

**CITY OF NORTHFIELD, MINNESOTA
CITY COUNCIL RESOLUTION NO. 2022-086**

**A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF A HOSPITAL
REVENUE BOND, SERIES 2022B AND A HOSPITAL
REVENUE BOND, SERIES 2023A AND AUTHORIZING EXECUTION OF
SUPPLEMENTAL INDENTURES OF TRUST AND RELATED DOCUMENTS**

WHEREAS, the City of Northfield, Minnesota (the “City”) is, by the Constitution, its Charter and the laws of the State of Minnesota, including Minnesota Statutes, Sections 447.45 to 447.50, as amended (the “Act”), authorized to issue and sell its revenue bonds to finance or refinance the acquisition and betterment of hospital, nursing home, and related medical facilities (collectively, the “Hospital”);

WHEREAS, it has been proposed to this Council that the City issue and sell its Hospital Revenue Bond, Series 2022B (the “Series 2022B Bond”) and its Hospital Revenue Bond, Series 2023A (the “Series 2023A Bond” and, together with the Series 2022B Bond, the “Bonds”) pursuant to the Act and pursuant to a First Supplement to Second Amended and Restated Indenture of Trust dated on or after September 1, 2022 (the “Series 2022B Supplemental Indenture”) and a Second Supplement to Second Amended and Restated Indenture of Trust dated on or after January 1, 2023 (the “Series 2023A Supplemental Indenture” and, together with the Series 2022B Supplement the “Supplemental Indentures”) which amend that certain Second Amended and Restated Indenture of Trust, dated as of December 1, 2018, between the City, and the Wells Fargo Bank, National Association (or its successor, including without limitation Computershare Trust Company, N.A.), as Trustee (as previously amended, the “Original Indenture”), to finance the construction, installment and equipping of various improvements to the Hospital and capital expenditures related thereto (the “Project”); and

WHEREAS, the Hospital Board of the Northfield City Hospital has recommended that the City approve the issuance of the Bonds as provided herein.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Northfield, Minnesota (the “Council”), as follows:

1. Findings. It is hereby found, determined and declared that:
 - (i) The Project constitutes the financing or refinancing of the acquisition and betterment of hospital and related medical facilities under the Act.
 - (ii) It is desirable that the Bonds be issued by the City upon the terms set forth in the Supplemental Indentures, under the provisions of which the City pledges to the payment of the Bonds the Net Revenues of the Hospital (as defined in the Original Indenture), solely as provided therein, to the Trustee as security for the payment of principal of, premium, if any, and interest on the Bonds.

(iii) The Supplemental Indentures provide for payments by the City to the Trustee, solely from Net Revenues of the Hospital, in the amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds when due.

(iv) Under the provisions of the Act, and as provided in the Supplemental Indentures, the Bonds are not to be payable from or charged upon any funds of the City other than Net Revenues of the Hospital (as defined in the Original Indenture) and moneys in the funds and accounts held by the Trustee which are pledged to the payment thereof; no owners of the Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the Bonds or the interest thereon, nor to enforce payment thereof against any property of the City (other than Net Revenues of the Hospital and moneys in the funds and accounts held by the Trustee); the Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City (other than the interest of the City in Net Revenues of the Hospital and moneys in the funds and accounts held by the Trustee); and each Bond issued under the Supplemental Indentures shall effectively recite that such Bond, including interest thereon, shall not constitute or give rise to a charge against the general credit or taxing powers of the City.

(v) All conditions to the issuance of the Bonds as “Additional Bonds” under Section 5.02 of the Original Indenture have or will be satisfied, including but not limited to the requirement that “Income Available for Debt Service” for each of the two most recent, completed Fiscal Years for which audits have been completed is at least 125% of the “Maximum Annual Principal and Interest Requirements of all Parity Debt,” including the Bonds.

2. Acceptance of Purchaser. Community Resource Bank, Northfield, Minnesota (or another lender selected by the Hospital, the “Purchaser”) has offered to purchase the Bonds at a price equal to the par amount of the Bonds subject to the terms set forth in the Supplemental Indentures and in the Proposal Letter dated July 20, 2022 executed by the Purchaser and the Hospital.

3. Approval and Execution of Bond Documents. The Council hereby approves the Bonds and the Supplemental Indentures in substantially the forms on file with the City Finance Director and such other documents as bond counsel to the City considers appropriate in connection with the Project and the Bonds, including without limitation any documents necessary for the transfer of the trustee responsibilities from Wells Fargo Bank, National Association to Computershare Trust Company, N.A. (collectively, the “Financing Documents”) and the Mayor and the City Clerk (the “Authorized Officers”) are hereby authorized and directed to execute, on behalf of the City, the Financing Documents. All of the provisions of the Financing Documents, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The approval hereby given to the Financing Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by bond counsel to the City or by the Authorized Officers authorized herein to execute or accept, as the case may be, said documents prior to their execution; and said Authorized Officers are hereby authorized to approve said changes on behalf of the City.

The execution of any instrument by the Authorized Officers shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the Authorized Officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Council by any member of the Council or any duly designated acting official, or by such other officer or officers of the City as, in the opinion of the City Attorney, may act in their behalf.

4. Approval, Execution and Delivery of Bonds. The City shall proceed forthwith to issue the Bonds, in an aggregate principal amount not to exceed \$10,000,000, in the forms and upon the terms set forth in the Supplemental Indentures, which terms are for this purpose incorporated in this resolution and made a part hereof; provided, however, that the initial aggregate principal amount of and the maturities of the Bonds, the interest rates thereon, and any provisions for the optional or mandatory redemption thereof shall all be set forth in the final form of the Supplemental Indentures to be approved, executed, and delivered by the Authorized Officers, which approval shall be conclusively evidenced by such execution and delivery. The Authorized Officers and other City staff and officers are authorized and directed to prepare and execute the Bonds as prescribed in the Supplemental Indentures and to deliver them to the Trustee, together with a certified copy of this Resolution and the other documents required by the Supplemental Indentures, for authentication, registration and delivery to the Purchaser thereof. As provided in the Supplemental Indentures, each Bond shall contain a recital that it is issued pursuant to the Act, and such recital shall be conclusive evidence of the validity and regularity of the issuance thereof.

5. Certificates, Additional Agreements, etc. The Mayor, City Clerk, City Finance Director and other officers of the City and Hospital Board are authorized and directed to prepare and furnish to bond counsel and the Purchaser, when issued, certified copies of all proceedings and records of the City and Hospital relating to the Bonds, such additional agreements as may be necessary in connection with the issuance of the Bonds and such other affidavits and certificates as may be required to show the facts appearing from the books and records in the officers custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the City as to the truth of all statements contained therein.

6. Bank Qualified Tax-Exempt Obligations.

(a) In order to qualify the Series 2022B Bond as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code, the City makes the following factual statements and representations:

(i) the Series 2022B Bond is not a “private activity bond” as defined in Section 141 of the Code;

(ii) the City hereby designates the Series 2022B Bond as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code;

(iii) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, that are not qualified 501(c)(3) bonds) which will be issued by the

City (and all subordinate entities of the City) during calendar year 2022 will not exceed \$10,000,000; and

(iv) not more than \$10,000,000 of obligations issued by the City during calendar year 2022 have been designated for purposes of Section 265(b)(3) of the Code; and

(v) the aggregate face amount of the issue of the Series 2022B Bond is not greater than \$10,000,000.

(b) In order to qualify the Series 2023A Bond as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code, the City makes the following factual statements and representations:

(i) the Series 2023A Bond is not a “private activity bond” as defined in Section 141 of the Code;

(ii) the City hereby designates the Series 2023A Bond as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code;

(iii) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, that are not qualified 501(c)(3) bonds) which will be issued by the City (and all subordinate entities of the City) during calendar year 2023 will not exceed \$10,000,000; and

(iv) not more than \$10,000,000 of obligations issued by the City during calendar year 2023 will be designated for purposes of Section 265(b)(3) of the Code;

(v) the aggregate face amount of the issue of the Series 2023A Bond is not greater than \$10,000,000; and

PASSED by the City Council of the City of Northfield, Minnesota this 6th day of September, 2022.

ATTEST:

City Clerk

Mayor

VOTE: ____ POWNELL ____ GRABAU ____ ALLEN ____ NESS
____ PETERSON WHITE ____ REISTER ____ ZUCCOLOTTO