

EXHIBIT A TO RESOLUTION #4

**UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF ST. LOUIS**

CITY OF DULUTH

TAXABLE GRANT ANTICIPATE REVENUE NOTE, SERIES 2024F

R-1

\$1,938,000

**Date of Note: December ____, 2024
Final Maturity Date: June 30, 2027**

FOR VALUE RECEIVED, the CITY OF DULUTH, St. Louis County, Minnesota, a duly organized and existing municipal corporation and political subdivision of the State of Minnesota (the "City"), and whose office address is 411 West First Street, Duluth, Minnesota 55802-1102, for value received, promises to pay to the MINNESOTA PUBLIC FACILITIES AUTHORITY, its successors or registered assigns (the "Lender") at its offices in St. Paul, Minnesota, or such other place as the Lender may designate in writing, the principal sum of One Million Nine Hundred Thirty-eight Thousand Dollars (\$1,938,000) or such portion thereof as is disbursed to the City (the "Loan"), pursuant to the Minnesota Public Facilities Authority Master Loan (Bond Purchase) and/or Grant Agreement between the City and the Lender dated September 16, 2024 (the "Master Agreement") and Project Order ID Duluth LSLR 04 (MDH Project ID 1690011-17 (the "Project Order").

No interest shall be payable on this Note. Principal on this Note shall be payable each August 20, commencing on August 20, 2025, and shall be payable in the amounts and on the dates specified in Exhibit A hereto. Principal is payable in lawful money of the United States of America by check or draft directly to the registered owner hereof shown on this Note registration records maintained by the City, without, except for the final payment of principal on this Note, the presentation or surrender of this Note, and all such payments shall discharge the obligations of the City to the extent of the payments so made. The final principal payment shall be made upon presentation and surrender of this Note when due. If the principal payments are paid by check and mailed to the Lender, such payment shall be mailed by the City at least five business days prior to the payment date.

This Note is issued pursuant to the authority contained in Minnesota Statutes, Chapter 475, Sections 444.075 and 475.61, subdivision 5, and Section 55 of the Home Rule Charter of the City, and all other laws and charter provisions thereto enabling and pursuant to Ordinance No. 24-048-O adopted November 12, 2024, for the purpose of providing funds for improvements to the water utility system consisting of replacement of lead pipes. The Note is payable primarily from a grant to be received by the Issuer pursuant to the Project Order (the "Grant"), and if the Grant is insufficient to pay the Note, from the net revenues to be derived from the operation of the municipal water utility of the City, and from the proceeds of permanent bonds or additional temporary bonds which the City shall offer for sale in advance of the maturity of this Note, all as set forth in the Resolution dated November 25, 2024, to which reference is

made for a full statement of rights and powers thereby conferred. In the Resolution, the City has pledged and appropriated the Grant proceeds and net revenues to be derived from the operation of the municipal water utility in excess of normal, reasonable and current costs of the operation and maintenance of the utility, for the payment of the principal when due of the Note, and the net revenues of the principal and interest on all other bonds and notes heretofore or hereafter issued and made payable from said net revenues, and has covenanted and agreed that it will impose and collect just and equitable charges for all use and for the availability of all facilities of the municipal water utility at the times and in the amounts required to pay the normal, reasonable and current expenses of operating and maintaining such facilities, and also to produce net revenues, together with the Grant, at least adequate at all times to pay the principal due on the Note and the principal and interest on all other water utility bonds and notes.

This Note is subject to redemption at the option of the City, in whole or in part on such dates and at such prices and upon such other terms as are specified in the Master Agreement and Project Order.

This Note is transferable by the registered owner hereof upon surrender of this Note for transfer at the office of the City duly endorsed and accompanied by a written instrument of transfer in form satisfactory to the City and executed by the registered owner hereof or the owner's attorney duly authorized in writing. The City may deem and treat the person in whose name this Note is last registered upon the books of the City, with such registration noted on this Note, as the absolute owner hereof for the purpose of receiving payment of or on account of the principal balance, redemption price or interest and for all other purposes; all such payments so made to the registered holder or upon the order thereof shall be valid and effectual to satisfy and discharge the liability upon this Note to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the Charter of the City and by the laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Note in order to make it a valid and binding special obligation of the City in accordance with its terms have been done and do exist in form, time, and matter as so required; and that the issuance of this Note does not cause the indebtedness of the City to exceed any constitutional or statutory limitation.

Additional provisions of this Note are contained in the Master Agreement and Project Order and such provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the City has caused this Note to be executed in its name by the manual signatures of its Mayor and Clerk as of the date of Note set forth above.

Mayor

Attest:

Clerk

PROVISIONS AS TO REGISTRATION

The ownership of the unpaid principal balance of this Note and the interest accruing thereon is registered on the books of the City of Duluth, Minnesota, in the names of the holders last noted below.

Date of Registration	Name and Address of Registered Owner	Signature of Clerk
_____	State of Minnesota Public Facilities Authority First National Bank Building 332 Minnesota Street, Suite E200 St. Paul, MN 55101-1351 Federal Tax I.D. No.: 41-6007162	_____

ASSIGNMENT

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

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

The Clerk will not effect transfer of this Note unless the information concerning the assignee requested below is provided.

Name and Address: _____

Taxpayer Identification No.: _____

Exhibit A

Duluth_LSLR_04	MPFA-LSLF-L-044-FY25	1,938,000.00					
Rate: 0%	<i>LSLR 1690011-17 "High Priority" addresses</i>						
Approv Date: 10/21/24							
Maturity: 06/30/27	Term: 2.7	final loan amount: <u>1,938,000.00</u>					
<u>Date</u>	<u>Effectiv</u>	<u>Source</u>	<u>Disburseme</u>	<u>Repayment</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balanc</u>
projected	10/30/24		500,000.00				500,000.00
projected	11/27/24		150,000.00		-		650,000.00
projected	12/25/24		150,000.00		-		800,000.00
projected	01/29/25		150,000.00		-		950,000.00
projected	02/26/25		150,000.00		-		1,100,000.00
projected	03/25/25		150,000.00		-		1,250,000.00
projected	04/22/25		150,000.00		-		1,400,000.00
projected	05/27/25		538,000.00		-		1,938,000.00
	06/30/27			<u>1,938,000.00</u>	-	<u>1,938,000.00</u>	<u>-</u>
totals			1,938,000.00	1,938,000.00	-	1,938,000.00	