

RESOLUTION SETTING NORTH MANKATO PORT AUTHORITY
LOAN TERM AND CONDITIONS

WHEREAS, the North Mankato Port Authority Commission (the "Authority") was created pursuant to Minnesota Statutes, Sections 469.048 through 469.068, as amended, and Section 469.079 (the "Act") and was authorized to transact business and exercise its powers by a resolution of the City Council of the City of North Mankato, Minnesota (the "City"); and

WHEREAS, pursuant to the Act, the Authority is authorized to award business subsidies as defined under Minnesota Statutes 116J.993 through 116J.995; and

WHEREAS, the North Mankato Port Authority Policies require the Port Authority to identify the preferred terms and conditions of loans from time to time; and

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

Section 1: Loan amount.

- a. Maximum loan amount. The maximum loan available from the revolving loan fund for each eligible project is limited to \$300,000 and the Port Authority's preference is to not exceed 20% of total project cost.

Section 2: Interest Rate.

- a. The preferred interest rate is prime rate or 4% whichever is greater.

Section 3: Term. The term of the loan will be tied to the useful life of the assets being financed.

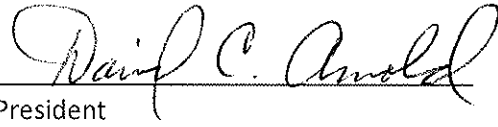
The following general terms apply:

- a. Machinery & Equipment. The term of a loan for machinery/equipment shall not exceed 7 years.
- b. Land/building acquisitions. The term of the loan for land/building shall not exceed 10 years, but may be amortized over a different schedule with a balloon payment at the end.
- c. New construction/renovation. The term of the loan for new construction/renovation shall not exceed 10 years, but may be amortized over a different schedule with a balloon payment at the end.

Section 4: From time to time the Port Authority will adopt a Resolution modifying the preferred terms according to the economic condition of the region, state, and nation and the preference of the Port Authority.

Section 5: The Port Authority may deviate from these preferred terms and conditions by a majority vote of the Port Authority Commission.

Approved by the Board of Commissioners of the North Mankato Port Authority
Commission this 20th day of August 2018.



President

ATTEST:



Secretary