

Pursuant to due call and notice thereof, a meeting of the North Mankato Port Authority Commission was held in the Council Chambers of the Municipal Building on Monday, September 20, 2021.

President Arnold called the meeting to order at 6:15 p.m. The following were present: Commissioners Dehen, Oachs, Steiner, Whitlock, Norland, and Arnold, Executive Vice President Harrenstein, Assistant Treasurer McCann, and Secretary Van Genderen. Absent: Commissioner Olenius.

Approval of the Minutes

Commissioner Steiner moved, seconded by Commissioner Norland, to approve the minutes of the Port Authority meeting of September 7, 2021. Vote on the motion: Dehen, Oachs, Steiner, Whitlock, Norland and Arnold aye, no nays. Motion carried.

Public Hearing, To Consider the Sale of Real Estate.

Executive Vice President Harrenstein reported the sale would be of approximately 3.79 acres of land along Howard Drive to Woodworth Family, LLC, to construct a 20,000 square foot building. The building would house Building Fasteners. With no one appearing before the Port Authority, President Arnold closed the Public Hearing.

Resolution No. 7-21 Providing for the Competitive Negotiated Sale of \$4,500,000 Taxable General Obligation Bonds, Series 2021B.

Bond Counsel Tammy Omdal from Northland Securities reported that the resolution would authorize the Port Authority to sell \$4.5 million in General Obligation (GO) Bonds. The City adopted the Ordinance at the September 7, 2021, Council Meeting to authorize the Port to use the City's full faith for the sale of bonds. The repayment schedule for the bonds is 20 years, and the proposed True Interest Cost (TIC) of the bonds is estimated at 2.28%. Ms. Omdal noted the proposed TIC is higher than a City-issued bond because the bond is taxable. The Port Authority is recommended to go out for a rating from Standard and Poor's, which should help the interest rate because the City's current rating is AA. The Authority's debt is rated based on the City's GO rating. Ms. Omdal reported on Monday, November 15, 2021, Norland Securities, on behalf of the Port, will take the sale out for competitive bidding, and the Port Authority will award the bond based on the low bid. President Arnold requested clarification on the difference between the estimated average coupon rate and the TIC. Ms. Omdal stated the average coupon rate does not take into account the underwriter fees.

President Arnold requested clarification on if the Port Authority has an offsetting revenue stream. Executive Vice President Harrenstein reported the Port Authority has two years of payments covered by HyLife payments instead of lodging taxes. The Port is already working to rebrand the hotel and get it back on the market as hospitality.

President Arnold wanted to know if the property was purchased by a hotel chain what

the Port Authority's options would be concerning repayment of the bond? Ms. Omdal reported the Port Authority could take the funds and put them in escrow until it is possible to call the note in 2031. The Port can call all or a portion of the debt in 2031 without penalty, but if the note is paid in 2031, more interest may be paid than if the Port waits until the maturation of the bonds in 2041. Commissioner Dehen moved, seconded by Commissioner Steiner, to Adopt Resolution No. 7-21 Providing for the Competitive Negotiated Sale of \$4,500,000 Taxable General Obligation Bonds, Series 2021B. Vote on the motion: Dehen, Oachs, Steiner, Whitlock, Norland and Arnold aye, no nays. Motion carried.

Resolution No. 8-21 Authorizing the Executive Vice President to Execute a Purchase Agreement with the Woodworth Family, LLC, for the Sale of Property Located in the North Port Industrial Park

Executive Vice President Harrenstein reported the resolution authorized the execution of the purchase agreement with the Woodworth Family, LLC. He said Nathan Woodworth was present, and the company is still reviewing its options. If the company decides not to proceed, the City will have the First Right of Refusal agreement. Commissioner Norland moved, seconded by Commissioner Dehen, to Adopt Resolution No. 8-21, Authorizing the Executive Vice President to Execute a Purchase Agreement with the Woodworth Family, LLC, for the Sale of Property Located in the North Port Industrial Park. Vote on the motion: Dehen, Oachs, Steiner, Whitlock, Norland and Arnold aye, no nays. Motion carried.

Other Business

None

Open Meeting to the Public

None

There being no further business, Commissioner Dehen moved, seconded by Commissioner Norland, to adjourn. Vote on the motion: all ayes. Motion carried. The meeting was adjourned at 6:35 p.m.

President

Secretary



City of North Mankato, MN

Port Authority Claims

By Fund

Payment Dates 9/21/2021 - 11/15/2021

Vendor Part Number	Vendor Name	Payment Date	Amount
Fund: 228 - PORT AUTHORITY			
	HILLTOP FLORIST & GREENHOUSE	10/18/2021	135.00
	FREDRIKSON & BYRON, P.A.	11/09/2021	188.00
Fund 228 - PORT AUTHORITY Total:			323.00
Fund: 240 - JOINT ECONOMIC DEVELOPMENT			
	NICOLLET COUNTY	10/04/2021	2,671.00
	NICOLLET COUNTY	11/01/2021	1,565.00
	NICOLLET COUNTY	11/01/2021	3,615.00
	NICOLLET COUNTY	11/01/2021	3,627.00
	NICOLLET COUNTY	11/01/2021	3,500.00
	NICOLLET COUNTY	11/01/2021	1,660.00
Fund 240 - JOINT ECONOMIC DEVELOPMENT Total:			16,638.00
Grand Total:			16,961.00

Authorization Signatures

Port Authority

The above claims list for 11-15-21 is approved by:

MARK DEHEN - COMMISSIONER

JAMES WHITLOCK - COMMISSIONER

DIANE NORLAND - COMMISSIONER

WILLIAM STEINER - COMMISSIONER

SANDRA OACHS - COMMISSIONER

DUANE OLENIUS - COMMISSIONER

DAVID ARNOLD - COMMISSIONER

EXTRACT OF MINUTES OF A MEETING OF THE
BOARD OF COMMISSIONERS OF THE
NORTH MANKATO PORT AUTHORITY COMMISSION, MINNESOTA

HELD: NOVEMBER 15, 2021

Pursuant to due call and notice thereof, a regular or special meeting of the Board of Commissioners of the North Mankato Port Authority Commission, Nicollet and Blue Earth Counties, Minnesota, was duly held at the City Hall of the City of North Mankato, on November 15, 2021 at 6:00 P.M. for the purpose of awarding the sale of \$4,500,000 Taxable General Obligation Bonds, Series 2021B.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION ACCEPTING OFFER ON THE SALE OF \$4,500,000 TAXABLE
GENERAL OBLIGATION BONDS, SERIES 2021B,
PROVIDING FOR THEIR ISSUANCE
AND LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the Board of Commissioners of the North Mankato Port Authority Commission, Minnesota (the "Authority"), has heretofore determined that it is necessary and expedient to issue its \$4,500,000 Taxable General Obligation Refunding Bonds, Series 2021B (the "Bonds") pursuant to Minnesota Statutes, Sections 469.060 and Chapter 475 to provide funds to finance acquisition of property and the renovation of Norwood Inn within the Webster Avenue Industrial Development District located in the City of North Mankato, Minnesota (the "Project"); and

B. WHEREAS, the City of North Mankato, Minnesota (the "City") has, by its Ordinance No. 144 (the "Ordinance"), adopted on September 20, 2021, consented to the pledge of its full faith, credit and resources to the payment of the Bonds, as required under the provisions of Minnesota Statutes, Section 469.060; and

C. WHEREAS, the Authority has retained Northland Securities, Inc. ("Northland"), as its independent municipal advisor, in connection with the sale of the Bonds, and therefore the Authority is authorized to sell the Bonds by private negotiation in accordance with Minnesota Statutes, Section 475.60; Subdivision 2(9) and proposals to purchase the Bonds have been solicited by Northland; and

D. WHEREAS, the proposals set forth on Exhibit A attached hereto were received by the Executive Vice President, or designee, at the offices of Northland, at 11:00 A.M. this same day pursuant to the Notice of Sale established for the Bonds; and

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the North Mankato Port Authority Commission, Minnesota, as follows:

1. Acceptance of Proposal. The proposal of _____, in _____ (the "Purchaser"), to purchase the Bonds in accordance with the Notice of Sale, at the rates of interest hereinafter set forth and to pay therefor the sum of \$ _____, plus accrued interest to the settlement date, is hereby accepted and the Bonds are hereby awarded to the Purchaser.

2. Original Issue Date; Denominations; Maturities. The Bonds shall be dated December 9, 2021, as the date of original issue, shall be issued forthwith on or after such date in fully registered form, 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 "Authorized Denominations") and shall mature on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2024	\$	2034	\$
2025		2035	
2026		2036	
2027		2037	
2028		2038	
2029		2039	
2030		2040	
2031		2041	
2032		2042	
2033		2043	

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

(a) 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 its 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 and 10 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 the Bond Registrar (as hereinafter defined) 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 Authority 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 Authority, 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 Authority 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 Authority 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 purposes whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to 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 Authority'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 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 Authority, 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 Authority 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 Authority or the Bond Registrar may establish a special record date for such consent or other action. The Authority or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than fifteen calendar days in advance of such special record date.

(ix) Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond 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, make a notation of the reduction in principal amount on the panel provided on the Bond stating the amount so redeemed.

(b) 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 Authority and discharging its responsibilities with respect thereto under applicable law. The Authority may terminate the services of the Depository with respect to the Bonds 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 Authority 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 willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the Authority, is willing and able to assume such functions upon reasonable or customary terms, or if the Authority determines that it is in the best interests of the Authority or the Beneficial Owners of the Bonds 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 hereof, the Bonds will be delivered to the Beneficial Owners.

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

(c) 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 Bonds shall provide funds to finance the Project. 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.

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 Year</u>	<u>Interest Rate</u>	<u>Maturity Year</u>	<u>Interest Rate</u>
2024	%	2034	%
2025		2035	
2026		2036	
2027		2037	
2028		2038	
2029		2039	
2030		2040	
2031		2041	
2032		2042	
2033		2043	

5. Redemption. All Bonds maturing on February 1, 2031, and thereafter, shall be subject to redemption and prepayment at the option of the Authority 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 maturities and the principal amounts within each maturity to be redeemed shall be determined by the Authority; 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 registered holder of the Bonds.

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 Authority or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Authority and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Authority shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

6. Bond Registrar. U.S. Bank National Association, in St. Paul, 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 Authority 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 12.

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:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
NICOLLET AND BLUE EARTH COUNTIES
NORTH MANKATO PORT AUTHORITY COMMISSION

R- _____ \$ _____

TAXABLE GENERAL OBLIGATION BOND, SERIES 2021B

<u>INTEREST</u> <u>RATE</u>	<u>MATURITY</u> <u>DATE</u>	<u>DATE OF</u> <u>ORIGINAL ISSUE</u>	<u>CUSIP</u>
%	February 1,	December 9, 2021	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS THAT THE NORTH MANKATO PORT AUTHORITY COMMISSION, NICOLLET AND BLUE EARTH COUNTIES, 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, 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 office of the U.S. Bank National Association, in St. Paul, 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. So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described and as those terms are defined therein, payment of principal of and interest on this Bond and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the Resolution. Bonds may only be registered in the name of the Depository or its Nominee.

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.

Optional Redemption. The Bonds of this issue (the "Bonds") maturing on February 1, 2031, and thereafter, are subject to redemption and prepayment at the option of the Issuer 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 maturities and the principal amounts within each maturity to be redeemed shall be determined by the Issuer; 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 prior to the date fixed for redemption.

Prior to the date on which any Bond or Bonds are directed by the Issuer to be redeemed in advance of maturity, the Issuer will cause notice of the call thereof for redemption identifying the Bonds to be redeemed to be mailed to the Bond Registrar and all Bondholders, at the addresses shown on the Bond Register. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited.

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$4,500,000, all of like date of original issue and tenor, except as to number, maturity, interest rate and denomination, which Bond has been issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the Board on November 15, 2021 (the "Resolution") for the purpose of providing funds to finance property acquisition within the Webster Avenue Industrial Development District located in the City of North Mankato, Minnesota (the "City"). The City has, by its ordinance, adopted on September 7, 2021, consented to the pledge of its full faith, credit and resources to the payment of the Bonds, as required under the provision of Minnesota Statutes, Section 469.060. This Bond is payable out of the Taxable General Obligation Bonds, Series 2021B Fund of the Issuer. This Bond constitutes a general obligation of the City, 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 City have been and are hereby irrevocably pledged.

Denominations; Exchange; Resolution. The Bonds are issuable solely as fully registered form in Authorized Denominations (as defined in the Resolution) 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 the Holder's 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 herein 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.

Taxable Interest. The interest on this Bond is included in the gross income of the owner hereof purposes of United States income tax and to the same extent in both gross income and taxable net income for State of Minnesota income tax purposes.

Not a Qualified Tax-Exempt Obligation. This Bond has not 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 and laws of the State of Minnesota 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 or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the North Mankato Port Authority Commission, Minnesota, by its Board of Commissioners has caused this Bond to be executed on its behalf by the facsimile signatures of its President, and its Secretary and countersigned by its Treasurer, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

BOND REGISTRAR'S
CERTIFICATE OF
AUTHENTICATION

This Bond is one of the
Bonds described in the
Resolution mentioned
within.

U.S. BANK NATIONAL
ASSOCIATION
St. Paul, Minnesota
Bond Registrar

By _____
Authorized Signature

Registrable by: U.S. BANK NATIONAL
ASSOCIATION

Payable at: U.S. BANK NATIONAL
ASSOCIATION

NORTH MANKATO PORT AUTHORITY
COMMISSION, MINNESOTA

/s/ Facsimile
President

/s/ Facsimile
Secretary

COUNTERSIGNED:

Treasurer

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 Transfers to Minors Act

(State)

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.)

8. Execution. The Bonds shall be in typewritten form, shall be executed on behalf of the Authority by the signatures of its President, attested by its Secretary and countersigned by its Treasurer, and be sealed with the seal of the Authority; provided, as permitted by law, all signatures may be photocopied facsimiles and the seal has been omitted. In the event of disability or resignation or other absence of either officer, the Bonds may be signed by the manual or facsimile signature of the officer who may act on behalf of the absent or disabled officer. In case any 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, the signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

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 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 Authority 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 December 9, 2021. 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 Authority 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 Authority 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 Authority 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 cancelled by the Bond Registrar and thereafter disposed of as directed by the Authority.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the Authority 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 Authority 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.

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 Authority 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 Authority 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) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the Authority 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 Treasurer 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 and Accounts. There is hereby created a special fund to be designated the "Taxable General Obligation Bonds, Series 2021B Fund" (the "Fund") to be administered and maintained by the Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Authority. 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 "Capital Account" and "Debt Service Account", respectively.

(i) Capital Account. To the Capital Account there shall be credited the proceeds of the sale of the Bonds, less capitalized interest. From the Capital Account there shall be paid all costs and expenses of the Project, including the cost of acquisition and 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 taxes herein levied or covenanted to be levied; and provided further that if upon completion of the Project there shall remain any unexpended balance in the Capital Account, the balance shall be transferred to the Debt Service Account.

(ii) Debt Service Account. There are hereby irrevocably appropriated and pledged to, and there shall be credited to, the Debt Service Account: (a) capitalized interest in the amount of \$ _____ (together with interest earnings thereon and subject to such other adjustments as are appropriate to provide sufficient funds to pay interest due on the Bonds on or before August 1, 2022; (b) any collection of all taxes herein or hereafter levied for the payment of the Bonds; (c) any funds made available to the Authority from the City; (d) all funds remaining in the Capital Account after the acquisition and construction of the Project and payment of the costs thereof; (e) all investment earnings on funds held in the Debt Service Account; and (f) any and all other moneys, which are properly available and are appropriated by the governing body of the Authority 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.

16. 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>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
2022-2041	2023-2042	See Attached Schedule

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.

17. 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 by an Ordinance adopted by the City on September 20, 2021, in accordance with Minnesota Statutes, Section 469.060. 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.

18. Certificate of Registration and Tax Levy. The Secretary is hereby directed to file a certified copy of this resolution with the County Auditor of Nicollet County, and the County Auditor of Blue Earth, Minnesota, together with such other information as they shall require, and to obtain from each of the County Auditor's a certificate that the Bonds have been entered in each of the County Auditor's Bond Register, and that the tax levy required by law has been made.

19. Records and Certificates. The officers of the Authority 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 Authority relating to the Bonds and to the financial condition and affairs of the Authority, 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 Authority as to the facts recited therein.

20. Taxable Status of the Bonds. The Authority does not qualify the Bonds as tax-exempt under the Internal Revenue Code of 1986, as amended. It is hereby determined that the Bonds are to be issued as fully taxable obligations, and all interest received on the Bonds are to be included in the gross income of the Holder of any Bond for federal income taxation purposes and, to the same extent, in both gross income and taxable net income for state income taxation purposes.

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 Authority 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 Authority 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, without regard 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. Continuing Disclosure. The Authority is the issuer of the Bonds. However it is not an "obligated person" subject to the disclosure requirements under the SEC Rule 15c2-12(b)(5) (the "Rule") because (i) the bonds are general obligations of the City and not the Authority and (ii) financial information and operating data set forth in the Official Statement relates only to the City. The City shall agree, in accordance with the provisions of 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:

(a) Provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") by filing at www.emma.msrb.org in accordance with the Rule, certain annual financial information and operating data in accordance with the Undertaking. The City reserves the right to modify from time to time the terms of the Undertaking as provided therein.

(b) Provide or cause to be provided to the MSRB notice of the occurrence of certain events with respect to the Bonds in not more than ten (10) business days after the occurrence of the event, in accordance with the Undertaking.

(c) Provide or cause to be provided to the MSRB notice of a failure by the City to provide the annual financial information with respect to the City described in the Undertaking, in not more than ten (10) business days following such amendment.

(v) The City agrees that its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Holders of the Bonds and shall be enforceable on behalf of such Holders; 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.

23. 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.

24. Official Statement. The Official Statement relating to the Bonds prepared and distributed by Northland Securities, Inc., is hereby approved and the officers of the Authority are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Official Statement.

25. 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.

26. Effectiveness. This resolution shall become effective only upon adoption and publication by the City Council of an ordinance authorizing the pledge of the City's full faith and credit to the payment of the Bonds.

Adopted by the Board of Commissioners of the North Mankato Port Authority Commission, on November 15, 2021.

The motion for the adoption of the foregoing Resolution was duly seconded by Commissioner _____ and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the Resolution was declared duly passed and adopted.

STATE OF MINNESOTA
NICOLLET AND BLUE EARTH COUNTIES
NORTH MANKATO PORT AUTHORITY COMMISSION

I, the undersigned, being the duly qualified and acting Secretary of the North Mankato Port Authority Commission, 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 Board of Commissioners of said Authority, duly called and held on the date therein indicated, insofar as such minutes relate to the Authority's \$4,500,000 Taxable General Obligation Bonds, Series 2021B.

WITNESS my hand this 15th day of November, 2021.

Secretary

EXHIBIT A

PROPOSALS

[To be supplied by Northland Securities, Inc.]

EXHIBIT B

SCHEDULES

[To be supplied by Northland Securities, Inc.]