

Exhibit C

Draft 9/14/2021

AMENDED AND RESTATED LOAN AGREEMENT

between

CITY OF DULUTH, MINNESOTA

and

DULUTH AIRPORT AUTHORITY

Dated as of November 3, 2021

Relating to:

City of Duluth
\$ _____ Taxable General Obligation Airport Refunding Bonds
Series 2021D

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THIS AMENDED AND RESTATED LOAN AGREEMENT (the “Agreement”) made as of November 3, 2021, by and between the CITY OF DULUTH, MINNESOTA, a home rule charter city and political subdivision of the State of Minnesota (the “City”) and the DULUTH AIRPORT AUTHORITY, an authority created and existing under the Laws of Minnesota 1969, Chapter 577, as amended (the “Authority”).

WITNESSETH:

WHEREAS, the Authority was created pursuant to Minnesota Laws 1969, Chapter 577, as amended (the “Act”), to administer, promote, control, direct, manage and operate all airports of the City. The Authority constructed a new terminal facility at the Duluth International Airport, including a new parking ramp, access road and aprons in 2012 and 2013 (the “Project”); and

WHEREAS, the City has received grants from the State of Minnesota in the amount of \$16,600,000 for the Project, and the Authority has received grants for the Project from the Federal Aviation Administration and TSA in the amount of \$48,088,363 and from the State of Minnesota in the amount of \$4,500,000; and

WHEREAS, the Authority was in need of additional matching funds in the amount of \$7,650,000 for the Project, costs of issuance and capitalized interest; and

WHEREAS, at the request of the Authority, the City issued its Taxable General Obligation Airport Refunding Bonds, Series 2012B, in the amount of \$7,650,000 (the “2012 Bonds”) and loaned the proceeds thereof to the Authority to provide the additional funds for the Project and provide for the costs of issuance of the Bonds and capitalized interest; and

WHEREAS, the City loaned the proceeds of the 2012 Bonds to the Authority pursuant to a Loan Agreement dated as of May 24, 2012 (the “2012 Loan Agreement”); and

WHEREAS, the Authority needed additional matching funds in the amount of \$3,400,000 for completion of the parking ramp facilities portion of the Project, costs of issuance and capitalized interest; and

WHEREAS, at the request of the Authority, the City issued its Taxable General Obligation Airport Improvement Bonds, Series 2013B (the “2013 Bonds”), in the amount of \$3,400,000 and loaned the proceeds thereof to provide additional funds to complete the Project and provide for the costs of issuance and capitalized interest; and

WHEREAS, the City loaned the proceeds of the 2013 Bonds to the Authority pursuant to a Loan Agreement dated December 18, 2013 (the “2013 Loan Agreement”); and

WHEREAS, pursuant to Section 5, Subd. 2(f) and Section 9 of the Act, the Authority has the power and authority to obtain loans of money and enter into any agreement required in connection therewith and to issue revenue bonds for the financing of a project and to pledge revenues of the Authority for the payment thereof; and

WHEREAS, the Authority has requested that the City refinance the 2012 Bonds for debt service savings and a reduction in the loan repayments under the 2012 Loan Agreement; and

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WHEREAS, it is necessary and desirable for the City and the Authority to enter into this Agreement to amend and restate the 2012 Loan Agreement to set forth the terms and conditions of the Loan (as hereinafter defined).

NOW, THEREFORE, in the joint and mutual exercise of their powers and in consideration of mutual covenants herein contained, the parties hereto recite and agree as follows:

ARTICLE I – Definitions and Rules of Construction

Section 1.1 Definitions. Unless the context otherwise requires, the terms in this Agreement shall, for all purposes of this Agreement, have the meaning hereinafter specified, unless the context clearly otherwise requires:

2012 Bonds: means the City of Duluth \$7,650,000 Taxable General Obligation Airport Improvement Bonds, Series 2012B, dated May 24, 2012, as the date of original issue.

2012 Loan: means the loan from the City to the Authority of the proceeds of the 2012 Bonds.

2013 Bonds: means the City of Duluth \$3,400,000 Taxable General Obligation Airport Improvement Bonds, Series 2013B, dated December 18, 2013, as the date of original issue, and City bonds issued to refund such Series 2013B Bonds.

2013 Loan: means the loan from the City to the Authority of the proceeds of the 2013 Bonds.

Bond Year: means the 12 months closing on February 1 of each year commencing with the Bond Year closing on February 1, 2022.

Bonds: means the City of Duluth \$ _____ Taxable General Obligation Airport Refunding Bonds, Series 2021D, dated November 3, 2021, as the date of original issue, and City bonds issued to refund such Series 2021D Bonds.

CFC: means the Customer Facilities Charge imposed by the Authority on car rentals initiated at the Authority's facilities.

Debt Service Account: means the 2021D Refunding Bonds Debt Service Account established for the Bonds within the City's debt service fund for general obligation bonds which shall be used to pay the principal of and interest on the Bonds.

General Revenues: means revenues of the Authority generated from Authority operations pursuant to the Act.

Loan Repayments: means the payments from the Authority to the City described in Section 3.2 hereof.

PFC: means the Passenger Facility Charge imposed by the Authority on airline tickets for passengers utilizing the Project.

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Tax Levy: means the ad valorem tax levy to pay the principal of and interest on the Bonds as set forth in the Bond Resolution.

Section 1.2 Severability. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation, payment and performance of the Loan.

Section 1.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

ARTICLE II – Issuance of the Bonds

Section 2.1 Agreement to Issue Bonds. The City agrees to issue the Bonds and lend the proceeds to the Authority for refunding the 2012 Bonds and for the cost of issuance of the Bonds.

Section 2.2 Refunding of 2012 Bonds. The City's and the Authority's plan of finance for the payment and prepayment of the 2012 Bonds and the prepayment of the 2012 Loan is as follows: (i) pursuant to the 2012 Loan Agreement, the Authority has deposited with the City \$_____ for payment of the principal and interest due on the 2012 Bonds on February 1, 2022; (ii) the Authority has deposited with the City \$590,000 from General Revenues of the Authority, as a prepayment of a portion of the 2012 Loan and for deposit in the 2012 Bonds Debt Service Account; and (iii) proceeds of the Bonds in the amount equal to \$_____ which together with the \$_____ will be sufficient to pay, prepay and redeem the outstanding 2012 Bonds and the 2012 Loan on February 1, 2022, and pay the cost of issuance of the Bonds.

Section 2.3 Status of 2012 Loan and 2013 Loan. As of the date hereof and after the deposit of the amounts set forth in Section 2.2 hereof (i) the 2012 Loan shall be repaid and shall no longer be outstanding, and the 2012 Loan Agreement shall be as amended and restated pursuant to this Agreement; and (ii) the 2013 Loan shall remain outstanding, and the 2013 Loan Agreement shall be in full force and effect.

ARTICLE III – Loan Terms and Conditions

Section 3.1 The Loan. The City agrees, upon the terms and conditions in this Agreement, to lend to the Authority from the sale of the Bonds (the "Loan") \$_____, for the uses of such proceeds as set forth in Section 2.2 hereof.

Section 3.2 Repayment of Loan. The Authority covenants and agrees to repay the Loan, together with interest thereon, in Loan Repayments which in the aggregate shall be in an amount sufficient to pay in full and when due, all of the principal of and interest on the Bonds. To provide for the repayment of the Loan hereunder, until the principal of and interest on the Bonds have been finally paid or provision for payment thereof shall have been made in accordance with

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the Bond Resolution, the Authority covenants and agrees to pay to the City the following amounts from PFC, CFC and to the extent needed, the General Revenues of the Authority:

(a) On each December 1, commencing with December 1, 2021, the Authority shall deposit in the Debt Service Account for the Bonds maintained by the City the amount due on the Bonds during the next Bond Year; and

(b) On demand of the City, any additional costs incurred by the City in connection with the Bonds, including, but not limited to bond registrar fees and expenses.

The amount of the Loan Repayment due on each December 1 is set forth on Exhibit A hereto, and the anticipated payments from PFC and CFC are set forth on Exhibits A-1 and A-2, respectively. If the funds generated by the PFC and CFC are ever insufficient to make such scheduled payments, the Authority shall nevertheless make the full Loan Repayment from General Revenues.

The Authority understands that the City has provided for the Tax Levy in the Bond Resolution and it can only cancel the Tax Levy if and to the extent funds are on deposit in the Debt Service Account prior to the date the City establishes its annual tax levy, which occurs on or about December 15 of each year.

Section 3.3 Prepayment of Loan. The Authority may prepay the Loan with the written consent of the City's chief administrative officer and in connection with the prepayment and redemption of the Bonds as permitted by the Bond Resolution.

ARTICLE IV – Representations, Covenants and Warranties

Section 4.1 Representations, Covenants and Warranties of the City. The City represents, covenants and warrants as follows:

(a) The City is a duly formed and validly existing municipal corporation and political subdivision of the State, governed by the Constitution and laws of the State and its home rule charter.

(b) The officers of the City executing this Agreement have been duly authorized to execute and deliver this Agreement and perform its obligations hereunder pursuant to the terms and provisions of a resolution of the Council.

Section 4.2 Representations, Covenants and Warranties of the Authority. The Authority represents, covenants and warrants as follows:

(a) The Authority is a duly formed and validly existing authority of the City, governed by the Constitution and laws of the State, including the Act.

(b) The laws of the State authorize the Authority to enter into this Agreement and the transactions contemplated hereby, and to carry out its obligations hereunder, and that the Loan is a revenue obligation within the meaning of Section 5, Subd. 2(f) and Section 9 of the Act.

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(c) The officers of the Authority executing this Agreement have been duly authorized to execute and deliver this Agreement and perform its obligations hereunder, pursuant to the terms and provisions of a resolution of the Board of Directors of the Authority adopted on September 21, 2021.

(d) The Authority will to the fullest possible extent join with the City in fulfilling the City's pledges set forth in the Bond Resolution.

(e) The Authority shall (i) keep the Project in good condition and repair, normal depreciation excepted; (ii) from time to time replace any worn, broken or defective portion thereof; (iii) promptly notify the City of any material loss of or material damage to the Project or of any material adverse change in the prospect of payment of any account, instrument and other right to payment constituting PFC, CFC or General Revenues; and (iv) at the City Treasurer's office and Authority's chief executive office, keep accurate and complete records pertaining to the Authority's financial condition, business and property.

(f) The Authority shall exercise due care in the use, operation and maintenance of the Project, and shall not install, use, operate or maintain the Project improperly, carelessly, in violation of any state and federal law or for a purpose or in a manner contrary to that contemplated by this Agreement or the Bond Resolution. The Authority shall comply with all state and federal laws applicable to the use, possession, management and operation of the Project, and if compliance with any such state and federal law requires changes or additions to be made to the Project, such changes or additions shall be made by the Authority at the Authority's expense.

(g) The Authority confirms its obligations under the 2013 Loan Agreement.

ARTICLE V – Events of Default

Section 5.1 Enforcement of Covenants. Upon an Event of Default hereunder, the non-defaulting party may perform or observe such agreement and take any action which the non-defaulting party may deem necessary or desirable to cure or correct such failure.

Section 5.2 Events of Default. The occurrence of any of the following events shall constitute an "Event of Default": any default in the payment or performance of any term of this Agreement by either party which continues after 30-days' written notice by the other party.

Section 5.3 Remedies. Upon the occurrence of any Event of Default and at any time thereafter, the non-defaulting party may exercise and enforce any and all rights and remedies available upon default under this Agreement and any other applicable agreements and laws.

Section 5.4 Notices on Default. If notice to the City or the Authority is required, such notice shall be deemed reasonably and properly given if mailed by regular or certified mail, postage prepaid, to the City or the Authority at the addresses stated in Section 6.2 of this Agreement at least 10 days prior to the action described in such notice.

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IN WITNESS WHEREOF, the duly authorized officers of the parties hereto affix their signatures, all as of the date first written above.

CITY OF DULUTH, MINNESOTA

Mayor

Attest:

Clerk

Countersigned:

City Auditor

Approved as to form:

City Attorney

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DULUTH AIRPORT AUTHORITY

By _____
Its President

By _____
Its Secretary

Approved as to form:

Assistant City Attorney

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EXHIBIT A

Authority Loan Repayment Schedule

Payment Date	Bond Year	Payment Amount from Authority to City
12/01/2021	02/02/2022 through 02/01/2023	*
12/01/2022	02/02/2023 through 02/01/2024	
12/01/2023	02/02/2024 through 02/01/2025	
12/01/2024	02/02/2025 through 02/01/2026	
12/01/2025	02/02/2026 through 02/01/2027	
12/01/2026	02/02/2027 through 02/01/2028	

*\$ _____, the rounding amount as set forth in the Bond Resolution, is available to reduce the 12/01/2021 Payment Amount.

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EXHIBIT A-1

Anticipated Payments from Passenger Facility Charge

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EXHIBIT A-2

Anticipated Payments from Customer Facilities Charge