

Exhibit B

MINNESOTA PUBLIC FACILITIES AUTHORITY BOND PURCHASE AND PROJECT LOAN AGREEMENT

This BOND PURCHASE AND PROJECT LOAN AGREEMENT ("the Agreement"), is between the Minnesota Public Facilities Authority (the "Authority") and the City of Duluth ("Recipient") and is dated November 5, 2021.

The Project consists of rehabilitation of the Middle Booster Station including replacement and upgrades to existing pumps, motors, and piping ("the Project"). The Project is further described and detailed in the MN Department of Health's certification(s) dated April 16, 2021 and in the Recipient's Project application which is incorporated herein.

Program Funding for the Project	Name	Legal citations	Funding IDs	Amounts
Drinking Water State Revolving Fund Loan	("the Loan")	MS 446A.081; MN Rules 7380 .0250-.0297	MPFA-DWRF-L-024-FY22	\$3,857,531
Total Authority Project Financing:				\$3,857,531

ARTICLE 1 – TERMS AND CONDITIONS

Section 1.1 Terms. (a) General: The Authority hereby commits, subject to the availability of funds and the conditions and legal citations herein set forth, to provide THREE MILLION EIGHT HUNDRED FIFTY SEVEN THOUSAND FIVE HUNDRED THIRTY ONE DOLLARS (\$3,857,531) to the Recipient for the purpose of financing eligible costs of the Project.

(b) Loan: The Loan shall be evidenced by the Note described in Section 1.4 of this Agreement (the "Note"). The final maturity date of the Loan will be August 20, 2042. The aggregate principal amount of the Loan disbursed and outstanding will bear interest and servicing fees collectively at the rate of 1.003% per annum accruing from and after the date of the Note through the date on which no principal of the Loan remains unpaid and all accrued interest and servicing fees thereon have been paid.

(c) Grant(s): This subsection is intentionally left blank.

Section 1.2 Authority Sources of Funds. (a) The Recipient acknowledges that the Authority may use the proceeds of one or more series of the Authority's revenue bonds (the "Bonds"), federal capitalization grants, proceeds of state general obligation bonds, state appropriations from the Clean Water Legacy Fund, or other funds of the Authority, or a combination thereof, to fund the Agreement.

(b) At the written request of the Recipient, the Authority will provide information with respect to the funding of the Agreement, from time to time.

(c) Allocation and pledging of Loan: The Authority may, at any time, pledge the Loan as security for its Bonds. The Authority in its sole discretion may allocate the Loan to one or more sources of funds and may from time to time reallocate the Loan to one or more different sources of funds, including one or more different series of Bonds (whether or not that series of Bonds refunded the series of Bonds to which the Loan was originally allocated), or may sell the Loan if permitted by the documents relating to its Bonds.

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Section 1.3 Disbursements. (a) Delivery of Note: No funds will be disbursed by the Authority to the Recipient until the Recipient has delivered its Note to the Authority as set forth in section 1.4.

(b) All Recipient disbursement requests will be subject to Authority approval and will be disbursed on a cost reimbursement basis, consistent with the budget presented in the Recipient's application. The Authority may withhold or disallow all or part of the amount requested if the Authority determines the request is not in compliance with this Agreement, applicable federal and state laws, regulations or rules as then in effect.

(c) The Authority will disburse funds pursuant to approved disbursement requests complying with the provisions of this Agreement. Each disbursement request must be for eligible costs for completed work on the Project and must be submitted on or before the deadlines established by the Authority and on a form prescribed by the Authority. Each disbursement request must include supporting invoices and billing statements and be signed by an employee or elected official of the Recipient.

(d) The Authority will reimburse the Recipient for eligible Project costs incurred prior to the execution of this Agreement only to the extent approved in connection with the Authority's approval of the Recipient's application.

(e) The Authority will make disbursements to the Recipient within 30 days of receipt of the Recipient's request, unless the Authority determines to withhold disbursement in accordance with the provisions of this Agreement. The Authority will endeavor to pay disbursement requests submitted by the Recipient not later than the 15th day of the month by the last day of the same month.

(f) If the entire amount specified in Section 1.1 is not fully disbursed by June 30, 2025 the Authority will not make any further disbursements. In that event or if final eligible Project costs are less than the total financing amount specified in Section 1.1, the undisbursed balance of the Loan will be applied to the outstanding principal installments of the Loan on a pro rata basis or as otherwise determined by the Authority. The Authority will revise Exhibit A to this Agreement to reflect the reduction in principal amount and promptly deliver a copy to the Recipient.

Section 1.4 Security. (a) The Recipient must issue to the Authority its General Obligation Revenue Note to evidence its obligation to repay the Loan. The Authority will not disburse funds to the Recipient under this Agreement until the Recipient delivers to the Authority the executed Note, a certified copy of resolutions or other authority by the appropriate governing body or bodies as have authorized the execution and performance of this Agreement and the Note in accordance with applicable law, and all opinions, certificates and documents requested by, and in a form acceptable to, the Authority.

(b) The Recipient represents and agrees that the Note is a general obligation debt of the Recipient and will be shown as such on its financial statements and be treated in all respects as a general obligation debt of the Recipient. For purposes of permitting sale of the Note to the Authority, the Authority represents that it is a "board, department or agency" of the State of Minnesota within the meaning of Minnesota Statutes, Section 475.60, subdivision 2, clause (4), as amended.

(c) The obligations of the Recipient under the Note evidence amounts payable under the Loan. Each payment made pursuant to the Note will be deemed to be a credit against the corresponding obligation of the Recipient under the Loan and any such payment will fulfill the Recipient's obligation to pay that amount hereunder.

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(d) The Recipient agrees to impose and collect rates and charges in compliance with Minnesota Statutes and in accordance with the Recipient's service charge system, so that sufficient gross revenues are available, together with other sources as may be applicable, for the payment of system costs, including operation and maintenance expenses and principal, interest and servicing fees due on any outstanding debt payable from those revenues. The Recipient agrees to annually review and ensure that the gross revenues are sufficient for the payment of all system costs.

Section 1.5 Mandatory Payments. (a) The Recipient must repay the principal amount of the Loan, together with accrued interest and servicing fees, in the amounts and on the dates set forth in Exhibit A attached hereto (notwithstanding the rate of disbursement of the proceeds of the Loan), subject to adjustment as set forth in Section 1.3 or 1.6. The interest payment shown on Exhibit A is for informational purposes only; the actual interest payment will be the amount of interest which has accrued to the date of payment. The Authority will be entitled to retain for its own purposes any interest earnings on Loan proceeds that are not disbursed and will not be obligated to credit any such interest earnings against any required repayment of principal or payment of interest and servicing fees. Any payment of principal or interest received by the Authority in excess of the amounts set forth in Exhibit A, as then in effect, which is not a mandatory payment as designated in paragraph (b), or not expressly designated by the Recipient to be treated as an optional prepayment may, in the sole discretion of the Authority, be (i) held without interest payable by the Authority and applied to a future payment due on the Loan in a manner determined by the Authority, (ii) treated as a prepayment of principal on the Loan, or (iii) returned to the Recipient as an overpayment. Other than prepayments, the Authority will apply any payments received under the Note as follows: first, to the payment of any costs or expenses incurred by the Authority in enforcing any provision of the Note or this Agreement; second, to the payment of accrued and unpaid interest and servicing fees on the Note; and third, to the payment of principal of the Note then due.

(b) If the Recipient has pledged to the repayment of the Loan revenues subject to prepayment or lump-sum payments by a third party, such as special assessments or connection charges from another municipality, the Recipient will notify the Authority immediately upon receipt of any such payment. The Authority, in its sole discretion, may direct the Recipient to use the funds for the payment of eligible construction costs of the Project, or to transmit the funds to the Authority for payment on the Loan, immediately or at a later date. Any such payment received by the Authority may be applied to reduce each unpaid annual principal installment of the Loan in the proportion that such installment bears to the total of all unpaid principal installments, or, in the sole discretion of the Authority, may be applied to one or more future principal payments on the Loan in a manner determined by the Authority.

Section 1.6 Optional Prepayments. (a) The Recipient may not prepay the Loan except upon written consent of the Authority. If the Authority has consented, then upon 45 days' prior written notice to the Authority (or such lesser period as the Authority may accept), the Recipient may prepay the Loan and the Note, in whole or in part, on any February 20 or August 20 at a redemption price equal to the principal amount to be prepaid, together with accrued interest and servicing fees thereon to the redemption date and a premium equal to all fees and expenses of the Authority, if any, in connection with the prepayment, including any fees, expenses or other costs relating to the payment and redemption of the Bonds as determined by the Authority.

(b) The Authority may require that the Recipient, at its sole cost and expense, deliver to the Authority an opinion from a law firm, selected by the Authority, having a national reputation in the field of municipal finance law whose legal opinions are generally accepted by purchasers of municipal bonds

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("Bond Counsel") to the effect that such prepayment will not cause the interest on the Note to be included in the gross income of the recipient thereof for federal income tax purposes.

(c) The Authority will apply any amount paid by the Recipient to prepay all or a portion of the Note as follows: first, to the payment of fees, expenses and other costs of the Authority as provided in Subsection (a); second, to the payment of interest and servicing fees on the principal amount of the Note to be prepaid; and, third, to the principal of the Note. The principal amount of a partial prepayment will, in the sole discretion of the Authority, (i) be applied to one or more future principal payments of the Loan in a manner determined by the Authority, or (ii) be applied to reduce each unpaid annual principal installment of the Loan in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be re-amortized to provide proportionately reduced principal payments in each year).

ARTICLE 2 – RECIPIENT RESPONSIBILITIES AND PROJECT COMPLIANCE

Section 2.1 Recipient Responsibilities with Respect to the Project. (a) The Recipient must meet all requirements in the project application submitted to the Authority as to compliance with federal and state laws, rules and regulations and include in any contract or subcontract related to the Project provisions requiring contractor and subcontractor compliance with applicable state and federal laws. The requirements in that application are hereby incorporated by reference.

(b) The Recipient agrees to commence construction and complete the Project with reasonable diligence, regardless of the sufficiency of loans or grants therefor from the Authority to pay eligible project costs.

(c) The Recipient will not enter into a sale, lease, transfer or other use agreement of any part of the Project, or change the use of the Project, without the prior written approval of the Authority if that sale, lease, transfer, agreement or change in use would (i) violate the covenants set forth in Article 3 or Article 4, or (ii) violate the conditions under which any capitalization grants were furnished by the United States Environmental Protection Agency (the "EPA"), or (iii) otherwise violate any terms or conditions of this Agreement.

(d) The Recipient must maintain adequate property insurance coverage for the Project in those amounts and with those limits as it determines in good faith to be reasonable or in those amounts and with those limits as the Authority may require from time to time. The Recipient may substitute adequate, actuarially sound self-insurance or risk retention program(s) for property insurance coverage, so long as such program(s) are consistent with applicable laws and state and federal regulations.

(e) The Recipient must complete the Project in accordance with all applicable federal, state and local statutes, rules, regulations, ordinances, reporting requirements, approvals, and state agency certifications governing the design and construction of the Project, and operate the Project's system in compliance with all applicable federal and state laws and regulations and permit requirements.

(f) The Recipient agrees to exert all reasonable efforts to investigate claims that the Recipient may have against third parties with respect to the construction of the Project and, in appropriate circumstances, take whatever action, including legal action, the Recipient reasonably determines to be appropriate.

(g) Clean Water Legacy logo: This subsection is intentionally left blank.

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Section 2.2 Construction Compliance. (a) State prevailing wages: The Recipient must comply with the provisions of prevailing wage requirements set forth in Minnesota Statutes, Sections 177.41 to 177.44, as then in effect.

(b) Federal prevailing wages: In addition to the prevailing wage requirements under Subsection (a), the Recipient must comply with, and require that all laborers and mechanics employed by contractors and subcontractors on the Project be paid wages at rates not less than those prevailing on projects of a similar character in the locality as determined by the Secretary of Labor in accordance with, the Davis-Bacon Act (40 U.S.C., sec. 276a through 276a-5), as amended.

(c) Federal American Iron and Steel: The Recipient will comply with the American Iron and Steel requirements of the Safe Drinking Water Act, as amended by America's Water Infrastructure Act of 2018, unless the Project is granted a waiver from the EPA.

ARTICLE 3 – TAX COMPLIANCE COVENANTS

The Recipient acknowledges that the Note is intended to bear interest that is excluded from gross income of the owner thereof for federal and State of Minnesota income tax purposes (a "Tax-exempt Note") and may be funded by the Authority from the proceeds of the Authority's Bonds that are intended to bear interest that is excluded from gross income of the owner thereof for federal and State of Minnesota income tax purposes ("Tax-exempt Bonds"). The Recipient also acknowledges that, regardless of the source of funding, the Authority may pledge the Loan and the related Note as security for, and as a source of, the payment of debt service on any or all of its Tax-exempt Bonds. In consideration of these facts, the Recipient covenants and agrees with the Authority, whether or not strict compliance with those agreements is required to maintain the Note as a Tax-exempt Note or the Authority's Bonds as Tax-exempt Bonds, as follows:

(a) The Recipient will not take, or, to the extent under its control, permit to be taken, any action that would cause the Note not to be a Tax-exempt Note or any Authority Bonds not to be Tax-exempt Bonds and will not omit from taking, or cause to be taken, any action required to maintain the Note as a Tax-exempt Note or the Authority's Bonds as Tax-exempt Bonds.

(b) The Recipient will take all actions with respect to the Note necessary to comply with all instructions and requests of the Authority relating to maintaining the Authority's Bonds as Tax-exempt Bonds and the Note as a Tax-exempt Note or compliance with the agreements set forth in this Section or in any Tax Compliance Certificate (hereinafter defined).

(c) The Recipient will comply with all requirements of any certificate or agreement ("Tax Compliance Certificate") executed and delivered by it in connection with the issuance of the Note.

(d) The Recipient will promptly notify the Executive Director of the Authority in writing of any action or event which adversely affects the status of the Note as a Tax-exempt Note or any of the Authority's Bonds as Tax-exempt Bonds.

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(e) The Recipient will not use any of the proceeds of the Loan to pay the costs of any facility used or to be used during the term of the Loan for any private business use or to make a private loan within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code").

(f) The Recipient will not repay the Loan from, or secure repayment of the Loan by, property used or to be used for a private business use or payments in respect of such property within the meaning of Section 141 of the Code, except as specifically permitted in writing by the Authority.

(g) The Recipient will not establish any fund or account, other than a bona fide debt service fund, securing the payment of the Tax-exempt Note or Tax-exempt Bonds or from which the Recipient reasonably expects to pay debt service on the Loan, or in any other respect create "gross proceeds," within the meaning of the Code, of the Tax-exempt Note or Tax-exempt Bonds, except as specifically permitted in writing by the Authority. In addition, the Recipient will not invest any gross proceeds in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that investment would cause the Tax-Exempt Note or Tax-exempt Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(h) The Recipient will not invest any moneys constituting "gross proceeds" of the Tax-exempt Note or Tax-exempt Bonds other than in a fair market, arms' length transaction and at a yield, within the meaning of the Code, in excess of the lesser of the yield on the Tax-exempt Note or the Tax-exempt Bonds applicable to the Loan and will apply all Loan proceeds within five days of the receipt thereof by the Recipient consistent with the terms of the Recipient's disbursement request.

(i) Except as permitted under Treasury Regulations, Section 1.150-2, and Section 1.4(d) hereof, the Recipient will not use Loan proceeds to reimburse itself for any payments of project costs that the Recipient made from other funds, if the original payment was made prior to the earlier of the issuance of the Authority Bonds used to fund the Loan or the execution and delivery of this Agreement or if the original payment was made from the proceeds of other debt of the Recipient.

(j) Other than as provided in Section 4.1 hereof, the allocation by the Authority of funds it uses to purchase the Loan, including different series of Tax-exempt Bonds, is at the sole discretion of the Authority and that allocation is binding on the Recipient.

(k) With respect to any gross proceeds of the Tax-exempt Bonds created by the Recipient, the Recipient will be liable to the Authority for any amount the Authority is required to rebate to the United States as excess investment earnings pursuant to Section 148 of the Code.

The Authority may, in its sole discretion and only upon receipt of an opinion of counsel to the Authority, waive any of the agreements set forth in this Article 3.

ARTICLE 4 – COMPLIANCE WITH STATE BOND REQUIREMENTS

Section 4.1 State Bond Financed Property. The Recipient and the Authority acknowledge and agree that the Recipient's ownership interest in the Project, consisting of real property, and, if applicable, all facilities located, or that will be constructed and located, on that real property, and all equipment that is a part thereof, that was purchased with the proceeds of state general obligation bond proceeds

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constitutes "State Bond Financed Property", as that term is used in Minnesota Statutes, Section 16A.695 and the "Fourth Order Amending Order of the Commissioner of Finance Relating to Use and Sale of State Bond Financed Property" dated July 30, 2012 (the "Order"), as such may be amended, modified, supplemented, or replaced from time to time, and therefore the provisions contained in that statute and order apply to the Recipient's ownership interest in the Project and any Use contracts relating thereto. The Recipient agrees that the proceeds of the Agreement must be used, and the Project must be operated, in a manner that complies with Minnesota Statutes, Section 16A.695 and the Order. The Recipient must file the required state bond financed property declaration as provided in the Order and provide a copy of the filed declaration to the Authority, unless the filing requirement is waived in writing by the Commissioner of Minnesota Management and Budget.

Section 4.2 Lease or Management Contract. The Recipient agrees that any lease or management or similar contract (each a "Use Agreement") it enters into with respect to property constituting all or a part of the State Bond Financed Property must comply with the following requirements:

- (a) It must be for the express purpose of carrying out a governmental program established or authorized by law and established by official action of the Recipient.
- (b) It must be approved, in writing, by the Commissioner of Minnesota Management and Budget.
- (c) It must be for a term, including any renewals that are solely at the option of the lessee or manager, that is substantially less than the useful life of the property subject to that lease or management contract, but may allow renewal beyond that term upon determination by the Recipient that the use continues to carry out the governmental program.
- (d) It must be terminable by the Recipient if the other contracting party defaults under the contract, or if the governmental program is terminated or changed.
- (e) It must provide for oversight by the Recipient of the operation of the property that is the subject of the Use Agreement.
- (f) It must specifically identify the statute that provides the Recipient authority to enter into the Use Agreement.
- (g) It must contain a provision stating that the Use Agreement is being entered into in order to carry out a governmental program and must specifically identify the governmental program.

Section 4.3 Sale. The Recipient must not sell any property constituting all or a part of the State Bond Financed Property unless the sale complies with the following requirements:

- (a) The Recipient determines by official action that the property is no longer usable or needed by the Recipient to carry out the governmental program for which it was acquired or constructed.
- (b) The sale must be made as authorized by law.
- (c) The sale must be for fair market value as defined in Minnesota Statutes, Section 16A.695 as then in effect.

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(d) The Recipient obtains the prior written consent of the Commissioner of Minnesota Management and Budget.

Section 4.4 Changes to Minnesota Statute 16A.695 or the Order. In the event that Minnesota Statutes Section 16A.695 or the Order is amended in a manner that reduces any requirement imposed upon the Recipient, or if the Recipient's interest in the State Bond Financed Property is exempt from Minnesota Statutes, Section 16A.695 or the Order, then upon written request by the Recipient, the Authority will enter into and execute an amendment to this Agreement to implement that amendment to, or exempt the interest in the Project from, Minnesota Statutes, Section 16A.695 and the Order.

Section 4.5 Waiver. The Authority may waive the requirements of Article 4 at any time upon determination by the Authority, and after notifying the Commissioner of Minnesota Management and Budget, that the Project has not been and will not be funded from the proceeds of state general obligation bonds.

ARTICLE 5 – DISCLOSURE

Section 5.1 Information for Disclosure Documents. (a) The Recipient agrees to provide to the Authority such information with respect to the Recipient, its duties, operations and functions as may be reasonably requested by the Authority, and hereby consents to its inclusion in the Authority's official statement(s) used in connection with issuance and sale or the re-marketing of its Bonds or continuing disclosure with respect to its Bonds (collectively, the "Disclosure Documents"), whether or not all or a portion of the proceeds of Bonds were or will be loaned to the Recipient.

(b) At the request of the Authority, the Recipient will certify and represent that the information with respect to the Recipient in any Disclosure Document does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading; provided, however, that in no event will the Authority require the Recipient to make any representation about any other information in the Disclosure Documents or as to any Disclosure Document in its entirety. If for any reason the Recipient determines that it is not able to make that certification and representation, it will provide to the Authority the information for inclusion in the Disclosure Documents necessary for the Recipient to make the certification and representation.

(c) If at any time during the period ending 90 days after the date the Recipient provides information to Authority for inclusion in a Disclosure Document any event occurs that the Recipient believes would cause the information with respect to the Recipient in the Disclosure Document to omit a material fact or make the statements therein misleading, the Recipient agrees to promptly notify the Authority in writing of that event and provide information for inclusion in the Disclosure Document or an amendment thereof or a supplement thereto. At the request of the Authority, the Recipient will also provide the certification and representation required in (b) above with respect to that information.

(d) The Recipient agrees to provide such information as may be reasonably requested by any rating agency in connection with rating the Bonds of the Authority.

Section 5.2 Continuing Disclosure. If the Authority, in its sole discretion, determines, at any time prior to payment of the Loan in full, (i) that the Recipient is a material "obligated person," as the term

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"obligated person" is defined in Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto ("Rule 15c2-12") or (ii) that an event has occurred with respect to the Recipient or the Loan that must be disclosed under Rule 15c2-12, or (iii) that any other action of the Recipient has occurred which the Authority determines in its sole discretion is material to an investor in the Bonds, the Recipient covenants that it will authorize and provide to the Authority, for inclusion in a Disclosure Document, all statements and information relating to the Recipient deemed material by the Authority for the purpose of satisfying Rule 15c2-12 as well as Rule 10b-5 promulgated pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto ("Rule 10b-5"), including certificates and written representations of the Recipient evidencing satisfaction of the requirements of Rule 15c2-12 and Rule 10b-5. The Authority, in its sole discretion and as set forth in a resolution or official statement of the Authority, will determine materiality under each of clause (i) and clause (iii) pursuant to criteria established from time to time. The Recipient further covenants that, if determined to be such a material obligated person, it will execute and deliver a continuing disclosure agreement, in that form as the Authority determines to be necessary, desirable or convenient, in its sole discretion, for the purpose of meeting the requirements of Rule 15c2-12. Pursuant to the terms and provisions of that continuing disclosure agreement, the Recipient will thereafter provide ongoing disclosure with respect to all annual and event information and financial statements relating to the Recipient required by a continuing disclosure undertaking under Rule 15c-12. The Recipient further agrees that the Authority will have the right to disclose any information about the Recipient or the Loan, whether or not received from the Recipient, determined by the Authority in its sole discretion, to be material with respect to any of its Bonds.

ARTICLE 6 – SYSTEM REPLACEMENT FUND

This article is intentionally left blank.

ARTICLE 7 - FINANCIAL RECORDS, AUDITS, REPORTS AND INSPECTIONS

Section 7.1 Financial Recordkeeping. For all expenditures made pursuant to this Agreement, the Recipient must keep financial accounts and records in accordance with generally accepted accounting principles including invoices, contracts, receipts, vouchers and other documents sufficient to evidence in proper detail the nature and propriety of the expenditures and any investments made with proceeds of the Loan or other "gross proceeds" of the Note or the tax-exempt Bonds of the Authority. Such accounts and records must be accessible and available for a minimum of six years from the date of initiation of operation of the Project and for so long as the Note is outstanding for examination by authorized representatives of the Authority, the Office of the Legislative Auditor, the Office of the State Auditor and the EPA Office of Inspector General.

Section 7.2 Annual Financial Reports. (a) The Recipient must annually provide to the Authority for the term of the Loan a copy of an independent audit of its financial statements. All audit reports must be submitted within 30 days after the completion of the audit but no later than one year after the end of the fiscal year to be audited. The audits must be conducted in accordance with generally accepted government auditing standards and in compliance with Subpart F (Audit Requirements) of Title 2 U.S. Code of Federal Regulations Part 200.

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(b) The Recipient must describe the Note as general obligation debt of the Recipient in its annual audited financial statements for the term of the Loan.

Section 7.3 Annual Minority and Women Business Enterprise Report. If requested, the Recipient will submit to the Authority, within 20 days of the end of the annual reporting period, EPA Form 5700-52A to report on the award of prime contracts or subcontracts to any certified Minority and Women Business Enterprise (MBE/WBE) firms until the Project is complete.

Section 7.4 General. The Recipient must submit the project reports required by the Authority on forms prescribed by the Authority.

Section 7.5 Inspections. The Recipient, upon reasonable request by the Authority, must allow the Authority and its agents to inspect the Project.

ARTICLE 8 – GOVERNMENT DATA PRACTICES

The Recipient agrees, with respect to any data that it possesses regarding the Project, to comply with all of the provisions and restrictions contained in the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, that exist as of the date of this Agreement and as such may subsequently be amended, modified or replaced from time to time.

ARTICLE 9 - DEFAULT AND REMEDIES

Section 9.1. Events of Default. Any of the following is an event of default under this Agreement:

(a) The Recipient does not make a Loan payment when due;

(b) The Recipient does not comply with any other provision of this Agreement or the Note after written notice from the Authority, and for a three-month period the Recipient does not cure that default or provide a written plan acceptable to the Authority providing for that cure or, if the Authority accepts a plan for cure, the Recipient does not cure that default within the time period specified therein.

Section 9.2 Remedies. (a) If an event of default described in Section 9.1(a) of this Agreement occurs, the Authority will impose an interest penalty as provided in Minn. Rules Part 7830.0296, Subpart 1. The Authority may also exercise one or more of the following remedies: (1) withhold approval of any disbursement request, (2) reject any pending application by the Recipient for financial assistance, (3) to the extent permitted by law, demand immediate payment of the Loan and the Note in full and, upon such demand, the outstanding principal amount of the Loan and Note will be immediately due and payable, with interest accrued thereon to the date of payment, or (4) exercise any other remedy available to the Authority at law or in equity, including under Minnesota Rules, Chapter 7380, as amended.

(b) If an event of default described in Section 9.1(b) of this Agreement occurs, the Authority will impose an immediate increase in the interest rate on the Loan by eliminating all interest rate discounts that were applied in determining the interest rate under Minn. Rules Part 7380.0272. The Authority may also exercise one or more of the following remedies: (1) withhold approval of any disbursement request, (2)

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demand repayment of any grant disbursements under this Agreement, (3) reject any pending application by the Recipient for financial assistance, (4) to the extent permitted by law, demand immediate payment of the Loan and the Note in full and, upon such demand, the outstanding principal amount of the Loan and Note will be immediately due and payable, with interest accrued thereon to the date of payment, or (5) exercise any other remedy available to the Authority at law or in equity, including under Minnesota Rules, Chapter 7380, as amended. If the Authority subsequently determines that the Recipient has cured all events of default, the interest rate on any unpaid Loan principal will then revert back to the original interest rate.

ARTICLE 10 – ADMINISTRATION

Section 10.1 Amendments. Any amendments to this Agreement must be in writing and must be executed by the Recipient by the same officials who signed the Agreement, or their successors.

Section 10.2 Termination of Loan. The obligations of the Recipient under this Agreement (except the obligations set forth in Section 2.1 (c), (d) and (e) and Article 4 hereof) will terminate when the Loan is fully paid.

Section 10.3 Fees. (a) Pursuant to Minnesota Statutes, section 446A.04, subdivision 5(a), the Authority may charge application fees and loan repayment servicing fees.

(b) Application fee: The application fee is waived by the Authority.

(c) Loan repayment servicing fees: The Recipient acknowledges that the Authority may apply up to 2 percent of any loan repayment as a servicing fee and that such fee will not increase the amount of any repayments or extend the period of repayment.

Section 10.4 Notices. In addition to any notice required under applicable law to be given in another manner, any notices required hereunder must be in writing, and will be sufficient if delivered by courier or overnight delivery service or sent by certified mail (return receipt requested), postage prepaid, to the address of the party to whom it is directed. That address must be the address specified below or a different address as may hereafter be specified by either party by written notice to the other:

In the case of the Authority:

Minnesota Public Facilities Authority
Attention: Executive Director
1st National Bank Building
332 Minnesota Street, Suite W820
Saint Paul, MN 55101-1378

In the case of the Recipient:

City of Duluth
Attention: Mayor
411 West First Street
Duluth, MN 55802-1102

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Recipient name: City of Duluth
Project Funding ID(s): MPFA-DWRF-L-024-FY22

The Authority and the Recipient have caused this Agreement to be duly executed by their duly authorized undersigned representatives. Statutory Cities must execute this Agreement as provided in Minnesota Statutes, Section 412.201, as amended. Home Rule Charter Cities must execute this Agreement as provided in Minnesota Statutes, Chapter 410, as amended.

RECIPIENT: We have read and we agree to all of the above provisions of this Agreement.

By _____
Title Emily Larson
Mayor

Date _____

By _____
Title Chelsea Helmer
City Clerk

Date _____

Duluth Public Utilities Commission:

By _____
Title Jim Benning
Director of Public Works

Date _____

MINNESOTA PUBLIC FACILITIES AUTHORITY:

By _____
Title Steve Grove, or delegate
Chair

Date _____

ENCUMBERED: Individual signing certifies that funds have been encumbered as required by Minnesota Statute 16A.

By _____

PO date 11/05/21
PO ID(s) B2401:3000003471

Exhibit B

MN Public Facilities Authority

Exhibit A

Drinking Water State Revolving Fund

Duluth - dw08

Rate: 1.003%

Date:

Maturity: 08/20/42

Loan Amortization Schedule
MPFA-DWRF-L-024-FY22

Middle Booster Station

3,857,531.00

Type of Note:

**Tax Exempt
General Obligation Revenue Note**

final loan amount: 3,857,531.00

Date	Effective	Source	Disbursement	Repayment	Interest	Principal	Loan Balance	Annl Debt Srv
projected	12/29/21	Op Res	3,857,531.00				3,857,531.00	
projected	01/26/22	Op Res			2,901.83		3,857,531.00	
projected	02/23/22	Op Res			803.06		3,857,531.00	
projected	03/23/22	Op Res			803.81		3,857,531.00	
projected	04/27/22	Op Res			2,682.06		3,857,531.00	
projected	05/25/22	Op Res			4,041.36		3,857,531.00	
projected	06/29/22	Op Res			19,345.51		3,857,531.00	
projected	07/27/22	Op Res	-	22,354.81	22,354.81		3,857,531.00	
	08/20/22			89,002.93	2,471.93	86,531.00	3,771,000.00	111,357.74
	02/20/23			18,911.57	18,911.57		3,771,000.00	
	08/20/23			189,911.57	18,911.57	171,000.00	3,600,000.00	208,823.14
	02/20/24			18,054.00	18,054.00		3,600,000.00	
	08/20/24			191,054.00	18,054.00	173,000.00	3,427,000.00	209,108.00
	02/20/25			17,186.41	17,186.41		3,427,000.00	
	08/20/25			192,186.41	17,186.41	175,000.00	3,252,000.00	209,372.82
	02/20/26			16,308.78	16,308.78		3,252,000.00	
	08/20/26			192,308.78	16,308.78	176,000.00	3,076,000.00	208,617.56
	02/20/27			15,426.14	15,426.14		3,076,000.00	
	08/20/27			193,426.14	15,426.14	178,000.00	2,898,000.00	208,852.28
	02/20/28			14,533.47	14,533.47		2,898,000.00	
	08/20/28			194,533.47	14,533.47	180,000.00	2,718,000.00	209,066.94
	02/20/29			13,630.77	13,630.77		2,718,000.00	
	08/20/29			195,630.77	13,630.77	182,000.00	2,536,000.00	209,261.54
	02/20/30			12,718.04	12,718.04		2,536,000.00	
	08/20/30			196,718.04	12,718.04	184,000.00	2,352,000.00	209,436.08
	02/20/31			11,795.28	11,795.28		2,352,000.00	
	08/20/31			196,795.28	11,795.28	185,000.00	2,167,000.00	208,590.56
	02/20/32			10,867.51	10,867.51		2,167,000.00	
	08/20/32			197,867.51	10,867.51	187,000.00	1,980,000.00	208,735.02
	02/20/33			9,929.70	9,929.70		1,980,000.00	
	08/20/33			198,929.70	9,929.70	189,000.00	1,791,000.00	208,859.40
	02/20/34			8,981.87	8,981.87		1,791,000.00	
	08/20/34			199,981.87	8,981.87	191,000.00	1,600,000.00	208,963.74
	02/20/35			8,024.00	8,024.00		1,600,000.00	
	08/20/35			201,024.00	8,024.00	193,000.00	1,407,000.00	209,048.00
	02/20/36			7,056.11	7,056.11		1,407,000.00	
	08/20/36			202,056.11	7,056.11	195,000.00	1,212,000.00	209,112.22
	02/20/37			6,078.18	6,078.18		1,212,000.00	
	08/20/37			203,078.18	6,078.18	197,000.00	1,015,000.00	209,156.36
	02/20/38			5,090.23	5,090.23		1,015,000.00	
	08/20/38			204,090.23	5,090.23	199,000.00	816,000.00	209,180.46
	02/20/39			4,092.24	4,092.24		816,000.00	
	08/20/39			205,092.24	4,092.24	201,000.00	615,000.00	209,184.48
	02/20/40			3,084.23	3,084.23		615,000.00	
	08/20/40			206,084.23	3,084.23	203,000.00	412,000.00	209,168.46
	02/20/41			2,066.18	2,066.18		412,000.00	
	08/20/41			207,066.18	2,066.18	205,000.00	207,000.00	209,132.36
	02/20/42			1,038.11	1,038.11		207,000.00	
	08/20/42			208,038.11	1,038.11	207,000.00	-	209,076.22
totals			3,857,531.00	4,292,103.38	434,572.38	3,857,531.00		4,292,103.38