

TO: MAYOR AND CITY COUNCIL
FROM: NEIL JENSEN, City Administrator
SUBJECT: Approve 2020A \$3,780,000 G.O. Bond Sale
MEETING DATE: July 7, 2020

BACKGROUND:

Several meetings ago council moved to refund two existing bonds (2011A, 2013A) and the sale will be on July 7th at 10:00 a.m. The proposed sale will be for \$3,780,000. The city held their S&P Global Rating at a strong AA-. The resolution in your packet is for your review and will be completed after the 10:00 a.m. sale on July 7th. The bond market is still very low and we are expecting good rates from the sale. A completed resolution along with additional items related to the sale will be presented at the meeting for approval.

STAFF RECOMMENDATION

Please review the attached resolution. A completed resolution will be presented at the meeting for the sale of \$3,780,000 of G.O. Refunding bonds.

REQUESTED COUNCIL ACTION

Please approve Resolution 2486 Providing for the Sale of \$3,870,000 General Obligation Refunding Bonds Series 2020A.

EXTRACT OF MINUTES OF A MEETING
OF THE CITY COUNCIL
CITY OF CANNON FALLS, MINNESOTA

HELD: July 7, 2020

Pursuant to due call, a regular or special meeting of the City Council of the City of Cannon Falls, Goodhue County, Minnesota, was duly held at the City Hall on July 7, 2020, at 6:30 P.M., for the purpose, in part, of authorizing the issuance and awarding the sale of \$3,330,000 General Obligation Refunding Bonds, Series 2020A.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NUMBER 2486

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$3,330,000
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020A, PLEDGING FOR
THE SECURITY THEREOF SPECIAL ASSESSMENTS AND NET REVENUES, AND
LEVYING A TAX FOR THE PAYMENT THEREOF**

A. WHEREAS, the City Council of the City of Cannon Falls, Minnesota (the "City"), hereby determines and declares that it is necessary and expedient to issue \$3,330,000 General Obligation Refunding Bonds, Series 2020A (the "Bonds" or individually, a "Bond"), pursuant to Minnesota Statutes, Chapter 475, to provide moneys for a:

1. current refunding of the City's outstanding General Obligation Bonds, Series 2011A, in the original principal amount of \$3,150,000, dated October 1, 2011 (the "Prior 2011A Bonds");
2. current refunding of the City's outstanding General Obligation Bonds, Series 2013A, in the original principal amount of \$2,575,000, dated August 1, 2013 (the "Prior 2013A Bonds", and together, with the Prior 2011A Bonds, the "Prior Bonds");

B. WHEREAS, the Prior 2011A Bonds are callable on February 1, 2019, and on any date thereafter, at a price of par plus accrued interest, as provided in the Resolution, adopted by the City Council on September 20, 2011 (the "Prior 2011A Bonds Resolution"), authorizing the issuance of the Prior 2011A Bonds; and

C. WHEREAS, the Prior 2013A Bonds are callable on February 1, 2020, and any date thereafter, at a price of par plus accrued interest, as provided in the Resolution, adopted by the City Council on July 16, 2013 (the "Prior 2013A Bonds Resolution", and together, with the Prior 2011A Bonds Resolution, the "Prior Bonds Resolutions"), authorizing the issuance of the Prior 2013A Bonds; and

D. WHEREAS, the current refunding on August 11, 2020 (the "Call Date") of (i) \$1,880,000 aggregate principal amount of the Prior 2011A Bonds maturing on and after February 1, 2021 (the "Refunded 2011A Bonds"); (ii) \$1,800,000 aggregate principal amount of the Prior 2013A Bonds maturing on and after February 1, 2021 (the "Refunded 2013A Bonds" and together with the Refunded 2011A Bonds, the "Refunded Bonds"), is consistent with covenants made with the holders thereof, and is necessary and desirable for the reduction of debt service cost to the City; and

E. WHEREAS, the City of Cannon Falls, Minnesota (the "City"), owns and operates a municipal water system (the "Water System"), a municipal sanitary sewer system (the "Sewer System") and a municipal storm sewer system (the "Storm Sewer System") as separate revenue producing public utilities (together, the "System"). The net revenues of the Sewer System are pledged to the payment of the principal and interest of the City's outstanding: (i) General Obligation Sewer Improvement Note of 2001, in the original principal amount of \$4,529,000, dated June 27, 2001; and (ii) General Obligation Sewer Revenue Note of 2001, in the original principal amount of \$8,021,909, dated November 20, 2001, issued for purpose of providing money to finance the cost of construction of publicly owned wastewater treatment facilities and sewer system public improvements (the "Outstanding Sewer Bonds"). The net revenues of the Water System are pledged to the payment of the principal and interest of the City's outstanding General Obligation Water Revenue Refunding Bonds, Series 2010A, in the original principal amount of \$3,560,000, dated December 9, 2010, issued for the purpose of refunding prior obligations of the City (the "Outstanding Water Bonds"). The net revenues of the System are pledged to the payment of the principal and interest of: (i) the "Utility Portion" of the City's outstanding General Obligation Bonds, Series 2016A, in the original principal amount of \$2,480,000, dated June 15, 2016; and (ii) the "Utility Portion" of the City's outstanding General Obligation Bonds, Series 2018A, in the original principal amount of \$3,920,000, dated July 18, 2018 (the "Outstanding System Bonds", and collectively, with the Outstanding Sewer Bonds and the Outstanding Water Bonds, the "Outstanding Bonds"); and

F. WHEREAS, the City 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

G. WHEREAS, the proposals set forth on Exhibit A attached hereto were received by the City Administrator, or designee, at the offices of Northland at 10:00 A.M. on the date hereof, pursuant to the Notice of Sale, established for the Bonds; 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

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

1. Acceptance of Proposal. The proposal of Piper Sandler & Co. in Minneapolis, Minnesota (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 \$3,738,117.97, plus accrued interest to the settlement date, is hereby accepted and the Bonds are hereby awarded to the Purchaser.

2. Bond Terms.

(a) Original Issue Date; Denominations; Maturities. The Bonds shall be dated August 11, 2020, 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>
2021	\$285,000	2028	\$260,000
2022	290,000	2029	260,000
2023	295,000	2030	165,000
2024	310,000	2031	160,000
2025	315,000	2032	165,000
2026	335,000	2033	65,000
2027	360,000	2034	65,000

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).

(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 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 6 and 11 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 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 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 11, 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 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/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.

(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 11. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 11, the Bonds will be delivered to the Beneficial Owners.

(iii) Nothing in this subparagraph (c) shall limit or restrict the provisions of paragraph 11.

(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. Allocation. The aggregate principal amount of \$1,935,000 of the Bonds that are issued to current refund the Refunded 2011A Bonds and to pay certain costs thereof (the "Prior 2011A Bonds Refunding Portion"), are bifurcated as follows: (i) \$790,000 in aggregate principal amount, maturing in each of the years and amounts hereinafter set forth, are issued to refund the "Street Improvement Portion" of the Refunded 2011A Bonds (the "Prior 2011A Improvement Refunding Portion"), and to pay certain costs thereof; and (ii) \$1,145,000 in aggregate principal amount, maturing in each of the years and amounts hereinafter set forth, are issued to refund the "Utility Improvement Portion" of the Refunded 2011A Bonds (the "Prior 2011A System Refunding Portion"), which portion includes \$424,200 issued to refund the "Sanitary Sewer Portion of the Utility Improvement Portion" of the Refunded 2011A Bonds (the "Sanitary Sewer Portion of the Prior 2011A System Refunding Portion"), and to pay certain costs thereof. The aggregate principal amount of \$1,845,000 of the Bonds that are issued to current refund the Refunded 2013A Bonds and to pay certain costs thereof (the "Prior 2013A Bonds Refunding Portion"), are bifurcated as follows: (i) \$980,000 in aggregate principal amount, maturing in each of the years and amounts hereinafter set forth, are issued to refund the "Improvement Portion" of the Refunded 2013A Bonds (the "Prior 2013A Improvement Refunding Portion"), and to pay certain costs thereof; and (ii) \$865,000 in aggregate principal amount, maturing in each of the years and amounts hereinafter set forth, are issued to refund the "System Portion" of the Refunded 2013A Bonds (the "Prior 2013A System Refunding Portion"), and to pay certain costs thereof:

<u>Year</u>	<u>Prior 2011A Improvement Refunding Portion</u>	<u>Prior 2011A System Refunding Portion</u>	<u>Prior 2013A Improvement Refunding Portion</u>	<u>Prior 2013A System Refunding Portion</u>	<u>Total</u>
2021	\$90,000	\$70,000	\$80,000	\$45,000	\$285,000
2022	95,000	70,000	80,000	45,000	290,000
2023	95,000	70,000	85,000	45,000	295,000
2024	100,000	75,000	85,000	50,000	310,000
2025	100,000	75,000	90,000	50,000	315,000
2026	105,000	80,000	100,000	50,000	335,000
2027	115,000	85,000	105,000	55,000	360,000
2028	-	90,000	115,000	55,000	260,000
2029	-	95,000	110,000	55,000	260,000
2030	-	100,000	-	65,000	165,000
2031	-	100,000	-	60,000	160,000
2032	-	100,000	-	65,000	165,000
2033	-	-	-	65,000	65,000
2034	-	-	-	65,000	65,000

If Bonds are prepaid, the prepayments shall be allocated to the portions of debt service (and hence allocated to the payment of Bonds treated as relating to a particular portion of debt service) as provided in this paragraph. If the source of prepayment is the general fund of the City, or other generally available source, the prepayment may be allocated to any of the portions of debt service in such amounts as the City shall determine. If the source of a prepayment is

special assessments or taxes pledged to the Prior 2011A Improvement Refunding Portion of the Bonds, the prepayment shall be allocated to the debt service of the Prior 2011A Improvement Refunding Portion. If the source of a prepayment is net revenues of the System pledged to the Prior 2011A System Refunding Portion of the Bonds, the prepayment shall be allocated to the debt service of the Prior 2011A System Refunding Portion. If the source of a prepayment is taxes pledged for the Sanitary Sewer Portion of the Prior 2011A System Refunding Portion of the Bonds, the prepayment shall be allocated to the debt service of the Sanitary Sewer Portion of the Prior 2011A System Refunding Portion. If the source of a prepayment is special assessments or taxes pledged to the Prior 2013A Improvement Refunding Portion of the Bonds, the prepayment shall be allocated to the debt service of the Prior 2011A Improvement Refunding Portion. If the source of a prepayment is net revenues of the System pledged to the Prior 2013A System Refunding Portion of the Bonds, the prepayment shall be allocated to the debt service of the Prior 2013A System Refunding Portion.

4. Purpose; Refunding Findings. The Bonds shall provide funds for a current refunding of the Refunded Bonds (the "Refunding"). It is hereby found, determined and declared that the Refunding is pursuant to Minnesota Statutes, Section 475.67, and shall result in a reduction of debt service cost to the City.

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, 2021, 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>Year</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Interest Rate</u>
2021	4.00%	2028	4.00%
2022	4.00	2029	4.00
2023	4.00	2030	2.00
2024	4.00	2031	2.00
2025	4.00	2032	2.00
2026	4.00	2033	2.00
2027	4.00	2034	2.00

6. Redemption. Bonds maturing on February 1, 2030, and thereafter, shall be subject to redemption and prepayment at the option of the City on February 1, 2029, 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 City; 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 not more than sixty (60) days and not fewer than thirty (30) days prior to the date fixed for redemption.

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 the Holder's attorney duly authorized in writing) and the City 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.

7. Bond Registrar. Northland Trust Services Inc., in Minneapolis, 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.

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
GOODHUE COUNTY
CITY OF CANNON FALLS

R-_____ \$_____

GENERAL OBLIGATION REFUNDING BOND, SERIES 2020A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	February 1,	August 11, 2020	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Cannon Falls, Goodhue 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, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2021, 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 Northland Trust Services Inc., in Minneapolis, 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, premium, if any, 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, and surrender of this Bond shall not be required for payment of the redemption price upon a partial redemption of this Bond. Until termination of the book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.

Optional Redemption. All Bonds of this issue (the "Bonds") maturing on February 1, 2030, and thereafter, are subject to redemption and prepayment at the option of the Issuer on February 1, 2029, 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 registered holder of the Bonds not more than sixty (60) days and not fewer than thirty (30) days prior to the date fixed for redemption.

Prior to the date on which any Bond or Bonds are directed by the City to be redeemed in advance of maturity, the City 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.

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 the 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 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 the Holder's attorney duly authorized in writing) and the Issuer 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.

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$3,330,000 (the "Bonds"), all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, issued pursuant to and in full conformity with the City Charter, the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on July 7, 2020 (the "Resolution"), for the purpose of providing funds sufficient for a current refunding of certain outstanding general obligation bonds of the Issuer. This Bond is payable out of the Debt Service Account of the Issuer's General Obligation Refunding Bonds, Series 2020A Fund. 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 in 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 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 City Charter, 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; that the Issuer has covenanted and agreed with the Holders of the Bonds that it will impose and collect charges for the service, use and availability of its municipal water, sanitary sewer, and storm sewer systems (collectively, the "System") at the times and in amounts necessary to produce net revenues, together with other sums pledged to the payment of the Prior 2011A System Refunding Portion and the Prior 2013A System Refunding Portion, as defined in the Resolution, adequate to pay all principal and interest when due on the Prior 2011A System Refunding Portion and the Prior 2013A System Refunding Portion of the Bonds; and that the Issuer will levy a direct, annual, irrevocable ad valorem tax upon all of the taxable property of

the Issuer, without limitation as to rate or amount, for the years and in amounts sufficient to pay the principal and interest on the Prior 2011A System Refunding Portion and the Prior 2013A System Refunding Portion of the Bonds as they respectively become due, if the net revenues from the System, and any other sums irrevocably appropriated to the Debt Service Account, are insufficient therefor; 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 city charter, constitutional or statutory limitation of indebtedness.

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

Date of Registration:

Registrable by: NORTHLAND TRUST SERVICES INC.

BOND REGISTRAR'S
CERTIFICATE OF
AUTHENTICATION

Payable at: NORTHLAND TRUST SERVICES INC.

CITY OF CANNON FALLS,
GOODHUE COUNTY, MINNESOTA

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

NORTHLAND TRUST SERVICES, INC.
Minneapolis, Minnesota
Bond Registrar

/s/ Facsimile

Mayor

By: _____
Authorized Signature

/s/ Facsimile

City Administrator

9. Execution. The Bonds shall be in typewritten form, 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, as permitted by law, both signatures may be photocopied facsimiles and the corporate 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 either 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.

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 of August 11, 2020. 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 10) 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 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 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) 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. Funds and Accounts. There is hereby created a special fund to be designated the "General Obligation Refunding Bonds, Series 2020A 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 Operation and Maintenance

Account for the Water System, the Operation and Maintenance Account for the Sewer System, and the Operation and Maintenance Account the Storm Sewer System (collectively, the "Operation and Maintenance Accounts") heretofore established by the City shall continue to be maintained in the manner heretofore and herein provided by the City. All moneys remaining after paying or providing for the items set forth in the resolution establishing the Operation and Maintenance Accounts shall constitute or are referred to as "net revenues" until the Bonds and the Outstanding Bonds have been paid. There shall be maintained in the Fund the following separate accounts to which shall be credited and debited all income and disbursements of the System as hereinafter set forth. The City Administrator and all officials and employees of the City concerned therewith shall establish and maintain financial records of the receipts and disbursements of the System in accordance with this resolution. In such records there shall be established accounts or accounts shall continue to be maintained as the case may be, of the Fund for the purposes and in the amounts as follows:

(a) Payment Account. To the Payment Account there shall be credited the proceeds of the sale of the Bonds. On or prior to the Call Date, the City Administrator shall transfer (i) \$1,881,522.01 of the proceeds of the Prior 2011A Bonds Refunding Portion from the Payment Account to the paying agent for the Prior 2011A Bonds; and (ii) \$1,801,677.44 of the proceeds of the Prior 2013A Bonds Refunding Portion from the Payment Account to the paying agent for the Prior 2013A Bonds, which sums are sufficient, together with other funds on deposit in debt service funds for the Refunded Bonds, to pay the outstanding principal and interest on the Refunded Bonds called for redemption on the Call Date. The remainder of the monies in the Payment Account shall be used to pay the costs of issuance of the Bonds. Any monies remaining in the Payment Account after payment of all costs of issuance and payment of the Refunded Bonds shall be transferred, pro rata, into the subaccounts established and maintained within the Debt Service Account, as provided hereafter.

(b) Debt Service Account. There shall be established and maintained the following separate subaccounts in the Debt Service Account to be designated the "Prior 2011A Improvement Refunding Debt Service Subaccount", the "Prior 2011A System Refunding Debt Service Subaccount", the "Prior 2013A Improvement Refunding Debt Service Subaccount", and the "Prior 2013A System Refunding Debt Service Subaccount". There are hereby irrevocably appropriated and pledged to, and there shall be credited to the separate subaccounts of the Debt Service Account:

(i) Prior 2011A Improvement Refunding Debt Service Subaccount. There is hereby pledged and irrevocably appropriated, and there shall be credited: (1) any balance remaining after the Call Date in the "Street Improvement Project Debt Service Subaccount" established by the Prior 2011A Bonds Resolution; (2) collections of special assessments pledged to the payment of the "Street Improvement Portion" of the Prior 2011A Bonds, which are no longer needed to pay said portion as a result of the Refunding; (3) collections of all taxes heretofore levied for the payment of the "Street Improvement Portion" of the Prior 2011A Bonds, which are no longer needed to pay said portion as a result of the Refunding; (4) collections of all taxes herein or hereafter levied for the payment of the principal and interest on the Prior 2011A Improvement Refunding Portion of the Bonds; (5) all investment earnings on funds in this Prior 2011A Improvement Refunding Debt Service Subaccount; (6) a pro rata share of all funds

remaining in the Payment Account after payment of the Refunded Bonds, and the costs of issuance thereof; and (7) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Prior 2011A Improvement Refunding Debt Service Subaccount. The amount of any surplus remaining in the Prior 2011A Improvement Refunding Debt Service Subaccount when the Prior 2011A Improvement Refunding Portion and interest thereon are paid shall be used consistent with Minnesota Statutes, Section 475.61, Subdivision 4. The moneys in the Prior 2011A Improvement Refunding Debt Service Subaccount shall be used solely to pay the principal of and interest on the Prior 2011A Improvement Refunding Portion of the Bonds or any other bonds hereafter issued and made payable from the Fund.

(ii) Prior 2011A System Refunding Debt Service Subaccount. To the Prior 2011A System Refunding Debt Service Subaccount there is hereby pledged and irrevocably appropriated, and there shall be credited: (1) any balance remaining after the Call Date in the "Utility Improvement Project Debt Service Subaccount" established by the Prior 2011A Bonds Resolution, and all investment earnings thereof; (2) collections of all taxes heretofore levied for the payment of the "Sanitary Sewer Portion of the Utility Improvement Portion" of the Prior 2011A Bonds, which are no longer needed to pay said portion as a result of the Refunding; (3) collections of all taxes heretofore levied for the payment of the "Utility Improvement Portion" of the Prior 2011A Bonds, which are no longer needed to pay said portion as a result of the Refunding; (4) the net revenues of the System not otherwise pledged and applied to the payment of other obligations of the City, in an amount, together with other funds which may herein or hereafter from time to time be irrevocably appropriated to this Prior 2011A System Refunding Debt Service Subaccount, sufficient to meet the requirements of Minnesota Statutes, Section 475.61 for the payment of the principal and interest of the Prior 2011A System Refunding Portion of the Bonds; (5) collections of all taxes which may herein or hereafter be levied for the payment of the Sanitary Sewer Portion of the Prior 2011A System Refunding Portion, or the Prior 2011A System Refunding Portion, in the event that the net revenues of the System and other funds herein pledged to the payment of the principal and interest on the Sanitary Sewer Portion of the Prior 2011A System Refunding Portion, or the Prior 2011A System Refunding Portion of the Bonds are insufficient therefor; (6) all investment earnings on funds in this Prior 2011A System Refunding Debt Service Subaccount; (7) a pro rata share of all funds remaining in the Payment Account after payment of the Refunded Bonds, and the costs of issuance thereof; and (8) 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 amount of any surplus remaining in the Debt Service Account when the Prior 2011A System Refunding Portion and interest thereon are paid shall be used consistent with Minnesota Statutes, Section 475.61, Subdivision 4.

(iii) Prior 2013A Improvement Refunding Debt Service Subaccount. There is hereby pledged and irrevocably appropriated, and there shall be credited: (1) any balance remaining after the Call Date in the "Improvement Project Debt Service Subaccount" established by the Prior 2013A Resolution, and all investment earnings thereof; (2) collections of special assessments pledged to the payment of the "Improvement Portion" of the Prior 2013A Bonds, which are no longer needed to pay said portion as a result of the Refunding; (3) collections of all taxes heretofore levied for the payment of the

"Improvement Portion" of the Prior 2013A Bonds, which are no longer needed to pay said portion as a result of the Refunding; (4) collections of all taxes herein or hereafter levied for the payment of the principal and interest on the Prior 2013A Improvement Refunding Portion of the Bonds; (5) all investment earnings on funds in this Prior 2013A Improvement Refunding Debt Service Subaccount; (6) a pro rata share of all funds remaining in the Payment Account after payment of the Refunded Bonds, and the costs of issuance thereof; and (7) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Prior 2013A Improvement Refunding Debt Service Subaccount. The amount of any surplus remaining in the Prior 2013A Improvement Refunding Debt Service Subaccount when the Prior 2013A Improvement Refunding Portion and interest thereon are paid shall be used consistent with Minnesota Statutes, Section 475.61, Subdivision 4. The moneys in the Prior 2013A Improvement Refunding Debt Service Subaccount shall be used solely to pay the principal of and interest on the Prior 2013A Improvement Refunding Portion of the Bonds or any other bonds hereafter issued and made payable from the Fund.

(iv) Prior 2013A System Refunding Debt Service Subaccount. To the Prior 2013A System Refunding Debt Service Subaccount there is hereby pledged and irrevocably appropriated, and there shall be credited: (1) any balance remaining after the Call Date in the "System Improvements Project Debt Service Subaccount" established by the Prior 2013A Bonds Resolution, and all investment earnings thereof; (2) the net revenues of the System not otherwise pledged and applied to the payment of other obligations of the City, in an amount, together with other funds which may herein or hereafter from time to time be irrevocably appropriated to this Prior 2013A System Refunding Debt Service Subaccount, sufficient to meet the requirements of Minnesota Statutes, Section 475.61 for the payment of the principal and interest of the Prior 2013A System Refunding Portion of the Bonds; (3) collections of all taxes which may herein or hereafter be levied for the payment of the Prior 2013A System Refunding Portion in the event that the net revenues of the System and other funds herein pledged to the payment of the principal and interest on the Prior 2013A System Refunding Portion of the Bonds are insufficient therefor; (4) all investment earnings on funds in this Prior 2013A System Refunding Debt Service Subaccount; (5) a pro rata share of all funds remaining in the Payment Account after payment of the Refunded Bonds, and the costs of issuance thereof; and (6) 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 amount of any surplus remaining in the Debt Service Account when the Prior 2013A System Refunding Portion and interest thereon are paid shall be used consistent with Minnesota Statutes, Section 475.61, Subdivision 4.

The moneys in the Debt Service Account shall be used solely to pay the principal of and interest on the Bonds or any other bonds hereafter issued and made payable from the Fund. 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 of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Fund (or any

other City account which will be used to pay principal and interest to become due on the Bonds) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. In addition, the proceeds of the Bonds and 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 federal Internal Revenue Code of 1986, as amended (the "Code").

17. Covenants Relating to the Prior 2011A Improvement Refunding Portion of the Bonds.

(a) Special Assessments. The City has heretofore levied special assessments pursuant to the Prior 2011A Bonds Resolution, which were pledged to the payment of the principal and interest on the "Street Improvement Portion" of the Prior 2011A Bonds and, after the Call Date, the uncollected special assessments for the "Street Improvement Portion" of the Prior 2011A Bonds are now pledged to the payment of principal and interest on the Prior 2011A Improvement Refunding Portion of the Bonds. The special assessments are such that if collected in full they, together with estimated collections of taxes herein pledged for the payment of the Prior 2011A Improvement Refunding Portion of the Bonds, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Prior 2011A Improvement Refunding Portion of the Bonds. The special assessments were levied as provided below, payable in equal, consecutive, annual installments, with general taxes for the years shown below and with interest on the declining balance of all such assessments at the rate shown opposite such years:

<u>Improvement Designations</u>	<u>Amounts</u>	<u>Interest Rate</u>	<u>Collection Years</u>
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See Exhibit B

(b) Tax Levy; Coverage Test; Cancellation of Certain Tax Levies. To provide moneys for payment of the principal and interest on the Prior 2011A Improvement Refunding Portion of 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>Years of Tax Levy</u>	<u>Years of Tax Collection</u>	<u>Amounts</u>
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See Exhibit B

The tax levies are such that if collected in full they, together with estimated collections of special assessments and any other revenues herein pledged for the payment of the Prior 2011A Improvement Refunding Portion of the Bonds, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Prior 2011A Improvement Refunding Portion of the Bonds. The tax levies shall be irrevocable so long as any of the Prior 2011A Improvement Refunding Portion 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.

Upon payment of the "Street Improvement Portion" of the Prior 2011A Bonds, the uncollected taxes levied in the Prior 2011A Bonds Resolution authorizing the issuance of the Prior 2011A Bonds which are not needed to pay the "Street Improvement Portion" of the Prior 2011A Bonds as a result of the Refunding shall be canceled.

(c) General Obligation Pledge. For the prompt and full payment of the principal and interest on the Prior 2011A Improvement Refunding Portion, 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 Prior 2011A Improvement Refunding Debt Service Subaccount is ever insufficient to pay all principal and interest then due on the Prior 2011A Improvement Refunding Portion of 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 Prior 2011A Improvement Refunding Debt Service Subaccount when a sufficient balance is available therein

18. Covenants Relating to the Prior 2011A System Refunding Portion.

(a) Sufficiency of Net Revenues; Coverage Test. It is hereby found, determined and declared that the net revenues of the: (i) Sewer System are sufficient to pay, together with other pledged sums, when due the principal and interest on the Outstanding Sewer Bonds, and a sum of at least five percent in excess thereof; (ii) Water System are sufficient to pay, together with other pledged sums, when due the principal and interest on the Outstanding Water Bonds, and a sum of at least five percent in excess thereof; and (iii) System are sufficient to pay, together with other pledged sums, the principal and interest on the Prior 2011A System Refunding Portion of the Bonds, the Prior 2013A System Refunding Portion of the Bonds, the Outstanding System Bonds, and a sum of at least five percent in excess thereof. The net revenues of the System are hereby pledged on a parity lien with the Outstanding Sewer Bonds, Outstanding Water Bonds, the Outstanding System Bonds, and the Prior 2013A System Refunding Portion, to the payment of the Prior 2011A System Refunding Portion, but solely to the extent required to meet, together with other pledged sums, the principal and interest requirements of the Prior 2011A System Refunding Portion.

Nothing contained herein shall be deemed to preclude the City from making further pledges and appropriations of the net revenues of the System for the payment of other or additional obligations of the City, provided that it has first been determined by the City Council that the estimated net revenues of the System will be sufficient in addition to all other sources, for the payment of the Prior 2011A System Refunding Portion and such additional obligations and any such pledge and appropriation of the net revenues may be made superior or subordinate to, or on a parity with the pledge and appropriation herein.

(b) Covenant to Maintain Rates and Charges. In accordance with Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the Holders of the Prior 2011A System Refunding Portion that it will impose and collect charges for the service, use, availability and connection to the System at the times and in the amounts required to produce net revenues,

together with other pledged sums, adequate to pay all principal and interest when due on the Prior 2011A System Refunding Portion.

(c) Excess Net Revenues. Net revenues in excess of those required for the foregoing may be used for any proper purpose.

(d) Tax Levy; Coverage Test. To provide moneys for payment of the principal and interest on the Sanitary Sewer Portion of the Prior 2011A System Refunding Portion of 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>
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See Exhibit B

The tax levies shall be irrevocable so long as any of the Sanitary Sewer Portion of the Prior 2011A System Refunding Portion 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.

(e) General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Prior 2011A System Refunding Portion of 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 Prior 2011A System Refunding Debt Service Subaccount is ever insufficient to pay all principal and interest then due on the Prior 2011A System Refunding Portion of the Bonds and payable therefrom, the deficiency shall be promptly paid out of any other accounts of the City which are available for such purpose, and such other funds may be reimbursed without interest from the Prior 2011A System Refunding Debt Service Subaccount when a sufficient balance is available therein.

19. Covenants Relating to the Prior 2013A Improvement Refunding Portion of the Bonds.

(a) Special Assessments. The City has heretofore levied special assessments pursuant to the Prior 2013A Bonds Resolution, which were pledged to the payment of the principal and interest on the "Improvement Portion" of the Prior 2013A Bonds and, after the Call Date, the uncollected special assessments for the "Improvement Portion" of the Prior 2013A Bonds are now pledged to the payment of principal and interest on the Prior 2013A Improvement Refunding Portion of the Bonds. The special assessments are such that if collected in full they, together with estimated collections of taxes herein pledged for the payment of the Prior 2013A Improvement Refunding Portion of the Bonds, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Prior 2013A Improvement Refunding Portion of the Bonds. The special assessments were levied as provided below, payable in equal, consecutive, annual installments, with general taxes for the years shown below and with interest on the declining balance of all such assessments at the rate shown opposite such years:

Improvement Designations Amounts Interest Rate Collection Years

See Exhibit B

(b) Tax Levy; Coverage Test; Cancellation of Certain Tax Levies. To provide moneys for payment of the principal and interest on the Prior 2013A Improvement Refunding Portion of 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:

Years of Tax Levy Years of Tax Collection Amounts

See Exhibit B

The tax levies are such that if collected in full they, together with estimated collections of special assessments and any other revenues herein pledged for the payment of the Prior 2013A Improvement Refunding Portion of the Bonds, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Prior 2013A Improvement Refunding Portion of the Bonds. The tax levies shall be irrevocable so long as any of the Prior 2013A Improvement Refunding Portion 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.

Upon payment of the "Improvement Portion" of the Prior 2013A Bonds, the uncollected taxes levied in the Prior 2013A Bonds Resolution authorizing the issuance of the Prior 2013A Bonds which are not needed to pay the "Improvement Portion" of the Prior 2013A Bonds as a result of the Refunding shall be canceled.

(c) General Obligation Pledge. For the prompt and full payment of the principal and interest on the Prior 2013A Improvement Refunding Portion, 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 Prior 2013A Improvement Refunding Debt Service Subaccount is ever insufficient to pay all principal and interest then due on the Prior 2013A Improvement Refunding Portion of 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 Prior 2013A Improvement Refunding Debt Service Subaccount when a sufficient balance is available therein.

20. Covenants Relating to the Prior 2013A System Refunding Portion.

(a) Sufficiency of Net Revenues; Coverage Test. It is hereby found, determined and declared that the net revenues of the: (i) Sewer System are sufficient to pay, together with other pledged sums, when due the principal and interest on the Outstanding Sewer Bonds, and a sum of at least five percent in excess thereof; (ii) Water System are sufficient to pay, together with other pledged sums, when due the principal and interest on the Outstanding Water Bonds, and a sum of at least five percent in excess thereof; and (iii) System are sufficient to pay, together with other pledged sums, the principal and interest on the Prior 2011A System Refunding Portion of the Bonds, the Prior 2013A System Refunding Portion of the Bonds, the Outstanding System

Bonds, and a sum of at least five percent in excess thereof. The net revenues of the System are hereby pledged on a parity lien with the Outstanding Sewer Bonds, Outstanding Water Bonds, the Outstanding System Bonds, and the Prior 2011A System Refunding Portion, to the payment of the Prior 2013A System Refunding Portion, but solely to the extent required to meet, together with other pledged sums, the principal and interest requirements of the Prior 2013A System Refunding Portion.

Nothing contained herein shall be deemed to preclude the City from making further pledges and appropriations of the net revenues of the System for the payment of other or additional obligations of the City, provided that it has first been determined by the City Council that the estimated net revenues of the System will be sufficient in addition to all other sources, for the payment of the Prior 2013A System Refunding Portion and such additional obligations and any such pledge and appropriation of the net revenues may be made superior or subordinate to, or on a parity with the pledge and appropriation herein.

(b) Covenant to Maintain Rates and Charges. In accordance with Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the Holders of the Prior 2013A System Refunding Portion that it will impose and collect charges for the service, use, availability and connection to the System at the times and in the amounts required to produce net revenues adequate to pay all principal and interest when due on the Prior 2013A System Refunding Portion.

(c) Excess Net Revenues. Net revenues in excess of those required for the foregoing may be used for any proper purpose.

(d) General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Prior 2013A System Refunding Portion of 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 Prior 2013A System Refunding Debt Service Subaccount is ever insufficient to pay all principal and interest then due on the Prior 2013A System Refunding Portion of the Bonds and payable therefrom, the deficiency shall be promptly paid out of any other accounts of the City which are available for such purpose, and such other funds may be reimbursed without interest from the Prior 2013A System Refunding Debt Service Subaccount when a sufficient balance is available 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, 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. Prior Bonds; Security and Prepayment. Until retirement of the Prior Bonds, all provisions for the security thereof shall be observed by the City and all of its officers and agents. The Refunded Bonds shall be redeemed and prepaid on the Call Date in accordance with the terms and conditions set forth in the Notices of Call for Redemption attached hereto as Exhibits C (regarding the Prior 2011A Bonds) and D (regarding the Prior 2013A Bonds), which terms and conditions are hereby approved and incorporated herein by reference.

23. Supplemental Resolution. The Prior Bonds Resolutions are hereby supplemented to the extent necessary to give effect to the provisions hereof.

24. Certificate of Registration. A certified copy of this resolution is hereby directed to be filed with the County Auditor of Goodhue County, together with such other information as the Auditor shall require and there shall be obtained from the Auditor a certificate that the Bonds have been entered in the County Bond Register and that the tax levy required by law has been made.

25. 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 re furnished, shall be deemed representations of the City as to the facts recited therein.

26. Negative Covenant as to Use of Proceeds and Projects. The City hereby covenants not to use the proceeds of the Bonds or to use the projects originally financed by the Prior Bonds, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the projects, 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.

27. 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 (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Bonds, and (iii) 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.

For purposes of qualifying for the exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that:

- (a) the Bonds are issued by a governmental unit with general taxing powers;
- (b) no portion of the Bonds are private activity bonds;
- (c) ninety-five percent or more of the net proceeds of the Bonds are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City); and
- (d) the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities thereof, and all entities treated as one issuer with the City) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

Furthermore:

- (e) there shall not be taken into account for purposes of said \$5,000,000 limit any bond issued to refund (other than to advance refund) any bond to the extent the amount of the refunding bond does not exceed the outstanding amount of the refunded bond;
- (f) the aggregate face amount of the Bonds does not exceed \$5,000,000;
- (g) the Refunded 2011A Bonds and the Refunded 2013A Bonds were each issued as part of an issue which was treated as meeting the rebate requirements by reason of the exception for governmental units issuing \$5,000,000 or less of bonds;
- (h) the average maturity of the Prior 2011A Bonds Refunding Portion does not exceed the average maturity of the Refunded 2011A Bonds; and
- (i) the average maturity of the Prior 2013A Bonds Refunding Portion does not exceed the average maturity of the Refunded 2013A Bonds; and
- (j) no part of the Bonds has a maturity date which is later than the date which is thirty years after the date the Refunded Bonds were issued.

28. Designation of Qualified Tax-Exempt Obligations. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:

- (a) the Bonds are issued after August 7, 1986;
- (b) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;

(c) the City hereby designates Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;

(d) the reasonably anticipated amount of tax exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2020 will not exceed \$10,000,000;

(e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2020 have been designated for purposes of Section 265(b)(3) of the Code; and

(f) the aggregate face amount of the Bonds does not exceed \$10,000,000.

Furthermore:

(g) each of the Refunded 2011A Bonds and the Refunded 2013A Bonds, were designated as "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the Code;

(h) the average maturity of the Prior 2011A Bonds Refunding Portion does not exceed the remaining average maturity of the Refunded 2011A Bonds;

(i) the average maturity of the Prior 2013A Bonds Refunding Portion does not exceed the remaining average maturity of the Refunded 2013A Bonds;

(j) no part of the Prior 2011A Bonds Refunding Portion has a maturity date which is later than the date which is thirty years after the date the Refunded 2011A Bonds were issued;

(k) no part of the Prior 2013A Bonds Refunding Portion has a maturity date which is later than the date which is thirty years after the date the Refunded 2013A Bonds were issued; and

(l) the Bonds are issued to refund, and not to "advance refund" the outstanding Prior Bonds within the meaning of Section 149(d)(5) of the Code, and shall not be taken into account under the \$10,000,000 issuance limit to the extent the Bonds do not exceed the outstanding amount of the Prior Bonds.

The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

29. Continuing Disclosure. 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:

(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 occurrence.

(d) 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.

The Mayor and City Administrator 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 City 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.

30. Official Statement. The Official Statement relating to the Bonds prepared and distributed by Northland is hereby approved and the officers of the City 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.

31. 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.

32. 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.

The motion for the adoption of the foregoing resolution was duly seconded by member _____ 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
COUNTY OF GOODHUE
CITY OF CANNON FALLS

I, the undersigned, being the duly qualified and acting City Administrator of the City of Cannon Falls, 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, duly called and held on the date therein indicated, insofar as such minutes relate to providing for the issuance and sale of \$3,330,000 General Obligation Refunding Bonds, Series 2020A.

WITNESS my hand on July 7, 2020.

City Administrator

EXHIBIT A

TABULATION OF BIDS CITY OF CANNON FALLS, MINNESOTA

\$3,780,000[†]
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020A

AWARD: PIPER SANDLER & CO.
DATE OF SALE: TUESDAY, JULY 7, 2020
STANDARD & POOR'S UNDERLYING RATING AA-

BIDDER	PURCHASE PRICE	NET INTEREST COST	TRUE INTEREST COST (TIC)
PIPER SANDLER & CO. Minneapolis, MN Syndicate: Cantor Fitzgerald	\$4,238,422.45	\$224,974.77	1.0163573%
ROBERT W. BAIRD & CO., INC. Milwaukee, WI	\$4,233,813.55	\$229,583.67	1.0380363%
UNITED BANKERS' BANK Bloomington, MN	\$3,961,816.10	\$228,583.90	1.0753424%
BERNARDI SECURITIES, INC. Chicago, IL	\$4,121,976.05	\$234,219.78	1.0786781%
D.A. DAVIDSON & CO. Denver, CO	\$4,225,118.60	\$238,278.62	1.0790335%
STIFEL, NICOLAUS & CO., INC. Birmingham, AL	\$4,089,370.00	\$237,528.61	1.0969615%
BNYMELLON CAPITAL MARKETS Pittsburgh, PA	\$4,231,070.10	\$263,585.46	1.1906109%

[†] Par amount decreased from \$3,780,000 to \$3,330,000. The adjusted purchase price is \$3,738,117.97, plus accrued interest from the date of issue to the date of delivery, and the adjusted TIC is 1.0385653%.

EXHIBIT B

2011A Street Portion

Special Assessment		Collection	
Revenue*	Tax Levy	Levy Year	Year
58,095.64	50,287.69	2019	2020
58,095.64	67,274.36	2020	2021
58,095.63	63,284.37	2021	2022
58,095.65	64,544.35	2022	2023
58,095.64	60,344.36	2023	2024
58,095.64	61,394.36	2024	2025
58,095.64	67,484.36	2025	2026
\$406,669.48	\$434,613.85		

**Special assessment revenue is based on remaining assessments totaling \$334,130 assessed at a rate of 5% and spread over the remaining term of the Series 2011A Portion of the Bonds.*

2011A Utility – Sewer Portion

		Collection	
Tax Levy	Levy Year	Year	
11,772.37	2019	2020	
13,868.40	2020	2021	
13,486.20	2021	2022	
13,786.50	2022	2023	
13,377.00	2023	2024	
13,650.00	2024	2025	
13,895.70	2025	2026	
14,114.10	2026	2027	
14,305.20	2027	2028	
14,469.00	2028	2029	
14,196.00	2029	2030	
13,923.00	2030	2031	
\$164,843.47			

2013A Street Portion

Special Assessment		Collection	
Revenue*	Tax Levy	Levy Year	Year
14,238.26	61,256.74	2019	2020
14,238.26	72,701.74	2020	2021
14,238.27	75,431.73	2021	2022
14,238.27	72,701.73	2022	2023
14,238.28	75,221.72	2023	2024
14,238.26	72,281.74	2024	2025
14,238.27	74,591.73	2025	2026
14,238.27	81,941.73	2026	2027
14,238.27	73,121.73	2027	2028
\$128,144.41	\$659,250.59		

**Special assessment revenue is based on remaining assessments totaling \$100,591 assessed at a rate of 5% and spread over the remaining term of the Series 2013A Improvement Portion of the Bonds.*

2013A South of School Portion

Special Assessment		Collection	
Revenue*	Net Levy	Levy Year	Year
7,334.92	18,028.42	2019	2020
7,334.92	22,065.08	2020	2021
7,334.91	21,225.09	2021	2022
7,334.93	20,385.07	2022	2023
7,334.92	19,545.08	2023	2024
7,334.92	29,205.08	2024	2025
7,334.92	27,945.08	2025	2026
7,334.93	26,685.07	2026	2027
7,334.92	25,425.08	2027	2028
\$66,014.29	\$210,509.05		

**Special assessment revenue is based on remaining assessments totaling \$51,820 assessed at a rate of 5% and spread over the remaining term of the Series 2013A South of School Portion of the Bonds.*

EXHIBIT C

NOTICE OF CALL FOR REDEMPTION
GENERAL OBLIGATION BONDS, SERIES 2011A
CITY OF CANNON FALLS, GOODHUE COUNTY, MINNESOTA

NOTICE IS HEREBY GIVEN that by order of the City Council of the City of Cannon Falls, Goodhue County, Minnesota, there have been called for redemption and prepayment on

August 11, 2020

those outstanding bonds of the City designated as General Obligation Bonds, Series 2011A, dated as of October 1, 2011, having stated maturity dates or subject to mandatory redemption in the years 2021 through 2032, inclusive, and totaling \$1,880,000 in principal in principal amount and having CUSIP numbers listed below:

<u>Year</u>	<u>Maturity Amount</u>	<u>CUSIP</u>
2021	\$180,000	137699 WP5
2022	185,000	137699 WQ3
2023	185,000	137699 WR1
2024	195,000	137699 WS9
2025	195,000	137699 WT7
2027	420,000	137699 WV2
2032	520,000	137699 XA7

The bonds are being called at a price of par plus accrued interest to August 11, 2020, on which date all interest on the bonds will cease to accrue. Holders of the bonds hereby called for redemption are requested to present their bonds for payment, at the office of the Northland Trust Services, Inc., 150 S 5th Street, #3300, Minneapolis, Minnesota 55402.

Dated: July 7, 2020

BY ORDER OF THE CITY COUNCIL

/s/ Neil Jensen, City Administrator

*The City shall not be responsible for the selection of or use of the CUSIP numbers, nor is any representation made as to their correctness indicated in the notice. They are included solely for the convenience of the holders.

EXHIBIT D

NOTICE OF CALL FOR REDEMPTION
GENERAL OBLIGATION BONDS, SERIES 2013A
CITY OF CANNON FALLS, GOODHUE COUNTY, MINNESOTA

NOTICE IS HEREBY GIVEN that by order of the City Council of the City of Cannon Falls, Goodhue County, Minnesota, there have been called for redemption and prepayment on

August 11, 2020

those outstanding bonds of the City designated as General Obligation Bonds, Series 2013A, dated as of August 1, 2013, having stated maturity dates or subject to mandatory redemption in the years 2021 through 2034, inclusive, and totaling \$1,800,000 in principal in principal amount and having CUSIP numbers listed below:

<u>Year</u>	<u>Maturity Amount</u>	<u>CUSIP</u>
2021	\$145,000	137699 XT6
2023	295,000	137699 XV1
2025	315,000	137699 XX7
2027	340,000	137699 XZ2
2029	360,000	137699 YB4
2034	345,000	137699 YG3

The bonds are being called at a price of par plus accrued interest to August 11, 2020, on which date all interest on the bonds will cease to accrue. Holders of the bonds hereby called for redemption are requested to present their bonds for payment, at the office of the Northland Trust Services, Inc., 150 S 5th Street, #3300, Minneapolis, Minnesota 55402.

Dated: July 7, 2020

BY ORDER OF THE CITY COUNCIL

/s/ Neil Jensen, City Administrator

*The City shall not be responsible for the selection of or use of the CUSIP numbers, nor is any representation made as to their correctness indicated in the notice. They are included solely for the convenience of the holders.