

Extract of Minutes of Meeting of the
Board of Managers of Riley Purgatory Bluff Creek Watershed District

Pursuant to due call and notice thereof, a ~~regular~~ special meeting of the Board of Managers of Riley Purgatory Bluff Creek Watershed District was duly held ~~at the District's offices in Chanhassen, Minnesota~~ using interactive technology, on Wednesday, December 6, 2023.

The following Managers were present:

and the following were absent:

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The President announced that the meeting was duly noticed for the purpose of considering a proposal for the issuance of the District's \$5,804,000 General Obligation Temporary Watershed Bond, Series 2023A.

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The District Administrator then presented the proposal Huntington Public Capital Corporation which had been arranged by Northland Securities, Inc. as municipal advisor.

Manager _____ introduced the following written resolution and moved its adoption, seconded by Manager _____ :

Resolution No. 23-076

**RILEY PURGATORY BLUFF CREEK WATERSHED DISTRICT
BOARD OF MANAGERS**

**RESOLUTION PROVIDING FOR THE ISSUANCE OF
\$5,804,000 GENERAL OBLIGATION TEMPORARY WATERSHED BOND,
FIXING THE FORM AND SPECIFICATIONS
THEREOF, PROVIDING FOR THEIR EXECUTION AND
DELIVERY, AND PLEDGING TAXES FOR ITS PAYMENT**

BE IT RESOLVED by the Board of Managers of Riley Purgatory Bluff Creek Watershed District as follows:

1. Authority. The District has adopted a watershed management plan under Minnesota Statutes, Section 103B.231 (the “Watershed Plan”). Pursuant to Section 103B.231, the District by its Resolution 23-072 duly adopted an amendment to that Watershed Plan to include Section 9.13.1 for the Spring Road Conservation Project which provides for the acquisition of three parcels of property on Spring Road in Eden Prairie. Pursuant to Minnesota Statutes, Section 103B.251, the District by its Resolution 23-073 duly ordered the Spring Road Conservation Project, determined its cost and certified that cost for payment. Under Minnesota Statutes, Section 103B.241, Subd. 1, the District has authority to levy property taxes without limitation to pay for projects which are part of the Watershed Plan. The Board hereby determines that it is necessary and expedient to issue the Bond described herein to finance the Spring Road Conservation Project.

2. Bond Terms. The offer of Huntington Public Capital Corporation (the “Purchaser”) to purchase the \$5,804,000 General Obligation Temporary Watershed Bond, Series 2023A (the “Bond”) of the District as hereinafter described is hereby found and determined to be a favorable proposal, and shall be and is hereby accepted. The Bond shall be dated the date of delivery, mature on December 27, 2024, and bear interest at the rate per of \$5.17% per annum.

At the option of the District, the Bond is subject to redemption and prepayment prior to maturity in whole on June 27, 2024 and on any date thereafter at a redemption price equal to the principal amount to be prepaid plus accrued interest.

Notice of optional prepayment shall be mailed first-class, postage prepaid, not less than thirty (30) days prior to the redemption date, to the Registered Owner of the Bond.

Notice may also be provided electronically to an address specified by the Registered Owner, provided receipt of such notice is given by the Registered Owner. Any partial prepayment shall be in an integral multiple of \$1,000.

3. Interest. Interest on the Bond is payable at maturity on December 27, 2024 by check or draft mailed to each Registered Owner of the Bond to be redeemed (or by wire transfer to an account designated by the Registered Owner). Interest at the rate set forth in paragraph 2 shall be computed on the basis of a 360-day year of twelve 30-day months. Principal is payable upon presentation and surrender at the office of the Northland Trust Services, Inc., Minneapolis, Minnesota (or by wire transfer to an account designated by the Registered Owner).

Unless the context otherwise requires, the Purchaser and any other registered owner of the Bond is sometimes referred to herein as the Registered Owner or Registered Owner.

4. Bond Form. The Bond shall be in substantially the following form:

THIS BOND MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH SECTION 7 OF THE RESOLUTION DESCRIBED HEREIN.

UNITED STATES OF AMERICA
STATE OF MINNESOTA
RILEY PURGATORY BLUFF CREEK WATERSHED DISTRICT
GENERAL OBLIGATION TEMPORARY WATERSHED BOND, SERIES 2023A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
5.17%	December 27, 2024	December 27, 2023

Registered Owner: _____

Principal Amount: _____ Dollars

KNOW ALL BY THESE PRESENTS THAT Riley Purgatory Bluff Creek Watershed District acknowledges itself to be indebted and for value received promises to pay to the Registered Owner hereof, or registered assigns, the Principal Amount set forth above on the Maturity Date set forth above, and to pay interest thereon from the Date of Original Issue set forth above until the Principal Amount is paid at the rate of interest specified above. Principal is payable upon presentation and surrender hereof at the office of Northland Trust Services, Inc., Minneapolis, Minnesota, as Paying Agent and Registrar (or by wire transfer to an account designated by the Registered Owner), in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts. Interest is payable at maturity on December 27, 2024, by check or draft mailed to the Registered Owner in whose name this Bond is at the time registered, at the Registered Owner's address

as it appears on the register maintained by the Registrar (or by wire transfer to an account designated by the Registered Owner).

This Bond is one of an issue of Bonds in the aggregate principal amount of \$5,804,000, issued pursuant to and in full conformity with the Constitution and Laws of the State of Minnesota, including Minnesota Statutes, Sections 103D.335, Subd. 1, and 475.61, Subd. 6, for the purpose of providing funds for the acquisition of property for watershed district conservation purposes. The principal and interest on this Bond is payable primarily from the proceeds of permanent bonds or additional temporary obligations covenanted by the District to be issued prior to or at the maturity of the Bond as further described in the Resolution. This Bond is a general obligation of the District to which its full faith and credit have been pledged, and to provide moneys for the prompt and full payment of said principal and interest as the same become due the District shall levy ad valorem taxes on all taxable property in the District pursuant to Minnesota Statutes, Section 103B.241, without limitation as to rate or amount, to the extent required by the Resolution.

This Bond is subject to optional redemption and prior payment in whole and not in part as provided in the Resolution.

The District has designated this Bond as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Bonds of this series are issuable only as fully registered Bond in denominations of \$250,000 and multiples of \$1,000 in excess thereof, or, if the outstanding principal amount of the Bond is less than \$250,000, the outstanding principal amount of the Bond. This Bond is transferable, as provided by the Resolution of the Board of District Managers authorizing the issuance of the Bond adopted December 6, 2023 (the “Resolution”), only upon books of the District kept at the office of the Registrar by the Registered Owner hereof in person or by the Registered Owner’s duly authorized attorney, upon surrender of this Bond for transfer at the office of the Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Registrar duly executed by, the Registered Owner hereof or the Registered Owner’s duly authorized attorney and the investment letter described in the Resolution executed by the transferee, and, upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, one or more fully registered Bonds of the series of the same principal amount, maturity and interest rate will be issued to the designated transferee or transferees. The Registered Owner of this Bond may be treated as the absolute owner hereof for all purposes.

The obligations of the District set forth in the Resolution are incorporated herein by reference and made a part hereof.

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 indebtedness of the District outstanding on the date of its issuance, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, Riley Purgatory Bluff Creek Watershed District, by its Board of Managers, has caused this Bond to be executed in its behalf by the manual or facsimile signature of the President of the Board of Managers and by the manual or facsimile signature of the District Administrator, all as of the Date of Original Issue set forth above.

Dated: _____

(Manual or Facsimile Signature)
President, Board of District Managers

(Manual or Facsimile Signature)
District Administrator

[Add Registration Certificate]

5. Registrar and Paying Agent. The Northland Trust Services, Inc., in Minneapolis, Minnesota, is hereby appointed Registrar and Paying Agent for the Bond. The Paying Agent shall apply District funds at the time and in the manner necessary to provide for the full and prompt payment of the principal of and interest on the Bond.

6. Execution and Delivery. The Bond shall be prepared under the direction of the District Administrator and when so prepared shall be executed on behalf of the District by the manual or facsimile signature of the President and manual or facsimile signature of the District Administrator. When the Bond shall have been so prepared and executed, it shall be delivered by the District Administrator upon receipt of the signed legal opinion of Kutak Rock LLP. The Bond has not been and shall not be (i) assigned a specific rating by any rating agency, (ii) registered with The Depository Trust Company or any other securities depository or (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document. The issuance of the Bond shall be accompanied by the execution and delivery to the Purchaser of the following:

(a) One or more certificates in form and substance acceptable to the Purchaser, dated the date of delivery of the Bond, to the effect that (i) there has been no material adverse change in the business condition, operations, or performance of the District since release of the most recent audited financial statements of the District; (ii) there is no litigation pending, or to the District's knowledge threatened, involving the District which has not been disclosed to the Purchaser; (iii) there are no governmental or regulatory approvals required for the adoption of this Resolution, the execution and delivery of the Bond or performance of the obligations required thereby; and (iv) the representations and warranties of the District herein are true and correct as of the date thereof.

(b) An opinion of Kutak Rock LLP, bond counsel to the District, acceptable to the Purchaser and its counsel.

(c) An opinion of Smith Partners, counsel to the District, acceptable to the Purchaser and its counsel.

(d) The most recent management-prepared financial statements of the District.

The District acknowledges that acceptance of the Bond by the Purchaser is conditioned on (i) the absence of any change in any law, rule or regulation (or their interpretation or administration), that may adversely affect the consummation of the transaction, as determined by the Purchaser in its sole discretion, and (ii) the Purchaser shall have reviewed to its satisfaction any additional documentation and financial information it finds relevant.

7. Transfers. As long as the Bond shall remain outstanding, the District shall maintain and keep at the office of the Registrar an office or agency for the payment of the principal of and interest on the Bond, as in this Resolution provided, and for the registration and transfer of the Bond, and shall also keep at the office of the Registrar books for such registration and transfer. The Bond may be transferred only to (a) an affiliate of the Registered Owner, (b) a trust or custodial arrangement established by the Registered Owner, or one of its affiliates, the owners of beneficial interests in which are limited to qualified institutional buyers, as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the "1933 Act"), or (c) to a commercial bank that is a qualified institutional buyer that has executed and delivered to the District and the Registered Owner an investor letter in the form attached hereto as Appendix A; provided, further, that should the outstanding principal balance of the Bond be less than \$250,000, the Registered Owner may not transfer the Bond without the prior written consent of the District. Notwithstanding any provision herein to the contrary, the Bond are transferable only as provided in the Bond and this Section. Upon surrender for transfer of a Bond at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or the owner's duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, the District shall execute and the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more fully registered Bond of any authorized denominations of a like aggregate principal amount, maturity and interest rate. The Bond, upon surrender thereof at the office of the Registrar, may at the option of the Registered Owner thereof be exchanged for an equal aggregate principal amount of Bonds of the same maturity date and interest rate of any authorized denominations. In all cases in which the privilege of exchanging Bond or transferring Bond is exercised, the District shall execute and the Registrar shall deliver Bond in accordance with the provisions of this Resolution. For every such exchange or transfer of Bond, whether temporary or definitive, the District or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums

shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Resolution, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the District or the Registrar incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the District. The District and the Registrar shall not be required to make any transfer or exchange of any Bond during the fifteen (15) days next preceding any interest payment date.

8. Record Dates. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the person in whose name that Bond is registered at the close of business on the 15th day prior to such interest payment date. Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any interest payment date shall forthwith cease to be payable to the registered holder on the relevant regular record date solely by virtue of such holder having been such holder; and such defaulted interest may be paid by the District in any lawful manner.

9. Registered Owners. As to any Bond, the District and the Paying Agent and their respective successors, each in its discretion, may deem and treat the person in whose name the Bond for the time being shall be registered as the absolute owner thereof for all purposes and neither the District nor the Paying Agent nor their respective successors shall be affected by any notice to the contrary. All payments of principal and interest shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

10. Representations and Warranties. To induce the Purchaser to purchase the Bond, the District represents and warrants to the Purchaser and any other Registered Owner of the Bond:

(a) Organization, etc. The District is a political subdivision duly organized and validly existing under the laws of Minnesota and has all requisite corporate power and authority, and requisite corporate qualifications, to carry on its business as now conducted and as currently contemplated to be conducted hereafter, to adopt this Resolution and to issue the Bond and to perform its obligations under this Resolution and the Bond.

(b) Authorization and Validity. The execution, delivery and performance by the District of the Resolution and the Bond have been duly authorized by all necessary corporate action by the District, and the Resolution and the Bond constitute the legal, valid and binding obligations of the District, enforceable against the District in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally.

(c) No Conflict; No Default. The execution, delivery and performance by the District of its obligations under this Resolution and the Bond will not (a) violate any provision of any law, statute, rule or regulation or any order, writ, judgment,

injunction, decree, determination or award of any court, governmental agency or arbitrator presently in effect having applicability to the District, (b) violate or contravene any provisions of the organizational documents of the District, or (c) result in a breach of or constitute a default under any indenture, loan or credit agreement or any other agreement, lease or instrument to which the District is a party or by which it or any of its properties may be bound. The District is not in violation or breach of any other agreement of any type (a) with the Purchaser or (b) of any third party obligation. No Default or Event of Default has occurred and is continuing.

(d) Government Consent. No further order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any governmental or public body or authority is required on the part of the District to authorize, or is required in connection with the execution, delivery and performance of, or the legality, validity, binding effect or enforceability of, the Bond.

(e) Statutory Authority. The District had statutory authority and all requisite approval by its Board of Managers to undertake the Spring Road Conservation Project and to finance the Spring Road Conservation Project through the issuance of the Bond.

(f) Tax Levy. The District has the power to levy ad valorem taxes without limit as to rate or amount to pay the principal of and interest on the Bond and the other obligations hereunder.

(g) Absence of Litigation. The District acknowledges that the Purchaser is not obligated to purchase the bond, unless the District represents that there are no actions, suits or proceedings pending nor are there any actions, suits or proceedings overtly threatened against or which seek to restrain the District or any property of the District in any court or before any arbitrator of any kind or before or by any governmental or nongovernmental body, which, in any case, may have a material adverse effect on (a) the business, assets, operations, prospects or condition, financial or otherwise, of the District, (b) the ability of the District to perform any of its obligations under this Resolution, or (c) the rights of or benefits available to the Registered Owners under the Bond or under this Resolution.

(h) Financial Statements. The financial statements of the District provided to the Purchaser fairly present the financial condition of the District as of the dates thereof and there has been no subsequent material adverse change in the financial condition or operations of the District.

(i) Usury. The Bond does not provide for any payments that would violate any applicable law regarding permissible maximum rates of interest.

(j) No Immunity. The District is not entitled to claim any immunity on the grounds of sovereignty or other similar grounds (including governmental immunity) from (i) any action, suit or other proceeding arising under or relating to the Bond or

this Resolution or (ii) relief by way of injunction, order of specific performance or writ of mandamus.

(k) Pending Legislation. There is no pending State legislation or, to the knowledge of the District, regulatory or judicial action which will have a material adverse effect on the ability of the District to perform its obligations under this Resolution and pay the Bond.

11. Covenants. The District covenants and agrees, until the full and final payment and satisfaction of all of the obligations hereunder and under the Bond, except in any instance in which the Purchaser specially agrees in writing to any performance or noncompliance, that:

(a) (i) Within 180 days after the end of each fiscal year of the District, the annual financial statements of the District prepared in conformity with generally accepted accounting principles and audited by the Office of State Auditor or independent certified public accountants of recognized standing selected by the District and acceptable to the Purchaser, together with any supplementary comments or reports to the District or its governing body furnished by such accountants.

(ii) Notice of Default or Event of Default. (i) Promptly upon obtaining knowledge of any Default or Event of Default, or notice thereof, and in any event within five (5) days thereafter, a certificate signed by the District specifying in reasonable detail the nature and period of existence thereof and what action the District has taken or proposes to take with respect thereto; and (ii) promptly following a written request of the Purchaser, a certificate the District as to the existence or absence, as the case may be, of a Default or an Event of Default under this Resolution.

(iii) Litigation. As promptly as practicable, written notice to the Purchaser of all actions, suits or proceedings pending or threatened against the District in court or before any arbitrator of any kind or before any governmental authority which could reasonably be expected to result in a material adverse effect on the financial condition of the District.

(iv) Within 60 days after the commencement of a Fiscal Year a copy of the District's budget for the Fiscal Year as approved by the Board of Managers.

(v) Other Information. Such other information regarding the business affairs, financial condition and/or operations of the District as the Purchaser may from time-to-time reasonably request.

(b) Existence, Etc. The District shall maintain its existence pursuant to its authorizing legislation and the laws of the State.

(c) Compliance with Laws; Taxes and Assessments. The District shall comply with all Laws applicable to it and its property, except where non-compliance could not reasonably be expected to result in a material adverse effect.

(e) Access to Books and Records. To the extent permitted by law, the District will permit any Person designated by the Purchaser (at the expense of the Purchaser, unless and until a Default or Event of Default has occurred, at which time such expenses shall be borne by the District) to visit any of the offices of the District to examine the books and financial records (except books and financial records the examination of which by the Purchaser is prohibited by law or by attorney or client privilege), including minutes of meetings of any relevant governmental committees or agencies, and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the District with their principal officials, all at such reasonable times and as often as the Purchaser may reasonably request.

(f) Related Documents. The District shall not modify, amend or consent to any modification, amendment or waiver in any material respect of this Resolution or the Bond without the prior written consent of the Purchaser.

(g) Immunity from Jurisdiction. To the fullest extent permitted by applicable law, with respect to its obligations arising under this Resolution or the Bond, the District irrevocably agrees that it will not assert or claim any immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) from (i) any action, suit or other proceeding arising under or relating to this Resolution or the Bond, (ii) relief by way of injunction, order for specific performance or writ of mandamus or (iii) execution or enforcement of any judgment to which it or its revenues might otherwise be entitled in any such action, suit or other proceeding, and the District hereby irrevocably waives, to the fullest extent permitted by applicable law, all such immunity.

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

12. Bank Qualified Obligations. The Bond is hereby designated a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The District represents that (i) the Bond is not a “private activity bond” as defined in Section 141 of the Code, (ii) the amount of tax-exempt obligations issued by the

District in 2023 is not reasonably anticipated to exceed \$10 million, and (iii) no other obligations have been designated for purposes of Section 265(b)(3) of the Code.

13. Events of Default. Each of the following events is hereby defined as and declared to be and shall constitute an “Event of Default” hereunder:

(a) if payment of the principal of the Bond shall not punctually be made when due and payable, whether at the stated maturity thereof or upon proceedings for the redemption thereof (whether by voluntary redemption or a mandatory sinking fund prepayment or otherwise);

(b) if payment of the interest on the Bond shall not punctually be made when due;

(c) if any representation or warranty by the District in this Resolution or in any certificate or statement delivered hereunder shall be incorrect or untrue in any material respect when made or delivered;

(d) the District shall default in the due performance or observance of any other term, covenant or agreement contained in this Resolution or the Bond and such default shall remain unremedied for a period of ninety (90) days after the occurrence thereof;

(e) the District shall (i) have entered involuntarily against it an order for relief under the United States bankruptcy Code, as amended, (ii) become insolvent or shall not pay, or be unable to pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any corporate action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 13 (f) of this Resolution;

(f) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the District or any substantial part of its property, or a proceeding described in Section 13(e)(v) shall be instituted against the District and such proceeding continues undischarged or any such proceeding continues undismissed or unstayed for a period of thirty (30) or more days; or

(g) any material provision of this Resolution or the Bond, shall at any time for any reason cease to be valid and binding on the District or shall be declared in a final non appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the District.

14. Remedies. If an Event of Default hereunder shall occur and be continuing, the Registered Owner of any of the Bond shall have the right, in addition to all other rights available at law and in equity, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's rights against the District including, but without limitation, the right to require the District, the Board of Managers and any other authorized body, to fully carry out all of the provisions and agreements contained in this Resolution. No remedy by the terms of this Resolution conferred upon or reserved to the owner of the Bond is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder to the owner of the Bond or now or hereafter existing at law or in equity or by statute.

The right to accelerate the debt evidenced by the Bond shall not be available as a remedy under this Resolution or the Bond, but if the District enters into any credit agreement, bond purchase agreement, liquidity agreement or other agreement in connection with the issuance of general obligation debt of the District to which the full faith, credit and taxing powers of the District are pledged, and such agreement includes the right to accelerate or demand such debt due and payable prior to maturity upon an event of default, then the Purchaser and the Registered Owners of a majority in principal amount of the outstanding Bonds shall have the same right, to accelerate or demand such principal of and interest on the Bonds due and payable prior to the maturity upon an Event of Default.

No delay or omission of Registered Owners of the Bonds to exercise any right or power arising upon the occurrence of a default hereunder, including an Event of Default, shall impair any right or power or shall be construed to be a waiver of any such default or to be an acquiescence therein. Every power and remedy given by this paragraph to the owners of the Bonds may be exercised from time to time and as often as may be deemed expedient by the owners of the Bonds.

The District will not at any time insist upon or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force which may affect the covenants and agreements contained in this Resolution, or in the Bond, but all benefit or advantage of any such law or laws is hereby expressly waived by the District.

15. Waiver and Amendment. No failure on the part of the Registered Owners of the Bond to exercise and no delay in exercising any power or right hereunder or the Bond shall operate as a waiver hereof; nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof or the exercise of any other power or right. The remedies herein and in any other instrument, document or agreement delivered or to be

delivered to the Registered Owners hereunder or in connection herewith are cumulative and not exclusive of any remedies provided by law. No amendment, modification or waiver of any provision of this Resolution or consent to any departure by the District therefrom shall be effective unless the same shall be in writing and signed by the Registered Owners of at least a majority in outstanding principal amount of the Bond, and then such amendment, modifications, waiver or consent shall be effective only in the specific instances and for the specific purpose for which given.

16. Costs, Expenses and Taxes. The District agrees to pay on demand: (i) all costs and expenses of the Purchaser (including the reasonable fees and expenses of counsel for the Purchaser) incurred in connection with the preparation, execution and delivery of the Bond and the preparation, negotiation and execution of any and all amendments to each thereof, and (ii) all costs and expenses of the Purchaser or other Registered Owners of the Bond incurred in connection with the enforcement of the Bond. The District agrees to pay, and save the Purchaser harmless from all liability for, any stamp or other taxes which may be payable with respect to the execution or delivery of the Bond.

17. Bond Fund; Pledge of Permanent Bonds or Additional Temporary Bond. Minnesota Statutes, Section 103D.905, Subd. 4, provides for a Bond Fund for the payment of principal and interest on bonds or notes issued by the District. There is hereby created a separate account within the Bond Fund for the Bond designated as the 2023 Debt Service Account, which shall be held by the Treasurer and used for no other purpose than to pay the principal of and interest on the Bond and any related charges payable to the Purchaser or Registered Owners or otherwise related to the Bond. There is pledged and appropriated and there shall be credited to the 2023 Debt Service Account: (A) the proceeds of permanent bonds or additional temporary obligations which the District shall issue as provided in Minnesota Statutes, Section 475.61, Subdivision 6, prior to the maturity of the Bond; (B) all proceeds of the Bond remaining after payment of the costs of the Spring Road Conservation Project and costs of issuance of the Bond, (C) any and all monies properly available and appropriated by the governing body of the District to the 2023 Debt Service Account; and (D) investment earnings on the foregoing. For the prompt and full payment of the principal and interest on the Bond as the same become due the full faith, credit and taxing powers of the District are hereby irrevocably pledged. The holders of the Bond have the right to enforce, by mandamus or other appropriate proceeding, all rights respecting the levy and collection of taxes that are granted to the holders of permanent bonds, except the right to require the levies to be collected prior to the maturity of the Bond. If the Bond is not paid in full at maturity, the holders may require the issuance in exchange for them, at par, of new temporary Bond maturing within one year from their date of issue and bearing interest at the maximum rate permitted by law. Proceeds of the permanent bond or temporary bonds not yet sold are treated as pledged revenues in reducing the tax otherwise required by Minnesota Statutes, Section 475.61 prior to delivery of the Bond. If any payment of principal or interest on the Bond shall become due when there is not sufficient money in said Account to pay the same, the Treasurer may make such payment from the general fund of the District, and said general fund shall be reimbursed for such advances out of the proceeds of taxes levied with

respect to the Spring Road Conservation Project or other moneys appropriated by the Board of Managers for such purpose.

18. Indemnification. In addition to any and all rights pursuant hereto or under law or equity, the District agrees, to the extent permitted by law, to indemnify and hold harmless the Purchaser and its officers, directors and agents (each, an “Indemnatee”) from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever (including reasonable attorneys’ fees) which may be claimed against them by reason of or in connection with the Bond or the transactions contemplated hereby; provided that the District shall not be required to indemnify an Indemnatee for any claims, damages, losses, liabilities, costs or expenses to the extent caused by the willful misconduct or gross negligence of the such Indemnatee.

19. Miscellaneous. The District Administrator is authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bond certified copies of all proceedings and records relating to the issuance of the Bond and to the right, power and authority of the District and its officers to issue the same, and said certified copies and certificates shall be deemed the representations of the District as to all matters stated therein. This Resolution constitutes a contract for the benefit of the Purchaser and any other Registered Owners of the Bond. The Bond and this Resolution are governed by the laws of the State of Minnesota. The District Administrator is authorized to execute such documents as may be necessary to open such an account or otherwise effect necessary fund transfers.

20. Disputes. The District and the Purchaser agree, upon demand of the other party, to submit to binding arbitration all claims, disputes and controversies between or among them arising out of or relating to this Resolution or the Bond. To the extent permitted by law, the District and the Purchaser each hereby waives its right to a jury trial of any claim or cause of action based upon or arising out of this Resolution or the transactions contemplated hereby.

The motion for the adoption of the foregoing resolution was duly seconded, and upon vote being taken thereon the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

APPENDIX A

FORM OF INVESTOR LETTER

[Date of Purchase]

Riley Purgatory Bluff Creek Watershed District
Chanhausen, Minnesota

Riley Purgatory Bluff Creek Watershed District Temporary Watershed Bond, Series 2023A

Ladies and Gentlemen:

[NAME OF PURCHASER] (“Purchaser”) has agreed to purchase the above-referenced Bond (the “Bond”) in the amount of [AMOUNT] which were issued in the original aggregate principal amount of \$5,804,000 by the Riley Purgatory Bluff Creek Watershed District (the “District”) pursuant to the resolution of the District adopted December 6, 2023 (the “Resolution”). All capitalized terms used herein, but not defined herein, shall have the respective meanings set forth in the Resolution. The undersigned, an authorized representative of the Purchaser, hereby represents to you that:

1. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Bond.
2. The Purchaser has authority to purchase the Bond and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bond.
3. The undersigned is a duly appointed, qualified and acting representative of the Purchaser and is authorized to cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.

The Purchaser is a qualified institutional buyer.

The Purchaser understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Bond. The Purchaser has made its own inquiry and analysis with respect to the District, the Bond and the security therefor, and other material factors affecting the security for and payment of the Bond.

The Purchaser acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the District, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the District, the Bond and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Bond.

The Purchaser understands that the Bond (i) is not registered under the 1933 Act and are not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (ii) is not listed on any stock or other securities exchange, and (iii) carries no rating from any credit rating agency.

The Bond is being acquired by the Purchaser for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Purchaser reserves the right to sell, transfer or redistribute the Bond, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a Person:

that is an affiliate of the Purchaser;

that is a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers;

that is a qualified institutional buyer who executes an investor letter substantially in the form of this letter.

Notwithstanding the foregoing, the Bond may not be transferred if the outstanding principal amount of the Bond is less than \$250,000 without the prior written consent of the District.

[PURCHASER]

By _____
Name _____
Title _____

Debbie Goettel
Commissioner- District 5

612.348.7885



Hennepin County Board of Commissioners
A-2400 Government Center
Minneapolis, Minnesota 55487-0240

November 22, 2023

David Zeigler
President
Riley Purgatory Bluff Creek Watershed District
18681 Lake Dr E
Chanhassen, MN 55317

Please accept this letter of support for the Riley Purgatory Bluff Creek Watershed District's effort to secure bridge financing to support their project to acquire the Spring Road Properties. This letter is intended to help you and any interested parties understand the county's broader intentions to support the project and interests in seeing it proceed.

In addition to Hennepin County's many other roles, it also serves as the county Soil and Water Conservation District (SWCD) for the county. As the SWCD, Hennepin County has a unique role in protecting and enhancing the quality of natural habitats, soil, and water resources for current and future generations, partnering with other local jurisdictions, and assisting the county's residents in conserving resources.

Hennepin County Environment and Energy operates the habitat conservation program which protects high quality habitat areas with conservation easements, provides technical and financial support to the owners of permanently protected property to improve the quality of habitat, evaluates and monitors habitat quality and flora and fauna on protected properties, and engages the public. The habitat conservation program has evaluated the Spring Road Properties and determined that they are worthy of permanent habitat protection according to program criteria that include habitat quality, habitat context, the size of a potential project, as well as other factors. Hennepin County and our land protection partner, the Minnesota Land Trust, has expressed an interest in working with the Riley Purgatory Bluff Creek Watershed District to place a conservation easement over the Spring Road Properties. Hennepin County Environment and Energy has secured the approval of program funders (Lessard-Sams Outdoor Heritage Council) to pursue an easement project on publicly-owned property, and have initiated initial due diligence steps required to proceed with an easement. Although the conservation easement process takes an average of 12-24 months to complete, we have every reason to believe it will be successful if the Watershed District completes the purchase.

Conservation easements are a voluntary tool that compensates a property owner in exchange for future development rights of the property. Although the final compensation for the easement will not be decided until later in the process, we have communicated to the Watershed District that the likely

compensation is estimated at \$500,000. Conservation easements are flexible tools, and the terms of any such easement would be negotiated with the Watershed District to accommodate future plans for the property and to ensure the public benefit of habitat protection. Following placement of the conservation, Hennepin County would likely be excited to partner with the Watershed District on habitat improvement projects on the Spring Road Properties.

The proposed project would permanently protect habitat along the Minnesota River bluffs, and unique and important habitat for Hennepin County. The Spring Road Properties are adjacent to a much larger area of protected properties owned and managed by the City of Eden Prairie (e.g. Prairie Bluff Conservation Area) and the U.S. Fish and Wildlife Service (USFWS), and the Metropolitan Airports Commission (MAC). This area includes the last remaining remnant native prairies in our county. Hennepin County has been actively working on habitat improvement projects in partnership with the city, USFWS, and MAC over the past five years. We are eager to work with the Watershed District to add to the protected property in this area, and preserve these special resources forever.

This important habitat corridor supports a variety of rare features and sensitive habitat types, including areas of biodiversity significance, native plant communities, and several documented rare species occurrences. This area is also a high-potential zone for the rusty-patched bumble bee, which is on the endangered species list. In addition, Riley Creek, an impaired water, and a floodplain wetland are located on the Spring Road Properties. Public ownership and permanent protection of this property will provide a tremendous good to the natural resources of Hennepin County, as well as our residents.

We are eager to continue work in this area and partner with the Watershed District as a co-holder of a conservation easement, and on their plans for future habitat improvement activities that will benefit wildlife, plants, native plant communities, and the public.

Sincerely,

A handwritten signature in cursive script that reads "Debbie Goettel".

Debbie Goettel

cc: Terry Jeffery, District Administrator
Riley Purgatory Creek Watershed District

HENNEPIN COUNTY

MINNESOTA

November 20, 2023

Terry Jeffery, District Administrator
Riley Purgatory Creek Watershed District
18681 Lake Drive E
Chanhassen, MN 55317

RE: Hennepin County Long-Term Financing of Spring Road Conservation Project

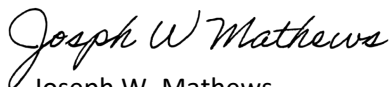
Dear Mr. Jeffery:

Please consider this letter confirmation that Hennepin County intends to provide 20-year financing in the maximum amount of \$5,875,000, plus a pro rata share of costs of issuance, in September 2024 for the District's acquisition of the Spring Road properties pursuant to Minnesota Statutes, Section 103B.251. This is subject to the District providing all requested approvals and documentation to Budget and Finance staff, as well as County Board consideration and approval of the bond financing resolution in 2024. The County Board is under no obligation to approve the bond financing resolution.

Budget and Finance staff will work with District staff and its counsel in 2024 to identify any actions that the District might need to take in advance of County Board consideration of the bond financing resolution. For planning purposes, you should be aware that the County Board generally authorizes bonds in July of each year. Further, we understand that you have identified \$500,000 in your proposed 2024 budget for debt service on the bonds which we believe should be sufficient to cover the initial 2024 interest payment on the bonds, subject to market conditions at the time of issuance.

We greatly appreciate all of the information you have provided to date about this important project and look forward to working with you next year to secure permanent long-term financing.

Sincerely,



Joseph W. Mathews
Director of Budget and Finance

cc: Commissioner Debbie Goettel
Louis Smith, Smith Partners
Steven Rosholt, Kutak Rock
Kathy Kardell, Budget and Finance



Bond Sale Summary

**Riley Purgatory Bluff Creek Watershed District,
Minnesota**

\$5,804,000

**General Obligation Temporary Watershed Bond,
Series 2023A**

December 6, 2023



150 South 5th Street, Suite 3300

Minneapolis, MN 55402

612-851-5900 800-851-2920

www.northlandsecurities.com

Member FINRA and SIPC | Registered with SEC and MSRB



PURPOSE: Finance the Spring Road Conservation Project which is the purchase 27.52 acres of real property to preserve and restore sensitive natural areas on the site and other public uses, including possible trail connections and an interpretive center, and to pay costs associated with issuance of the Bond.

FINANCE PLAN: The Bond has been structured with a single maturity due in one year with a six-month call date.

RESULTS:

- The District received two bids.
- Bond was purchased by Huntington Public Capital Corporation, Minnetonka, MN.

	Final Results on
	<u>11/29/23</u>
Par Amount	\$ 5,804,000
Average Coupon	5.17%



EXHIBIT A - BID TAB

TABULATION OF BIDS

RILEY PURGATORY BLUFF CREEK WATERSHED DISTRICT, MINNESOTA

\$5,804,000

GENERAL OBLIGATION TEMPORARY WATERSHED BOND, SERIES 2023A

AWARD: HUNTINGTON PUBLIC CAPITAL CORP.

DATE OF BIDS: WEDNESDAY, NOVEMBER 29, 2023

BIDDER	PURCHASE PRICE	NET INTEREST COST	AVERAGE COUPON
HUNTINGTON PUBLIC CAPITAL CORP. Minnetonka, MN	\$5,804,000	\$300,066.80	5.17%
CAPITAL ONE PUBLIC FUNDING, LLC St. Cloud, MN (20 Year Term Proposal)	\$5,802,000	\$3,407,100.70	4.87%
CAPITAL ONE PUBLIC FUNDING, LLC St. Cloud, MN (25 Year Term Proposal)	\$5,802,000	\$4,387,215.00	4.90%



EXHIBIT B - SOURCES AND USES

Sources Of Funds

Par Amount of Bonds	\$5,804,000.00
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Total Sources	\$5,804,000.00
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Uses Of Funds

Deposit to Project Construction Fund	5,775,000.00
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Costs of Issuance	28,750.00
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Rounding Amount	250.00
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Total Uses	\$5,804,000.00
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EXHIBIT C -DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/27/2023	-	-	-	-	-
12/27/2024	5,804,000.00	5.170%	300,066.80	6,104,066.80	6,104,066.80
Total	\$5,804,000.00	-	\$300,066.80	\$6,104,066.80	-

Yield Statistics

Bond Year Dollars	\$5,804.00
Average Life	1.000 Years
Average Coupon	5.1700000%
Net Interest Cost (NIC)	5.1700000%
True Interest Cost (TIC)	5.1048512%
Bond Yield for Arbitrage Purposes	5.1048512%
All Inclusive Cost (AIC)	5.6147377%

IRS Form 8038

Net Interest Cost	5.1700000%
Weighted Average Maturity	1.000 Years

Optional Redemption

06/27/2024	@100.000%
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FINAL BANK TERM SHEET

Riley Purgatory Bluff Creek Watershed District, Minnesota General Obligation Temporary Watershed Bond, Series 2023A

Issuer: The Riley Purgatory Bluff Creek Watershed District (the “District”) is a local, special unit of government with a boundary based on the watersheds of Riley, Purgatory, and Bluff creeks. It was established on July 31, 1969, following a petition by local property owners to the Minnesota Water Resources Board. The District encompasses portions of seven communities, including Eden Prairie, Chanhassen, Minnetonka, Bloomington, Deephaven, Shorewood, and Chaska.

Principal Amount: \$5,804,000

Purchase Price: Par (100% of Principal Amount)

Pricing Date: November 29, 2023

Award Meeting: December 6, 2023

Dated Date/Closing Date: December 27, 2023

Principal Payment: The Bond will mature on December 27, 2024

Interest Due: December 27, 2024

Note:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Average Life</u>
12/27/24	5.17%	\$5,804,000	1.000 years

Optional Redemption: The Bond is subject to prepayment, in whole or in part, on June 27, 2024 and any day thereafter at a price of par plus accrued interest.

Rating: Not Rated

Authority and Purpose: The Bond is being issued pursuant to Minnesota Statutes, Chapters 103B, 103D, and 475, as amended. Proceeds of the Bond will be used to finance the Spring Road Conservation Project which is the purchase 27.52 acres of real property to preserve and restore sensitive natural areas on the site and other public uses, including possible trail connections and an interpretive center, and to pay costs associated with issuance of the Bond.

Security: The Bond is a valid and binding general obligation of the District and is payable from ad valorem taxes levied on all taxable property in the District. The Bond is expected to be retired with a long-term bond financing issued by either the District or

11/30/2023

Hennepin County. The full faith and credit of the District is also pledged to the payment. To the extent funds are not available to pay the obligations at maturity, the District is obligated to issue permanent or additional temporary obligations for that purpose.

Bank Qualified: The Bond will be designated as a bank qualified tax-exempt obligation.

No Continuing Disclosure The District will not enter into an undertaking to annually provide continuing disclosure information with respect to the Bond.

Tax Exemption: Based on present federal and Minnesota laws, regulations, rulings and decisions, interest on the Bond is excluded from gross income for purposes of federal income tax and is excluded, to the same extent, in computing taxable net income of individuals, trusts and estates for Minnesota income tax purposes (such interest is includable in taxable income of corporations and financial institutions for purposes of Minnesota franchise tax). Interest on the Bond is not an item of tax preference for purposes of the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts and estates; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

Additional Provisions: The Bond will be held with the Purchaser and not reoffered to the public.

The Bond will be issued in \$1,000 denominations.

One typewritten Bond per term Bond maturity will be printed.

Purchaser: Huntington Public Capital Corporation
11100 Wayzata Blvd
Minnetonka, MN 55305
Jonathan Schatz, Assistant Vice President
Telephone: 414-351-8503
jonathan.k.schatz@huntington.com

APPROVED ONLY FOR DISTRIBUTION TO FINANCIAL INSTITUTIONS. Information is based on sources considered to be reliable, but is not warranted by Northland Securities, Inc.

Northland Securities, Inc., 150 South 5th Street, Suite 3300, Minneapolis, MN 55402 800-851-2920

Member FINRA and SIPC | Registered with SEC and MSRB



11/30/2023

Issuer Contact: Riley Purgatory Bluff Creek Watershed District, Minnesota
18681 Lake Drive E
Chanhausen, MN 55317
Terry Jeffery, District Administrator
Telephone: 852-607-6512 Ext. 1
tjeffery@rpbewd.org

Municipal Advisor: Northland Securities, Minneapolis, Minnesota
George Eilertson, Managing Director
Telephone: 612-851-5906
geilertson@northlandsecurities.com
Jenny Broden, Issuance Specialist
Telephone: 612-851-4954
jbroden@northlandsecurities.com

Bond Counsel: Kutak Rock LLP, Minneapolis, Minnesota

Paying Agent: Northland Trust, Minneapolis, Minnesota

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11/30/2023

The Purchaser agrees to purchase the Bond for the price shown on the first page of this Term Sheet and the interest rate provided below, and certifies to the District that it has knowledge and experience in financial and business matters, including the acquisition and holding of tax-exempt obligations, that it is capable of evaluating the merits and risks of purchasing the Bond and is able to bear such risks and that it is buying the Bond for its own account and not with a view to distribution of the Bond.

Bank Proposed Interest Rate (2024 Maturity): 5.17%

Agreed and Acknowledged:

The Huntington National Bank
(Bank Name)

Signature: Jonathan K Schatz
Name: Jonathan K Schatz
Title: Assistant Vice President, Huntington Public Capital
Date: 11/30/2023

Note: The District will reserve the right to: (i) waive non-substantive informalities of any Proposal or of matters relating to the receipt of Proposals and award of the Bond, (ii) reject all Proposals without cause, and (iii) reject any Proposal which the District determines to have failed to comply with the terms herein. In the event of a tie for the lowest rate proposed, the District reserves the right to accept the proposal of the bank of its choice among those who tie.

The foregoing offer is hereby accepted by the Board of Managers of Riley Purgatory Bluff Creek Watershed District, Minnesota at 5:30 p.m. this 6th day of December, 2023.

By: _____
Board President

By: _____
District Administrator

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