

FINAL BANK TERM SHEET

City of Princeton, Minnesota General Obligation Improvement Bond, Series 2023A

Issuer: Princeton, situated in both Mille Lacs and Sherburne counties, is located approximately 44 miles north of the Minneapolis-St. Paul Metropolitan Area. Access is provided via U.S. Highway 169, State Highway 95 as well as Mille Lacs County Roads 4, 29 and 31, and Sherburne County Roads 2, 29 and 45. The City's 2020 Census population was 4,819.

Principal Amount: \$866,000

Purchase Price: Par (100% of Principal Amount)

Pricing Date: August 17, 2023

Award Meeting: August 24, 2023

Dated Date/Closing Date: September 20, 2023

Principal Payments: The Bond will mature February 1, 2034. Principal will be subject to mandatory sinking fund redemption annually in the years February 1, 2025 through February 1, 2033, with final payment at maturity on February 1, 2034.

Interest Due: February 1 and August 1, commencing August 1, 2024.

Term Bond:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Average Life</u>
02/01/34	5.415%	\$866,000	6.390 years

Mandatory Sinking Fund:

<u>2024 Term Bond</u>			
02/01/2025	\$53,000	02/01/2030	\$90,000
02/01/2026	\$72,000	02/01/2031	\$94,000
02/01/2027	\$76,000	02/01/2032	\$99,000
02/01/2028	\$81,000	02/01/2033	\$105,000
02/01/2029	\$85,000	02/01/2034	\$111,000

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

Rating: Not Rated

Authority and Purpose: The Bond is being issued pursuant to Minnesota Statutes, Chapters 475 and 429, as amended. Proceeds of the Bond will be used to finance infrastructure improvements to the Princeton Business Park and to pay costs associated with issuance of the Bond.

8/18/2023

Security:

The Bond is a valid and binding general obligation of the City and is payable from special assessments levied against benefitted properties and ad valorem taxes. The full faith and credit of the City is also pledged to the payment. In the event of any deficiency in the Debt Service Account established for this Issue, the City has validly obligated itself to levy additional ad valorem taxes upon all of the taxable property within the City, without limitation of amount.

Bank Qualified:

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

No Continuing Disclosure

The City 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.

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

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8/18/2023

Purchaser:

Bremer Bank
202 South Rum River Dr.
Princeton, MN 56301
Reed Voit, Business Banker, VP
Telephone: 320-255-7137
rrvoit@bremer.com

Issuer Contact:

City of Princeton, Minnesota
705 2nd St N
Princeton, MN 55371
Michele McPherson, City Administrator
Telephone: 763-389-2040
mmcpherson@princetonmn.org

Placement Agent:

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Carrie Fisher, Senior Issuance Specialist
Telephone: 612-851-4970
cfisher@northlandsecurities.com

Bond Counsel:

Taft Stettinius & Hollister LLP, Minneapolis, Minnesota

Paying Agent:

City of Princeton

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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 City 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 (2034 Maturity): 5.415%

Agreed and Acknowledged:

Bremen Bank, NA
(Bank Name)

Signature: [Signature]
Name: REED VOIT
Title: Relationship Manager VP
Date: 8/21/2023

Note: The City 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 City determines to have failed to comply with the terms herein. In the event of a tie for the lowest rate proposed, the City 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 City Council of Princeton, Minnesota at 7:00 p.m. this 24th day of August, 2023.

By: _____
Mayor

By: _____
City Administrator

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