issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph 24 upon receipt of an opinion of its Bond Counsel for the Bonds stating in effect that such action will not impair the tax-exempt status of the Bonds.

25. Continuing Disclosure.

(a) The City is the sole obligated person with respect to the Bonds. The City hereby agrees, in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, and a Continuing Disclosure Undertaking (the "Undertaking") hereinafter described to:

(1) Provide or cause to be provided, in a timely manner, to (i) each nationally recognized municipal securities information repository ("NRMSIR") or to the Municipal Securities Rulemaking Board ("MSRB") and (ii) the state information depository (the

"SID"), if any, notice of the occurrence of certain material events with respect to the Bonds in accordance with the Undertaking.

(2) The City agrees that its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking are intended to be for the benefit of the holders and any other beneficial owners of the Bonds and shall be enforceable on behalf of such holders and beneficial owners; provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

(b) The Mayor and Clerk of the City, or any other officer of the City authorized to act in their place, (the "Officers") are hereby authorized and directed to execute on behalf of the City the Undertaking in substantially the form presented to the Council, subject to such modifications thereof or additions thereto as are (i) consistent with the requirements under the Rule, (ii) required by the purchaser of the Bonds and (iii) acceptable to the Officers.

28. Severability. If any section, paragraph or provision of this resolution 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.

29. 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.

30. Minnesota Law Applies. This resolution will be controlled by the laws of the State of Minnesota.

31. Designated as Qualified Tax-Exempt Obligations. The Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

(Signatures on the following page.)

Passed by the Barnesville City Council this 12th day of July, 2021.

APPROVED BY:

Jason Rick, Mayor

ATTEST:

John Chattin, Interim City Administrator

The motion for the adoption of the foregoing resolution was duly seconded by Member Stokka, and after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof: Stokka, Goedke, Stuvland, Bauer, Bergman and Field, and the following voted against the same: none.. The following were absent and not voting: none, whereupon said resolution was declared duly passed and adopted.

Mayor Rick stated the next item on the agenda was the Resolution for the G.O. Improvement and refunding bonds, Series 2021B.

Mr. Todd Hagen with Ehlers stated that three bids were received for the refunding bonds Series 2021B. The lowest bid was from Northland Securities in the amount of 1.3527%. Other bids received were from Baird in the amount of 1.43457% and Bernardi Securities, Inc. in the amount of 1.4794%. Mr. Hagen was recommending to approve the bid from Northland Securities at a interest rate of 1.3527%.

07-12-21-09 Motion by Mr. Bauer and second by Mrs. Stokka to approve the Resolution accepting offer on the sale of \$1,305,000 General Obligation Improvement and Refunding Bonds, Series 2021B. Upon a roll call vote, the following voted aye: council members Stokka, Goedtke, Stuvland, Bauer, Bergman, and Field. The following were absent: none. Motion carried. Approved at 7:37 p.m.

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE
CITY OF BARNESVILLE, MINNESOTA
Held: July 12, 2021

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Barnesville, Clay County, Minnesota, was duly called and held at the City Hall in said City on Monday, the 12th day of July, 2021, at 7:00 P.M., for the purpose of award the sale of \$1,305,000 General Obligation Improvement and Refunding Bonds, Series 2021B of the City.

The following members were present: Stokka, Goedtke, Stuvalland, Bauer, Bergman and Field, , and the following were absent: none.

Member Bauer introduced the following resolution and moved its adoption:

CITY OF BARNESVILLE

COUNTY OF CLAY

STATE OF MINNESOTA

RESOLUTION NO. 07-12-21-09

RESOLUTION AUTHORIZING A PRICING COMMITTEE TO ACCEPT BIDS ON SALE OF
\$1,305,000 GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS,
SERIES 2021B, PROVIDING FOR THEIR ISSUANCE, AND
LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City Council of the City of Barnesville, Minnesota (the “City”), has heretofore determined and declared that it is necessary and expedient to issue \$1,305,000 General Obligation Improvement and Refunding Bonds, Series 2021B (the “Refunding Bonds”) pursuant to Minnesota Statutes, Chapters 429, 444 and 475, and Section 475.67, for the purposes of financing with cash, the construction of the City’s Commercial Condo Improvements - Phase II (the “Commercial Condo Project”) and to effect a current refunding of certain outstanding general obligations of the City as more fully described herein.

B. WHEREAS, the City of Barnesville, Minnesota (the “City”) has previously sold its city’s \$2,345,000 General Obligation Improvement and Refunding Bonds, Series 2012A (the “Refunded Bonds”); and

C. WHEREAS, the City, through the issuance of new Refunding Bonds for the purpose of refunding the Series 2012A Bonds, can reduce the debt service thereof.

D. WHEREAS, it is desired to provide for the retirement of the Refunded Bonds which will continue to remain outstanding after the consummation of the refunding from an escrow fund to be established, into which fund there will be deposited obligations of or fully guaranteed by the United States of America to be purchased with the proceeds of the new Refunding Bonds and other monies legally available for such purpose, and which obligations, together with the earnings thereon and other monies deposited therein, will be fully sufficient to pay and retire the outstanding Refunded Bonds on their respective maturity or redemption dates, all in the manner for which provision is hereinafter made; and

E. WHEREAS, it is desired to provide for the retirement of up to \$845,000 of the principal of the Refunded Bonds from a fund to be established from part of the proceeds of the Refunding Bonds.

F. WHEREAS, there are multiple bond sales on July 12, 2021, and the city desires to authorize a pricing committee to consider bids for the instant bond sale.

G. WHEREAS, offers to purchase the Bonds were solicited on behalf of the City by Ehlers & Associates Inc.; and

H. WHEREAS, it is in the best interests of the City that the Bonds be issued in book-entry form as hereinafter provided; and

I. WHEREAS, the following offers were received, opened, and recorded at the offices of Ehlers & Associates Inc. at 10:30 a.m. on July 12, 2021:

<u>Bidder</u>	<u>Interest Rate</u>	<u>Net Interest Cost</u>
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See Attached Exhibit A

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

1. Acceptance of Offer. The offer of Northland Securities (the “Purchaser”) to purchase \$1,305,000 General Obligation Improvement and Refunding Bonds, Series 2021B (the “Refunding Bonds,” or individually a “Bond”), in accordance with the terms of proposal, at the rates of interest hereinafter set forth, and to pay therefore the sum of \$1,298,255.51 plus interest accrued to settlement, is hereby found, determined and declared to be the most favorable offer received and is hereby accepted, and the Bonds are hereby awarded to the Purchaser. The City Clerk, or her designee, is directed to retain the deposit of said Purchaser and to forthwith return to the others making offers their good faith deposits.

2. Term of Bonds.

(a) Title: Original Issue Date; Denominations; Maturities. The Refunding Bonds shall be titled “General Obligation Improvement and Refunding Bonds, Series 2021B,” shall be dated August 5, 2021, as the date of original issue, and shall be issued forthwith on or after such date as fully registered bonds. The Refunding Bonds shall be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity. The Refunding Bonds shall mature on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2022	\$ 185,000	2028*	\$140,000
2023	130,000	2030*	150,000
2024	135,000	2032*	150,000
2025	130,000	2037*	150,000
2026	135,000		

*Term Bonds

(b) Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or successors to its functions hereunder (the “Depository”) will act as securities depository for the Refunding Bonds, and to this end:

(i) The Refunding Bonds shall be initially issued and, so long as they remain in book entry form only (the “Book Entry Only Period”), shall at all times be in the form of a separate single fully registered Refunding Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs v (with respect to Redemption) and 11 (with respect to registration, transfer, exchange) Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only period to the outstanding principal amount of that Bond.

(ii) Upon initial issuance, ownership of the Refunding Bonds shall be registered in a bond register maintained by Bond Trust Services Corporation, Roseville, Minnesota (the “Bond Registrar”) in the name of CEDE & CO., as the nominee (it or any nominee of the existing or a successor Depository, the “Nominee”).

(iii) With respect to the Refunding Bonds, neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the “Participant”) or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the “Beneficial Owner”). Without limiting the immediately preceding sentence, neither the City, nor the Bond Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the “Holder”). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.

(iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

(v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph x (with respect to registration, transfer, exchange) hereof, references to the Nominee hereunder shall refer to such new Nominee.

- (vi) So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Bond Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations, to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").
- (vii) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.
- (viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than fifteen (15) calendar days in advance of such special record date to the extent possible.
- (ix) Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency registrar agreement shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.
- (x) In the case of a partial prepayment of a Bond, the Holder may, in lieu of surrendering the Bonds for a Bond of a lesser denomination as provided in paragraph v hereof (with respect to redemption), make a notation of the reduction in principal amount on the panel provided on the Bond stating the amount so redeemed.
- (c) Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:
- (i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.
- (ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions

of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 10 hereof. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 11 (with respect to registration, transfer, exchange) hereof, the Bonds will be delivered to the Beneficial Owners.

(iii) Nothing in this subparagraph (c) shall limit or restrict the provisions of paragraph 11 (with respect to registration, transfer, exchange) hereof.

(d) Letter of Representations. The provisions in the Letter of Representations are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Letter of Representations shall control.

3. Purpose. The new Refunding Bonds (together with other available funds in the sinking fund of the Refunded Bonds) are being issued by the City for the purposes of financing the construction of the City's Commercial Condo Improvements - Phase II and to effect a current refunding of the City's \$2,345,000 General Obligation Improvement and Refunding Bonds, Series 2012A, dated April 12, 2012 (the "Refunded Bonds"). It is hereby found, determined, and declared that the current refunding of the Refunded Bonds is pursuant to Minnesota Statutes Section 475.67, and shall result in a reduction of debt service cost to the City.

4. Special Assessments.

(a) Commercial Condo Project. It is hereby determined that no less than twenty percent (20%) of the cost to the City of the Commercial Condo Project financed hereunder within the meaning of Minnesota Statutes, Section 475.58, Subdivision 1(3), shall be paid by special assessments to be heretofore levied against every assessable lot, piece, and parcel of land benefitted by any of the Improvements. The City hereby covenants and agrees that it will let all construction contracts not heretofore let within one (1) year after ordering the Commercial Condo Project financed hereunder unless the resolution ordering the Improvement specifies a different time limit for the letting of construction contracts. The City hereby further covenants and agrees that it will do and perform as soon as they may be done all acts and things necessary for the final and valid levy of such special assessments, and in the event that any such assessment be at any time held invalid with respect to any lot, piece or parcel of land due to any error, defect, or irregularity in any action or proceedings taken or to be taken by the City or the City Council or any of the City officers or employees, either in the making of the assessments or in the performance of any condition precedent thereto, the City and the City Council will forthwith do all further acts and take all further proceedings as may be required by law to make the assessments a valid and binding lien upon such property. It is hereby determined that the assessments shall be payable in equal, consecutive, installments of principal, with interest on the declining balance, with general taxes for the years shown below and with interest on the declining balance of all such assessments at a rate per annum not greater than the maximum permitted by law and not less than 2.85% per annum:

<u>Improvement Designation</u>	<u>Amount</u>	<u>Levy Years</u>	<u>Collection Years</u>
Commercial Condo Project	\$455,000	2021-2036	2012-2037

Pursuant to Minnesota law and City policy, some of the assessments for some of the districts set out above may be deferred for a number of years. In addition, the City reserves the right to pay for a portion of the above costs permanently by the tax levy set forth in paragraph 17, without assessing the full amount to individual properties. At the time the assessments are in fact levied each year, the City Council shall, based on the then-current estimated collections of the assessments, make any adjustments in any ad valorem taxes required to be levied in order to assure that the City continues to be in compliance with Minnesota Statutes, Section 475.61, Subdivision 1.

(b) The Refunded Bonds Portion. Pursuant to the resolution approving the \$2,345,000 General Obligation Improvement and Refunding Bonds, Series 2012A, dated April 12, 2012, special assessments were levied and pledged for the payment of part or all of the Refunded Bonds. Upon the redemption of the Refunded Bonds, these pledged funds and special assessments are now appropriated for the payment of the Bonds of this issue.

5. Interest. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each an “Interest Payment Date”), commencing February 1, 2022, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Maturity Year</u>	<u>Interest Rate</u>	<u>Maturity Year</u>	<u>Interest Rate</u>
2022	1.00%	2028*	0.90%
2023	1.00	2030*	1.10
2024	1.00	2032*	1.30
2025	1.00	2037*	1.70
2026	1.00		

6. Redemption. All Bonds maturing in the years 2031 and thereafter shall be subject to redemption and prepayment at the option of the City on February 1, 2030, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the City shall determine the order of Bonds to be prepaid; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Published notice of redemption shall in each case be given in accordance with law and mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds.

6.1 Term Bonds. The Bonds maturing in the year 2028 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together

with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

<u>Redemption Date February 1</u>	<u>Principal Amount</u>
2027	\$ 70,000

Giving effect to the sinking fund redemption schedule, \$70,000 in principal amount of the Term Bonds will mature on February 1, 2028.

The Bonds maturing in the year 2030 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

<u>Redemption Date February 1</u>	<u>Principal Amount</u>
2029	\$ 75,000

Giving effect to the sinking fund redemption schedule, \$75,000 in principal amount of the Term Bonds will mature on February 1, 2030.

The Bonds maturing in the year 2032 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

<u>Redemption Date February 1</u>	<u>Principal Amount</u>
2031	\$ 75,000

Giving effect to the sinking fund redemption schedule, \$75,000 in principal amount of the Term Bonds will mature on February 1, 2032.

The Bonds maturing in the year 2037 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

<u>Redemption Date</u> <u>February 1</u>	<u>Principal Amount</u>
2033	\$ 30,000
2034	30,000
2035	30,000
2036	30,000

Giving effect to the sinking fund redemption schedule, \$30,000 in principal amount of the Term Bonds will mature on February 1, 2037.

Within ten (10) days before the thirtieth (30th) day prior to such Redemption Date, the Bond Registrar will proceed to select for redemption (by lot in such manner as the Bond Registrar may determine) from all outstanding Term Bonds a principal amount of such Term Bonds equal to the aggregate principal amount of such Term Bonds redeemable on the Redemption Date, and will call such Term Bonds or portions thereof (\$5,000 in principal amount of any integral multiple thereof) for redemption on such Redemption Date and give notice to such call pursuant to the redemption provisions contained herein.

In the event that part but not all of the Term Bonds are purchased or redeemed at the option of the Issuer, the Bond Registrar shall redeem the Term Bonds in inverse order of maturity and mandatory Redemption Date and by lot within any maturity or mandatory Redemption Date.

To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar, prior to giving notice of redemption, shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers so assigned to such Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the City or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the City and Bond Registrar duly executed by the holder thereof or his, her or its attorney duly authorized in writing) and the City shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same series having the same stated maturity and interest rate and of any authorized denomination or denominations, as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than sixty (60) calendar days and not less than thirty (30) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

7. Bond Registrar. Bond Trust Services Corporation, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the “Bond Registrar”) and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and 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 Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond and paragraph 13 of this resolution.
8. Form of Bond. The Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
CLAY COUNTY
CITY OF BARNESVILLE

R-_____

\$_____

GENERAL OBLIGATION IMPROVEMENT
AND REFUNDING BOND, SERIES 2021B

INTEREST
RATE

MATURITY
DATE

DATE OF
ORIGINAL ISSUE

August 5, 2021

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the City of Barnesville, Clay County, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, unless called for earlier redemption, and to pay interest thereon semiannually on February 1 and August 1 of each year (each an "Interest Payment Date"), commencing February 1, 2022, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of Bond Trust Services Corporation, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date and shall be payable to the person who is the Holder hereof 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 to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

Optional Redemption. At the option of the City, the Bonds maturing on or after February 1, 2031, shall be subject to optional redemption prior to maturity on February 1, 2030, or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such

maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Bonds maturing in the year 2028 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

Redemption Date <u>February 1</u>	Principal <u>Amount</u>
2027	\$ 70,000
2028*	70,000
*Final Maturity	

The Bonds maturing in the year 2030 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

Redemption Date <u>February 1</u>	Principal <u>Amount</u>
2029	\$ 75,000
2030*	75,000
*Final Maturity	

The Bonds maturing in the year 2032 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

Redemption Date <u>February 1</u>	Principal <u>Amount</u>
2031	\$ 75,000
2032*	75,000
*Final Maturity	

The Bonds maturing in the year 2037 shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part by lot, or other method of random selection, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on February 1 of the following years and in the following principal amounts:

Redemption Date <u>February 1</u>	Principal <u>Amount</u>
2033	\$ 30,000
2034	30,000
2035	30,000
2036	30,000
2037*	30,000

*Final Maturity

In the event this Bond is called for prior redemption, not more than sixty (60) days and not less than thirty (30) days prior to the date specified for redemption and prepayment of any of the Bonds, the Issuer will cause notice of the call thereof to be sent by mail to the Bond Registrar, Paying Agent and registered owner of the bond to be redeemed in whole or in part at the address shown on the registration books of the Registrar. The Bonds to be redeemed shall be selected by the Bond Registrar in the manner prescribed in the Bond Resolution.

Selection of Bonds for Redemption; Partial Redemption. To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to the Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and Bond Registrar duly executed by the Holder thereof or his, her or its attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same series having the same stated maturity and interest rate and of any authorized denomination or denominations, as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Issuance; Purpose: General Obligation. This Bond is one of an issue in the total principal amount of \$1,305,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, which Bond has been issued pursuant to and in full conformity with the Constitution, laws of the State of Minnesota and the Charter of the Issuer and pursuant to a resolution adopted by the City Council of the Issuer on July 21, 2021 (the "Resolution"), for the purpose of refunding its \$2,345,000 General Obligation Improvement and Refunding Bonds, Series 2012A, dated April 12, 2012. This Bond is payable out of the General Obligation Bond, Series 2021B Fund of the Issuer. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Denominations; Exchanger Resolution. The Bonds are issuable solely as fully registered bonds in the denominations of \$5,000 and integral multiples thereof of a single maturity and are exchangeable for fully registered Bonds of other authorized denominations in equal aggregate principal amounts at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a

description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

Transfer. This Bond is transferable by the Holder in person or by his, her or its attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon, the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee (but not registered in blank or to “bearer” or similar designation), of an authorized denomination or denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

Fees upon Transfer or Loss. 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 this Bond and any legal or unusual costs regarding transfers and lost Bonds.

Treatment of Registered Owners. The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except as otherwise provided on the reverse side hereof with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar.

Qualified Tax-Exempt Obligation. This Bond has been designated by the Issuer as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution, laws of the State of Minnesota and Charter of the Issuer to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional, statutory or charter limitation of indebtedness.

IN WITNESS WHEREOF, the City of Barnesville, Clay County, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the manual signatures of its Mayor and its City Administrator, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

(Signatures on following page)

Date of Registration:

Bond Registrar's
CERTIFICATE OF AUTHENTICATION

This Certificate is one of the
Certificates described in the
Resolution mentioned
within.

CITY OF BARNESVILLE,
CLAY COUNTY, MINNESOTA

Jason Rick, Mayor

Bond Trust Services Corporation
3060 Centre Pointe Drive #110
Roseville, Minnesota 55113
Bond Registrar

John Chattin, Interim City Administrator

By: _____
Authorized Signature

ASSIGNMENT

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

Dated: _____

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

Signature Guaranteed:

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges.

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

Name and Address: _____

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

CERTIFICATE AS TO LEGAL OPINION

We certify that attached is the legal opinion rendered by Bond Counsel on the issue of Bonds which includes the within Bond, dated as of the date of delivery of and payment for the Bonds.

City Administrator

Mayor

9. Execution; Temporary Bonds. The Bonds shall be executed on behalf of the City by the signatures of its Mayor and City Administrator and be sealed with the seal of the City; provided, however, that the seal of the City may be a printed facsimile; and provided further that both of such signatures may be printed facsimiles and the corporate seal may be omitted on the Bonds as permitted by law. In the event of disability or resignation or other absence of either such officer, the Bonds 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 either such officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, 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 City may elect to deliver, in lieu of printed definitive bonds, one or more typewritten temporary bonds in substantially the form set forth above, with such changes as may be necessary to reflect more than one maturity in a single temporary bond. Such temporary bonds may be executed with photocopied facsimile signatures of the Mayor and City Administrator. Such temporary bonds shall, upon the printing of the definitive bonds and the execution thereof, be exchanged therefor and canceled.
10. Authentication. No 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 Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue, which date is August 5, 2021. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.
11. Registration; Transfer; Exchange. The City will cause to be kept at the principal office of the Bond Registrar a 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 Bonds entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 9) of, and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any authorized denomination or denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Bonds may be exchanged for Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration of, and deliver the Bonds which the Holder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the City.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Bonds surrendered for such exchange or transfer.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the Holder thereof or his, her or its attorney duly authorized in writing.

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 Bond and any legal or unusual costs regarding transfers and lost Bonds.

Transfers shall also be subject to reasonable regulations of the City contained in any agreement with the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The City Administrator is hereby authorized to negotiate and execute the terms of said agreement.

12. Rights Upon Transfer or Exchange. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.
13. Interest Payment; Record Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the City maintained by the Bond Registrar and 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 Holders not less than ten (10) calendar days prior to the Special Record Date.
14. Treatment of Registered Owner. The City and Bond 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 premium, if any, and interest (subject to the payment provisions in paragraph 13 above) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.
15. Delivery; Application of Proceeds. The Bonds, when so prepared and executed, shall be delivered by the City Administrator to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.
16. Fund and Accounts. There is hereby created a special fund to be designated the "\$1,305,000 General Obligation Improvement and Refunding Bonds, Series 2021B Fund" (the "Fund"), to

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 City. The Fund shall be maintained in the manner herein specified until all of the Bonds and interest thereon have been fully paid. There shall be maintained in the Fund three (3) separate accounts, to be designated: (a) the Construction Account, (b) the "Refunding Account," and (c) the "Debt Service Account," respectively.

- (a) Construction Account. To the Construction Account there shall be credited \$455,000 of the proceeds of the sale of the Bonds, plus any special assessments levied with respect to the Commercial Condo Project and collected prior to completion of the Improvements and payment of the costs thereof. From the Construction Account there shall be paid all costs and expenses of making the Improvements listed in paragraph 4, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65; and the moneys in said account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bonds may also be used to the extent necessary to pay interest on the Bonds due prior to the anticipated date of commencement of the collection of special assessments herein levied or covenanted to be levied; and provided further that if upon completion of the Improvements there shall remain any unexpended balance in the Construction Account, the balance (other than any special assessments) may be transferred by the City Council to the fund of any other improvement instituted pursuant to Minnesota Statutes, Chapter 429, and provided further that any special assessments credited to the Construction Account shall only be applied towards payment of the costs of the Improvements upon adoption of a resolution by the City Council determining that the application of the special assessments for such purpose will not cause the City to no longer be in compliance with Minnesota Statutes, Section 475.61, Subdivision 1.
- (b) Refunding Account. To the Refunding Account there shall be credited \$845,920.42 of the proceeds of the sale of the Refunding Bonds, which along with \$47,000 from the prior sinking fund of the City and interest earned in such account, shall be used to pay the interest coming due on the Bonds until August 16, 2021, and to redeem the Refunded Bonds on August 16, 2021. \$51,680.94 will be used to pay the issuance costs of the Refunding Bonds.
- (c) Debt Service Account. There are hereby irrevocably appropriated and pledged to, and there shall be credited to, the Debt Service Account: (a) all collections of special assessments herein covenanted to be levied with respect to the improvements set forth in paragraph 4 and either initially credited to the Construction Account and not already spent as permitted above and required to pay any principal and interest due on the Refunding Bonds or collected subsequent to the completion of the Improvements set forth in paragraph 4 and payment of the costs thereof; (b) all accrued and capitalized interest received upon delivery of the Refunding Bonds; (c) all collections of taxes herein or hereafter levied for the payment of the Refunding Bonds and interest thereon; (d) all funds remaining in the Construction Account after completion of the Improvements and payment of the costs thereof, not so transferred to the account of another improvement; (e) all moneys remaining in the sinking fund of the Refunded Bonds after their redemption; (f) all special assessment pledged to the payment of the Refunded Bonds after August 5, 2021; (g) all revenues pledged to the payment of the Refunded Bonds after August 5, 2021; (h) all collections of taxes herein or hereafter levied for the payment of the Bonds and interest thereon by the City; (i) all investment earnings on funds held in the Debt Service Account; and (j) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Debt Service Account.

The Debt Service Account shall be used solely to pay the principal and interest and any premiums for redemption of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said account as provided by law.

No portion of the proceeds of the Refunding Bonds 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 Refunding Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent (5%) of the proceeds of the Bonds or \$100,000. To this effect any special assessments against benefitted properties are also pledged to the Debt Service Account, 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” or “minor portion” made available under the federal arbitrage regulations. Money in the Fund 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 Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the “Code”).

17. Tax Levy; Coverage Test. To provide moneys for payment of the principal and interest on the Bonds there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
2022	2023	\$32,056.50
2023	2024	31,794.00
2024	2025	31,531.50
2025	2026	31,269.00
2026	2027	36,256.50
2027	2028	35,973.00
2028	2029	35,689.50
2029	2030	35,343.00
2030	2031	34,996.50
2031	2032	34,587.00
2032	2033	34,177.50
2033	2034	33,642.00
2034	2035	33,106.50
2035	2036	32,571.00
2036	2037	32,035.50

The tax levies are such that if collected in full they, together with other revenues herein pledged for the payment of the Bonds, will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levies shall be irrevocable so long as any of the Bonds are outstanding and unpaid, provided

that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

18. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed with or without interest from the Debt Service Account when a sufficient balance is available therein.
19. Certificate of Registration. The Clerk is hereby directed to file a certified copy of this resolution with the County Auditor of Clay County, Minnesota, together with such other information as he or she shall require, and to obtain the County Auditor's certificate that the Bonds have been entered in the County Auditor's Bond Register, and that the tax levy required by law has been made.
20. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Bonds, certified copies of all proceedings and records of the City relating to the Bonds 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 Bonds 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.
21. Negative Covenant as to Use of Proceeds and Project. The City hereby covenants not to use the proceeds of the Bonds or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Project, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.
22. Reservation of Rights. Notwithstanding any provisions herein to the contrary, the City reserves the right to terminate, reduce, or apply to other lawful purposes the Tax Increments herein pledged to the payment of the Bonds and interest thereon to the extent and in the manner permitted by law.
23. Investment Limitations; Rebate. 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 Bonds, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the Bonds, and (3) the rebate of excess investment earnings to the United States.
24. Designated as Qualified Tax-Exempt Obligations. The Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.
25. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants, and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The City may discharge its obligations with respect

to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full, with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, subject to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

26. Severability. If any section, paragraph, or provision of this resolution 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.
27. 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.
28. Continuing Disclosure.

(a) The City is the sole obligated person with respect to the Bonds. The City hereby agrees, in accordance with the provisions of Rule 15c2-12 (the “Rule”), promulgated by the Securities and Exchange Commission (the “Commission”) pursuant to the Securities Exchange Act of 1934, as amended, and a Continuing Disclosure Undertaking (the “Undertaking”) hereinafter described to:

(i) Provide or cause to be provided, in a timely manner, to (i) each nationally recognized municipal securities information repository (“NRMSIR”) or to the Municipal Securities Rulemaking Board (“MSRB”) and (ii) the state information depository (the “SID”), if any, notice of the occurrence of certain material events with respect to the Bonds in accordance with the Undertaking.

(ii) The City agrees that its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking are intended to be for the benefit of the holders and any other beneficial owners of the Bonds and shall be enforceable on behalf of such holders and beneficial owners; provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City’s obligations under the covenants.

(b) The Mayor and City Administrator of the City, or any other officer of the City authorized to act in their place, (the “Officers”) are hereby authorized and directed to execute on behalf of the City the Undertaking in substantially the form presented to the Council, subject to such modifications thereof or additions thereto as are (i) consistent with the

requirements under the Rule, (ii) required by the purchaser of the Bonds and (iii) acceptable to the Officers.

29. Compliance with Reimbursement Bond Regulations. The provisions of this paragraph are intended to establish and provide for the City's compliance with United States Treasury Regulations Section 1.150-2 (the "Reimbursement Regulations") applicable to the "reimbursement proceeds" of the Bonds, being those portions thereof which will be used by the City to reimburse itself for any expenditure which the City paid or will have paid prior to the Closing Date (a "Reimbursement Expenditure").

The City hereby certifies and/or covenants as follows:

(a) Not later than 60 days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Project"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Project; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Project, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed 20% of the "issue price" of the Bonds, and (ii) a de minimis amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or 5% of the proceeds of the Bonds.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Bonds or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.

(c) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Bonds and in all events within the period ending on the date which is the later of three years after payment of the Reimbursement Expenditure or one year after the date on which the Project to which the Reimbursement Expenditure relates is first placed in service.

(d) Each such reimbursement allocation will be made in a writing that evidences the City's use of Bond proceeds to reimburse the Reimbursement Expenditure and, if made within 30 days after the Bonds are issued, shall be treated as made on the day the Bonds are issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph 29 upon receipt of an opinion of its Bond Counsel for the Bonds stating in effect that such action will not impair the tax-exempt status of the Bonds.

30. Governing Law. This resolution will be controlled by the laws of the State of Minnesota.

31. Electronic Signatures. This resolution may be executed by electronic signature, which shall be considered an original signature for all purposes and shall have the same force and effect as an original signature.

(Remainder of page intentionally left blank.)

Passed by the Barnesville City Council this 12th day of July, 2021.

APPROVED BY:

Jason Rick, Mayor

ATTEST:

John Chattin, Intereim City Administrator

The motion for the adoption of the foregoing resolution was duly seconded by Member Stokka, and after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof: Stokka, Goedtke, Stuvland, Bauer, Bergman and Field, and the following voted against the same: none. The following were absent and not voting: none, whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
COUNTY OF CLAY) ss.
CITY OF BARNESVILLE)

I, the undersigned, being the duly qualified and acting Clerk of the City of Barnesville, Minnesota, do hereby certify that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City, duly called and held on the date therein indicated, insofar as such minutes relate to opening and considering bids for, and awarding the sale of \$1,305,000 General Obligation Improvement and Refunding Bonds, Series 2021B of said City.

WITNESS my hand and the seal of said City this 12th day of July, 2021.

Jeri Reep, City Clerk

(SEAL)

Mayor Rick stated the next item on the agenda was the water and wastewater technician position.

Interim City Administrator John Chattin stated that our contract is up at the end of the year with North West Services, so now is the time to consider the contract. Mr. Chattin was questioning if the city could save some money to have two employees here full time be a benefit. Council member Field stated by advertising it will give us the option to see if people are available. Council member Goedtke stated that the water quality has been great with NWS.

07-12-21-10 Motion by Mrs. Stuvland and second by Mr. Field to authorize staff to advertise for a water/wastewater technician and approve the job description as presented. Motion carried.

Mayor Rick stated the next item on the agenda was the Resolution for the internet speed price changes.

TEC Manager Guy Swenson stated that this increase in internet speed will push us well beyond what is currently being offered by any of our potential competitors.

07-12-21-11 Motion by Mr. Field and second by Mrs. Stuvland to approve the Resolution setting the 2021 high speed internet speed and rates. Upon a roll call vote, the following voted aye: council member Stokka, Goedtke, Stuvland, Bauer, Bergman and Field. The following voted nay: none. Motion carried.

**CITY OF BARNESVILLE
COUNTY OF CLAY
STATE OF MINNESOTA
RESOLUTION NO. 07-12-21-11
RESOLUTION SETTING 2021 HIGH SPEED INTERNET SPEEDS AND RATES**

WHEREAS, Title VIII, Section 2-0113 of the City of Barnesville Revised City Code of 2013 provides that High Speed Internet Rates are to be set by resolution of the City Council; and

WHEREAS, the City of Barnesville, has received and reviewed the 2021 High Speed Internet Rates; and

WHEREAS, the 2021 High Speed Internet Rates are as follows:

Section 1. Costs for High-Speed Internet service

MONTHLY COSTS	SPEEDS	
High Speed Internet/DSL	Down speed	Up speed
1) Discontinue offering the bronze level of service as of August 18, 2016 – grandfather and continue support of current bronze subscribers.		

* CBOL – Consumer Broadband Only – No Landline

1. With Landline	\$36.95	(Silver)	up to 35 Megbps	up to 35 Megbps
1. * CBOL	\$46.95	(Silver)	up to 35 Megbps	up to 35 Megbps
1. With Landline	\$36.95	(Silver)	up to 75 Megbps	up to 75 Megbps
1. * CBOL	\$46.95	(Silver)	up to 75 Megbps	up to 75 Megbps
2. With Landline	\$52.95	(Gold)	up to 45 Megbps	up to 45 Megbps
2. * CBOL	\$62.95	(Gold)	up to 45 Megbps	up to 45 Megbps
2. With Landline	\$52.95	(Gold)	up to 100 Megbps	up to 100 Megbps
2. * CBOL	\$62.95	(Gold)	up to 100 Megbps	up to 100 Megbps
3. With Landline	\$69.95	(Platinum)	up to 55 Megbps	up to 55 Megbps
3. * CBOL	\$79.95	(Platinum)	up to 55 Megbps	up to 55 Megbps
3. With Landline	\$69.95	(Platinum)	up to 125 Megbps	up to 125 Megbps
3. * CBOL	\$79.95	(Platinum)	up to 125 Megbps	up to 125 Megbps

4. With Landline	\$109.95	Business 1	up to 125 Megbps	up to 125 Megbps
4. * CBOL	\$119.95	Business 1	up to 125 Megbps	up to 125 Megbps

4. With Landline	\$99.95	Business 1	up to 250 Megbps	up to 250 Megbps
4. * CBOL	\$109.95	Business 1	up to 250 Megbps	up to 250 Megbps
5. With Landline	\$129.95	Business 2	up to 250 Megbps	up to 250 Megbps
5. * CBOL	\$139.95	Business 2	up to 250 Megbps	up to 250 Megbps
5. With Landline	\$119.95	Business 2	up to 375 Megbps	up to 375 Megbps
5. * CBOL	\$129.95	Business 2	up to 375 Megbps	up to 375 Megbps
6. With Landline	\$159.95	Business 3	up to 500 Megbps	up to 500 Megbps
6. * CBOL	\$169.95	Business 3	up to 500 Megbps	up to 500 Megbps
6. With Landline	\$139.95	Business 3	up to 500 Megbps	up to 500 Megbps
6. * CBOL	\$149.95	Business 3	up to 500 Megbps	up to 500 Megbps
7. With Landline	\$289.95	Business 4	up to 1 Gigbps	up to 1 Gigbps
7. * CBOL	\$299.95	Business 4	up to 1 Gigbps	up to 1 Gigbps
7. With Landline	\$179.95	Business 4	up to 1 Gigbps	up to 1 Gigbps
7. * CBOL	\$189.95	Business 4	up to 1 Gigbps	up to 1 Gigbps

DSL “Combo” package

When DSL is purchased along with Barnesville Telephone, Barnesville Long Distance and Barnesville Cable TV (Economy Basic) service the customer will receive a monthly “Combo” discount on the cost of the DSL level as follows:

\$5.00 per month discount for Bronze DSL service. Discontinue offering the bronze level of service as of August 18, 2016 – grandfather and continue support of current bronze subscribers.

\$15.00 per month discount for Silver DSL service

\$20.00 per month discount for Gold DSL service

\$25.00 per month discount for Platinum DSL service.

\$30.00 per month discount for Business 1,2,3,4 DSL service.

When DSL is purchased along with Barnesville Telephone, Barnesville Long Distance and Barnesville Cable TV (Preferred Basic) service the customer will receive a monthly “Combo” discount on the cost of the DSL level as follows:

\$20.00 per month discount for Silver DSL service
\$25.00 per month discount for Gold DSL service
\$30.00 per month discount for Platinum DSL service.
\$35.00 per month discount for Business 1,2,3,4 DSL service.

The DSL “Combo” package is available to business and residential customers.

NOW, THEREFORE, BE IT RESOLVED, that the High-Speed Internet Rates are hereby adopted by the City Council.

BE IT FURTHER RESOLVED that the approved High-Speed Internet will remain in effect until otherwise amended by resolution of the City Council.

BE IT FURTHER RESOLVED that this resolution will be effective August 12, 2021

Dated: July 12, 2021

APPROVED:

Jason Rick Mayor

ATTEST:

John Chattin, Interim City Administrator

Mayor Rick stated the next item on the agenda was the priority setting session discussion.

Mayor Rick went thru a few of the priorities from a previous session, Mayor Rick asked if we wanted to add anything. Council member Field suggested to wait to update the priority list until we have a new City Administrator, then have a priority session meeting.

Mayor Rick adjourned the meeting at 7:49 p.m.

Submitted by:

Attest:

Jeri Reep
City Clerk

Jason Rick
Mayor

