

NORTH DAKOTA
STATE REVOLVING FUND PROGRAM

LOAN AGREEMENT

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
(Lender)

and

CITY OF MINOT, NORTH DAKOTA
(Municipality)

(To be completed by Authority)

Dated Date of Loan Agreement: _____, 2018

SRF Program (circle one): Clean Water SRF
Drinking Water SRF

State Act (circle one): N.D.C.C. ch. 61-28.2 (Clean Water)
N.D.C.C. ch. 61-28.1 (Drinking Water)

Summary Description of Project: Construction of improvements to the Municipality's
water and sewer utility

Approved Loan amount: \$1,734,000

Construction period: **[Spring, 2018 – Summer, 2020]**

Form of municipal securities: Sales Tax and Water and Sewer Reserve Revenue Bonds,
Series 2018C

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LOAN AGREEMENT

THIS LOAN AGREEMENT is made and entered into as of _____, 2018, by and between the NORTH DAKOTA PUBLIC FINANCE AUTHORITY (the “Authority”), an agency and instrumentality of the State of North Dakota (the “State”), and the CITY OF MINOT, NORTH DAKOTA (the “Municipality”), a political subdivision of the State.

ARTICLE I DEFINITIONS

SECTION .01. Definitions . The following terms as used in this Loan Agreement shall, unless the context clearly requires otherwise, have the following meanings:

“Administrative Fee” means an annual fee of 1/2 of one percent (.50%) of the outstanding principal amount of the Loan or such lesser amount, if any, as the Authority may approve from time to time.

“Authority Act” means N.D.C.C. ch. 6-09.4.

“Authority Bonds” or “Bonds” mean bonds of the Authority authorized, authenticated, and delivered in order to finance or refinance the Project pursuant to this Loan Agreement and to enable the Department, through the Authority, to draw EPA capitalization grant funds for deposit in the SRF.

“Code” means the Internal Revenue Code of 1986 as the same may from time to time be amended and supplemented, including any regulations promulgated thereunder and any administrative or judicial interpretations thereof.

“Costs” means those costs associated with the Project and the Loan that are eligible to be funded from the SRF, as determined by the Department and the Authority.

“Department” means the North Dakota Department of Health.

“EPA” means the United State Environmental Protection Agency.

“Event of Default” means any occurrence or event specified in Section 5.01 of this Loan Agreement.

“General Records” shall have the same meaning given in Section 3.01(f) of this Loan Agreement.

“Loan” means the loan evidenced by the Municipal Securities, made by the Authority to the Municipality pursuant to this Loan Agreement to finance or refinance all or a portion of the Costs of the Project. For all purposes of this Loan Agreement, the amount of the Loan at any time shall be the amount of the Loan less any principal amount which has been repaid to the Authority by the Municipality.

“Loan Agreement” means this Loan Agreement, including the Exhibits attached to, and hereby made a part hereof, as it may be supplemented, modified or amended from time to time in accordance with the terms hereof.

“Loan Closing” means the date upon which the Municipality shall issue and deliver the documents listed in Section 2.05 and shall be eligible to receive the Loan.

“Loan Commitment” means the offer by the Department to provide financial assistance to the Municipality from the SRF, subject to approval by the Authority. The Loan Commitment, when accepted by the Municipality through appropriate action of its governing body, shall be a “binding commitment” within the meaning of that term in the SRF Act.

“Loan Repayments” means the payments payable by the Municipality to the Authority, including payments payable under the Municipal Bond Resolution and the Municipal Securities.

“Municipal Bond Resolution” means the resolution(s) or ordinance(s) of the governing body of the Municipality authorizing the issuance of the Municipal Securities.

“Municipality” means the borrower under this Loan Agreement, which must be a “political subdivision,” as defined in section 6-09.4-03(5) of the Authority Act.

“Municipal Securities” means municipal securities, as such term is defined in the Authority Act, executed and delivered by the Municipality to the Authority to evidence the Loan in accordance with the Municipal Bond Resolution.

“Project” means the improvement or undertaking of the Municipality described in Exhibit A attached hereto, for purposes of the State Water Pollution Control Revolving Loan Fund and the Federal Clean Water Act, or to the public water and sewer system of the Municipality for purposes of the State Safe Drinking Water Act and the Federal Safe Drinking Water Act, all or a portion of the Costs of which are financed or refinanced by the Authority from the SRF through the making of the Loan under this Loan Agreement.

“SRF” means the revolving loan fund(s) created by the State Act.

“SRF Act” means, for purposes of the State Water Pollution Control Revolving Loan Fund Act, the Federal Clean Water Act, and for purposes of the State Safe Drinking Water Act, the Federal Safe Drinking Water Act, including any regulations and guidelines promulgated thereunder.

“State Act” means, for purposes of the Federal Clean Water Act, N.D.C.C. ch. 61-28.2 (the State Water Pollution Control Revolving Loan Fund Act), and, for purposes of the Federal Safe Drinking Water Act, N.D.C.C. ch. 61-28.1 (the State Safe Drinking Water Act).

“System Records” shall have the same meaning given in Section 3.01(f) of this Loan Agreement.

“Trustee” means the Trustee appointed by the Authority pursuant to the State Revolving Fund Program Master Trust Indenture and its successor or successors and any other trustee which may at any time be substituted in its place as Trustee pursuant to the Indenture.

SECTION .02. Additional Terms . Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, agencies and districts. Words importing one gender shall include the other gender.

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ARTICLE II LOAN; OBLIGATIONS; DISCLAIMER; DELIVERY OF DOCUMENTS

SECTION .01. The Loan . The Authority hereby agrees to loan and disburse to the Municipality, and the Municipality agrees to borrow and accept from the Authority, the Loan in the principal amount of the Municipal Securities, plus accrued interest, if any. The Municipality shall use the proceeds of the Loan to pay the Costs of the Project in accordance with the Municipal Bond Resolution and this Loan Agreement.

SECTION .02. Disbursement of Loan Proceeds . The Authority will disburse the Loan upon (a) execution and delivery by the Municipality of the documents described in Section 2.06 and (b) issuance and delivery by the Municipality of the Municipal Securities to the Authority and (c) submission to and approval by the Department and the Authority of Requisitions for Payment in the form approved by the Department.

SECTION .03. Draws of Municipal Securities Proceeds . The proceeds of the Municipal Securities are appropriated by the Municipality to pay expenses necessarily incurred in the construction and completion of the Project and the issuance of the Municipal Securities. Requests for draws on the Loan, in the form of Requisitions for Payment, shall be submitted by the Municipality to the Department from time to time in accordance with procedures established by the Department. Requisitions for Payment approved by the Department shall be forwarded to the Authority and the Trustee for approval and funding. After all claims and expenses with respect to the Project and the issuance of the Municipal Securities have been duly paid and satisfied, the amortization schedule for the Municipal Securities shall be adjusted to reflect the total principal amount drawn under this Loan Agreement.

SECTION .04. Unconditional Obligations . The Municipality shall not be obligated to make any payments required to be made by any other political subdivision with respect to the lending of funds by the Authority from the SRF.

SECTION .05. Disclaimer of Warranties and Indemnification . The Municipality acknowledges and agrees that (i) neither the Authority nor the Department has made or makes any warranty or representation, either express or implied as to the value, design, condition, merchantability or fitness for a particular purpose or fitness for any use of the Project or any portions thereof or any other warranty or representation with respect thereto; and (ii) in no event shall the Authority, nor the Department or their respective officers, directors, employees, or agents be liable or responsible for any direct, incidental, indirect, special or consequential damages in connection with or arising out of this Loan Agreement or the Project or the existence, furnishing, functioning or use of the Project.

SECTION .06. Delivery of Documents . Concurrently with the execution and delivery of this Loan Agreement, the Municipality will cause each of the following items to be delivered to the Authority:

- (a) Executed counterparts of this Loan Agreement.
- (b) Copies of the Municipal Bond Resolution adopted May 7, 2018 by the governing body of the Municipality authorizing the execution and delivery of this Loan

Agreement and the Municipal Securities, certified by an authorized officer of the Municipality.

- (c) An arbitrage certificate and a closing certificate covering such matters as may be agreed upon by the Municipality and the Authority.
- (d) An opinion or opinions of the Municipality's counsel, which may be given by one or more counsel, covering such matters concerning the validity and tax status of the Municipal Securities as may be agreed upon by the Municipality and the Authority.
- (e) Such other certificates, documents, opinions and information as the Authority may require.

Items 2.06(b), (c), and (d) must be prepared and provided by the Municipality to the Authority prior to the Loan Closing for review and approval.

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ARTICLE III COVENANTS AND REPRESENTATIONS

SECTION .01. Covenants and Representations of Municipality

- (a) Performance Under Loan Agreement. The Municipality covenants and agrees (i) to maintain the Project in good repair and operating condition and (ii) to cooperate with the Authority and the Department in the observance and performance of the respective duties, covenants, obligations and agreements of the Municipality and the Authority under this Loan Agreement.
- (b) Completion of Project and Provision of Moneys Therefor. The Municipality covenants and agrees (i) to exercise its best efforts in accordance with prudent utility practice to complete the Project and to so accomplish such completion on or before the estimated Project completion date; and (ii) to provide from its own fiscal resources all moneys in excess of the total amount of the Loan required to complete the Project.
- (c) Disposition of Project. The Municipality covenants and agrees that it will not sell, lease, abandon or otherwise dispose of all or substantially all or any substantial portion of the Project or any other system which provides revenues for upkeep and maintenance of the Project except on ninety (90) days prior written notice to the Authority and, in any event, shall not sell, lease, abandon or otherwise dispose of the Project unless the following conditions are met: (i) the Municipality, with the approval of the Authority, shall assign this Loan Agreement and its rights and interests hereunder in accordance with Section 4.02 to the purchaser or lessee of the Project, which must be a political subdivision as defined in the Authority Act, and such purchaser or lessee shall assume all duties, covenants, obligations and agreements of the Municipality under this Loan Agreement; and (ii) the Authority, in its sole discretion, by appropriate action determines that such sale, lease, abandonment or other disposition will not adversely affect (A) the ability of the Municipality or its assignees to meet its duties, covenants, obligations and agreements under the Municipal Bond Resolution, (B) the value of this Loan Agreement as security for the payment of Authority Bonds and interest thereon, (C) the eligibility of interest on Authority Bonds then outstanding or which could be issued in the future for exclusion from gross income for purposes of federal income taxation, or (D) any agreement entered into by the Authority or the State through the Department with, or any condition of any grant received by the Authority or the State through the Department from, the United States of America, which is related to any SRF capitalization grant received by the Authority or the State through the Department.
- (d) Operation and Maintenance of Project. The Municipality covenants and agrees that it will, in accordance with prudent wastewater or drinking water treatment utility practice, as the case may be, (i) at all times operate the Project and the properties associated with and operated in conjunction with the Project and any business in connection therewith in an efficient manner, (ii) maintain the Project

in good repair, working order and operating condition, (iii) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments and improvements with respect to the Project so that at all times the enterprise or business carried on in connection therewith shall be properly and advantageously conducted; provided that this covenant shall not be construed as requiring the Municipality to expend any funds which are derived from sources other than the operation of the Project or other receipts of such Project which are not pledged under the Municipal Bond Resolution for such purpose, and provided further that nothing herein shall be construed as preventing the Municipality from doing so.

(e) The Municipality covenants and agrees that the proceeds of the Loan shall be used and expended in a manner consistent with the State Act and the SRF Act, all regulations and guidelines promulgated thereunder, and this Loan Agreement. The Authority affirms that expenditure for the Project as described in the loan application is consistent with the foregoing laws and documents.

(f) Records; Accounts.

(i) The Municipality will, to the extent required by generally accepted government accounting principles, keep accurate records and accounts for the utility (the "System Records") separate from its other records and accounts (the "General Records"). The System Records will be maintained in accordance with generally accepted government accounting principles and will be audited annually or biennially by an independent accountant, which audit may be part of the annual or biennial audit of the General Records of the Municipality. The System Records and General Records will be made available for inspection by the Authority and the Department at any reasonable time. A copy of the Municipality's audited financial statements, including all written comments and recommendations of the auditor, will be furnished to the Authority within 150 days of the close of the fiscal year or years being audited. The Municipality agrees that its financial reports for the year or years which it receives draws under this Agreement shall be prepared in accordance with the Federal Single Audit Act and the Federal Office of Management and Budget's Circular A-128.

(ii) The Municipality will keep, or cause to be kept, accurate records, if such records must be kept for compliance with the requirements of Section 148 of the Code, of each investment it makes in investment property (as that term is defined in Section 148(b) of the Code) acquired, directly or indirectly, with proceeds of the Authority Bonds. The Authority will advise the Municipality if the loan is not being funded with the proceeds of Authority Bonds. Further, with respect to such investments made by the Municipality which are not excepted from the computation of rebate under Section 148(f)(4) of the Code, the Municipality (A) will calculate, or cause to be calculated, the amount (the "rebate amount") that is to be

rebated to the United States Treasury pursuant to Section 148(f) of the Code, and (B) will for each computation date under Section 148(f) of the Code (or on any further periodic basis requested in writing by the Authority) remit the following to the Authority: (1) the calculations supporting the determination of the rebate amount and (2) an amount of money equal to the rebate installment then owed. To the extent any such rebate amounts (or the investment income thereon) are in excess of the Authority's rebate requirement allocable to the Municipal Securities, such amounts will be promptly returned by the Authority to the Municipality.

- (g) Inspections; Information. The Municipality will permit the Authority, the Department, and the Trustee, and any designated party to examine, visit and inspect, at any and all reasonable times, the property constituting the Project, and to inspect and make copies of any accounts, books and records, including (without limitation) its Systems Records, General Records, and any other records regarding receipts, disbursements, contracts, investments and any other matters relating thereto and to its financial standing, and will supply such reports and information as the Authority, the Department and the Trustee may reasonably require in connection therewith.
- (h) Insurance. The Municipality shall maintain or cause to be maintained, in force, insurance policies with responsible insurers or self insurance programs providing against risk of direct physical loss, damage or destruction of the Project, at least to the extent that similar insurance is usually carried by utilities constructing, operating and maintaining, works of the nature of the Project, including liability coverage, all to the extent available at reasonable cost but in no case less than will satisfy all applicable regulatory requirements. The Authority, the Department and the Trustee may require the Municipality to provide them with evidence of insurance on the Project.
- (i) Costs of Project. The Municipality certifies that the Costs of the Project provided to the Authority are a reasonable and accurate estimation, and upon direction of the Authority will provide a certificate from its engineer stating that such Costs are a reasonable and accurate estimation.
- (j) Continuing Disclosure.
 - (i) So long as the Municipality shall constitute an obligated person within the meaning, of S.E.C. Rule 15c2-12 (the "Rule") as in effect from time to time, the Municipality agrees to furnish to the Authority such financial information and operating data with respect to the Municipality at such time and in such forms as the Authority shall reasonably request in order to comply with the provisions of the Rule and to provide notice to the Authority in a timely manner, not in excess of ten (10) business days after any of the following events with respect to the Municipal Securities:
 - (A) principal and interest payment delinquencies;

- (B) non-payment related defaults, if material;
 - (C) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (D) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (E) substitution of credit or liquidity providers, or their failure to perform;
 - (F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
 - (G) modifications to rights of security holders, if material;
 - (H) bond calls, if material, and tender officers;
 - (I) defeasances;
 - (J) release, substitution, or sale of property securing repayment of the securities, if material;
 - (K) rating changes;
 - (L) bankruptcy, insolvency, receivership or similar event of the Municipality;
 - (M) the consummation of a merger, consolidation, or acquisition involving the Municipality or the sale of all or substantially all of the assets of the municipality, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
 - (N) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (ii) The Municipality agrees that from time to time it will also provide notice to the Authority of the occurrence of other events, in addition to those listed above, if such other events are material with respect to the Municipal Securities.
 - (iii) The Municipality will provide, in a timely manner, to the Authority, notice of a failure to satisfy the requirements of this paragraph (j).

- (iv) The intent of the Municipality's undertaking pursuant to this paragraph (j) is to facilitate the Authority's ability to comply with the requirements of the Rule. Accordingly, the Municipality agrees to provide the Authority with any information the Authority may reasonably require in order to comply with the requirements of the Rule, as in effect from time to time.
- (v) To the extent the Rule no longer requires issuers of municipal securities to provide all or any portion of the information the Municipality has agreed to provide pursuant to this paragraph (j), the obligation of the Municipality to provide such information pursuant to this paragraph also shall cease immediately.
- (vi) The Municipality will promptly notify the Authority of any material adverse change in the activities, prospects or condition (financial or otherwise) of the Municipality, or in the ability to make all Loan Repayments and otherwise observe and perform its duties, covenants, obligations, and agreements under this Loan Agreement and the Municipal Securities.
- (vii) The sole remedy available to the Authority or to any other person for the failure of the Municipality to comply with any provision of this paragraph (j) shall be an action for specific performance of the Municipality's obligations under this paragraph.
- (k) No Free Service. The Municipality will not furnish or supply, or cause to be furnished or supplied, any use, output, capacity or service of the Project free of charge to any person, firm, corporation (public or private), public agency or instrumentality other than the Municipality itself.
- (l) Commencement of Construction. The Municipality shall initiate construction of the Project within twelve (12) months after the Loan Closing.
- (m) Archeological Artifacts. In the event that archaeological artifacts or historical resources are unearthed during construction excavation, the Municipality shall stop, or cause to be stopped, construction activities and will notify the superintendent of the State Historical Board of North Dakota and the Authority or the Department of such unearthing and follow all applicable state and federal laws and regulations governing such occurrence.
- (n) Additional Covenants and Requirements. If necessary in connection with the Authority's issuance of the Authority Bonds or the making of the Loan, additional covenants and requirements will be evidenced by certificates or other documents in the form or forms as may be agreed upon by the Municipality and the Authority.
- (o) Continuing Representations. The covenants and representations of the Municipality contained herein shall be true at the time of the execution of this Loan Agreement and the Municipality agrees that such covenants and

representations will be binding and enforceable at all times during the term of this Loan Agreement.

- (p) No Lobbying. No portion of the Loan may be used for lobbying or propaganda as prohibited by 18 U.S.C. §1913 or Section 607(a) of Public Law 96-74 or other federal restriction or regulation referenced in the form of North Dakota State Revolving Fund Program Certificate Relating to Lobbying and Litigation which is attached as Exhibit C to this Loan Agreement and shall be executed by the Municipality.
- (q) Buy American Requirements. The Municipality covenants and agrees that it will comply with the requirements described as follows:
 - (i) The Municipality will comply with all federal requirements applicable to the Loan (including those imposed by the 2014 Appropriations Act and related SRF Policy Guidelines) which the Municipality understands includes, among other requirements, that all of the iron and steel products used in the Project are to be produced in the United States (“American Iron and Steel Requirement”) unless (a) the Municipality has requested and obtained a waiver from the Department’s Municipal Facilities Division (“Department”) pertaining to the Project or (b) the Department or Authority has otherwise advised the Municipality writing that the American Iron and Steel Requirement is not applicable to the Project.
 - (ii) The Municipality will comply with all record keeping requirements under the Clean Water Act/Safe Drinking Water Act, including any reports required by a federal agency, the Department or the Authority such as performance of program deliverables, information on costs and Project progress. The Municipality understands that (a) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (b) failure to comply with the Clean Water Act/Safe Drinking Water Act and this Loan Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Municipal Securities and/or other remedial actions.
- (r) Compliance with Davis Bacon Act. The Municipality shall, to the extent applicable to the Loan or any related grant, comply with the Davis Bacon and Related Acts requirements. 40 U.S.C. 3141, et seq.

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ARTICLE IV ASSIGNMENT

SECTION .01. Assignment and Transfer by Authority

- (a) The Municipality acknowledges that, other than the Administrative Fees payable pursuant to the Municipal Bond Resolution, all interests of the Authority in and under this Loan Agreement and the Municipal Securities have been pledged as security for the Authority Bonds, and that if any Event of Default shall occur, the Authority or the Trustee shall be entitled to act hereunder. The Municipality hereby acknowledges and consents that the Authority or the Trustee may compel or enforce the right to receive payments required to be made by the Municipality hereunder and may compel or otherwise enforce observance and performance by the Municipality of its other duties, covenants, obligations and agreements hereunder, and that the right and authority to enforce such requirements may be further transferred, assigned, and reassigned in whole or in part to one or more assignees or subassignees without the necessity of obtaining the consent of, but after giving prior written notice to, the Municipality.
- (b) In the event of any assignment or transfer of this Loan Agreement and the Municipal Securities, the Authority shall retain the right to compel or otherwise enforce observance and performance by the Municipality of its obligations and agreement to pay Administrative Fees.

SECTION .02. Assignment by Municipality

- (a) This Loan Agreement may not be assigned by the Municipality unless the following conditions shall be satisfied: (i) the Authority shall have approved the assignment in writing; (ii) the assignee shall be a governmental unit within the meaning of Section 141(c) of the Code, shall be a political subdivision as defined in the Authority Act and shall have expressly assumed in writing the full and faithful observance and performance of the Municipality's duties, covenants, agreements and obligations under this Loan Agreement; (iii) immediately after such assignment, the assignee shall not be in default in the performance or observance of any duties, covenants, obligations or agreements of the Municipality under this Loan Agreement; (iv) the Authority shall have received an opinion of bond counsel to the effect that the assignment will not adversely affect the exclusion of interest on the Authority Bonds from gross income for purposes of Federal income taxation under Section 103(a) of the Code; and (v) the Authority shall have received an opinion of its counsel to the effect that such assignment will not violate the provisions of any agreement entered into by the Authority or the State through the Department with, or any condition of any grant received by the Authority or the State through the Department from, the United States of America, which is related to any SRF capitalization grant received by the Authority or the State through the Department.
- (b) No assignment under this Section shall relieve the Municipality from primary liability for any of its obligations under this Loan Agreement and in the event of

such assignment, the Municipality shall continue to remain primarily liable for the performance and observance of its obligations to be performed and observed under this Loan Agreement.

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ARTICLE V DEFAULTS AND REMEDIES

SECTION .01. Events of Default . If any of the following events occur, it is hereby defined and declared to be and to constitute an Event of Default:

- (a) Failure by the Municipality to pay, or cause to be paid, any payment, including the payment of principal and interest on the Municipal Securities, required to be paid hereunder when due.
- (b) Failure by the Municipality to make, or cause to be made, any required payments of principal, redemption premium, if any, and interest on any bonds, notes or other obligations of the Municipality for borrowed money (other than the Loan and the Municipal Securities and after giving effect to any applicable grace period), the payments of which are secured by any revenues derived or to be derived from the Project.
- (c) Failure by the Municipality to pay, or cause to be paid, the Administrative Fee or any portion thereof when due or to perform or observe any other covenant, agreement or condition on its part to be observed or performed under this Loan Agreement, other than as referred to in paragraph (a) of this section, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Municipality by the Authority, unless the Authority shall agree in writing to an extension of the time prior to its expiration; however, if the failure stated in such notice is correctable but cannot be corrected within the applicable period, the Authority may not unreasonably withhold its consent to an extension of time up to 120 days from the delivery of the written notice referred to above if corrective action is instituted by the Municipality within the applicable period and diligently pursued until the Event of Default is corrected.
- (d) Any representation made by or on behalf of the Municipality contained in this Loan Agreement or in any instrument furnished in compliance with or with reference to this Loan Agreement or the Loan or in connection with the Municipal Securities, is false or misleading in any material respect.
- (e) A petition is filed by or against the Municipality under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless in the case of any such petition filed against the Municipality such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal; or the Municipality shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee of the Municipality or any of its property) shall be appointed by court order or take possession of the Municipality or its property or assets if such order remains in effect or such possession continues for more than thirty (30) days.

SECTION .02. Notice of Default . The Municipality shall give the Authority prompt telephonic notice of the occurrence of any Event of Default at such time as any senior administrative or financial officer of the Municipality becomes aware of the existence thereof. Any telephone notice pursuant to this Section 5.02 shall be confirmed in writing as soon as practicable by the Municipality.

SECTION .03. Remedies on Default . Whenever an Event of Default referred to in Section 5.01 shall have occurred and be continuing, the Authority shall have the right to take, or to direct the Trustee or its authorized agent to take, any action permitted or required to be taken under the Municipal Bond Resolution or this Loan Agreement and to take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the performance and observance of any duty, covenant, obligation or agreement of the Municipality hereunder.

SECTION .04. Application of Moneys . Any moneys collected by the Authority pursuant to Section 5.03 shall be applied (a) first, to pay interest due and payable on the Municipal Securities, (b) second, to pay principal due and payable on the Municipal Securities, (c) third, to pay any other amounts due and payable under this Loan Agreement.

SECTION .05. No Remedy Exclusive; Waiver; Notice . No remedy herein conferred upon or reserved to the Authority or the Trustee, is intended to be exclusive and every remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such remedy or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority or the Trustee, to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article V.

SECTION .06. Retention of Authority's Rights . Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof or of the Municipal Bond Resolution, or anything else to the contrary contained herein, the Authority shall have the right upon the occurrence of an Event of Default to take any action, including (without limitation) bringing an action against the Municipality at law or in equity, as the Authority may, in its discretion, deem necessary to enforce the obligations of the Municipality to the Authority pursuant to this Loan Agreement and the Municipal Bond Resolution.

SECTION .07. Default by Authority . In the event of any default by the Authority under any covenant, agreement or obligation of this Loan Agreement, the Municipality may pursue any available remedy at law or in equity, including without limitation suit for damages or injunction, special action, action for specific performance or any other available equitable remedy designed to enforce the performance or observance of any duty, covenant, obligation or agreement of the Authority hereunder as may be necessary or appropriate.

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ARTICLE VI MISCELLANEOUS

SECTION .01. Notices . All notices, certificates or other communications under this Loan Agreement shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the Municipality, the Authority and the Department at the following addresses:

(a) Authority:

North Dakota Public Finance Authority
1200 Memorial Highway
P.O. Box 5509
Bismarck, North Dakota 58506-5509
Attention: Executive Director

(b) Department:

North Dakota State Department of Health
Municipal Facilities
918 East Divide Avenue, 3rd Floor
P.O. Box 5520
Bismarck, ND 58501-1947

(c) Municipality:

City of Minot
515 2nd Avenue SW
Minot, ND 58702

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent, by notice in writing given to the others.

SECTION .02. Binding Effect . This Loan Agreement shall inure to the benefit of and shall be binding upon the Department, the Authority and the Municipality and their respective successors and assigns.

SECTION .03. Severability . In the event any provision of this Loan Agreement shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision.

SECTION .04. Amendments, Supplements and Modifications . This Loan Agreement may not be amended, supplemented or modified without the prior written consent of the Authority and the Municipality.

SECTION .05. Execution in Counterparts . This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION .06. Applicable Law . This Loan Agreement shall be governed by and construed in accordance with the laws of the State of North Dakota.

SECTION .07. Consents and Approvals . Whenever the written consent or approval of the Authority is required under the provisions of this Loan Agreement, such consent or approval may only be given by the Authority unless otherwise provided by law or by rules, regulations or resolutions of the Authority or unless expressly delegated to the Authority's agent.

SECTION .08. Captions . The captions or headings in this Loan Agreement are for convenience only and shall not in any way define, limit or describe the scope or intent of any provisions or Sections of this Loan Agreement.

SECTION .09. Further Assurances . The Municipality will, at the request of the Authority, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Loan Agreement and the Municipal Securities.

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NORTH DAKOTA PUBLIC FINANCE
AUTHORITY

By: _____
DeAnn Ament, Executive Director

[Signature Page – Loan Agreement (Series 2018C)]

CITY OF MINOT, NORTH DAKOTA

By: _____
Chuck Barney, Mayor

ATTEST:

Kelly Matalka, City Clerk

[Signature Page – Loan Agreement (Series 2018C)]

EXHIBIT A

DESCRIPTION OF PROJECT

Construct improvements to the Municipality's water and sewer utility, including floodwalls, a large storm water pump station, sanitary sewer lines, waterlines, storm sewer lines and a sanitary lift and storm sewer lift.

EXHIBIT B

MUNICIPAL SECURITIES PAYMENT SCHEDULE

EXHIBIT C

NORTH DAKOTA STATE REVOLVING FUND PROGRAM
CERTIFICATE RELATING TO LOBBYING AND LITIGATION

The undersigned hereby certify that they are, respectively, the duly elected or appointed, qualified and acting Mayor and Director of Finance and Administrative Services of the Municipality (as defined in the North Dakota State Revolving Fund Program Loan Agreement of even date (the "Loan Agreement")), and as such officials, they are familiar with the Municipality's property, affairs, and records, and the undersigned, as such officials, hereby further acknowledge, agree, and certify as follows:

1. No grant or loan funds awarded under this State Revolving Fund Program will be used to engage in lobbying of the Federal Government or in litigation against the U.S. unless authorized under existing law. The Municipality shall abide by OMB Circulars A-21, A-87, and A-122, which generally prohibit the use of federal grant funds for litigation against the U.S. or for lobbying or other political activities.

2. The Municipality will comply with Title 40 CFR Part 34, New Restrictions on Lobbying. The Municipality shall incorporate or refer to the language of this provision in the Loan Agreement for all loans exceeding \$100,000.

3. In accordance with the Byrd Anti-Lobbying Amendment, any Municipality which makes a prohibited expenditure under Title 40 CFR Part 34 or fails to file the required certification or lobbying forms shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure.

Dated: [_____], 2018.

CITY OF MINOT, NORTH DAKOTA

By _____
Mayor

By _____
City Clerk