

November 6, 2024

CITY OF VALLEY CITY  
254 2ND AVE NE  
VALLEY CITY ND 58072-0390

Dear City of Valley City,

On November 6, 2024, the Bank of North Dakota (BND) as Administrator for the Infrastructure Revolving Loan Fund established under NDCC 6-09-49, approved a loan, to CITY OF VALLEY CITY under the terms and conditions set forth in this letter.

- A. BORROWER: CITY OF VALLEY CITY
- B. TOTAL LOAN AMOUNT: \$ 13,000,000.00
- C. PURPOSE: Provide funds for construction of a new public works service center.
- D. INTEREST RATE: 2.00% Fixed
- E. TERM: 30 Year(s)
- F. REPAYMENT TERMS: At least annual principal and interest, based on 30-year amortization. To be determined in consultation with borrower and bond counsel.
- G. SECURITY: Utility Revenue Bond, Series 2025
- H. PROGRAM CONDITIONS:
1. All fees and actual costs incurred in connection with the loan application and loan closing must be paid by the Borrower.
  2. A resolution of governing body must be provided, authorizing the appropriate officer(s) to borrow and execute, on behalf of the Borrower.
  3. Loan funds are to be deposited into an account that will allow them to be monitored closely. All disbursements from the account, along with supporting documentation, are to be tracked by the Borrower. BND may require that the Borrower provide an exact accounting as to the use of the funds at some point in the future.
  4. Borrower will approve and sign each draw request. The draw request is to be certified (signed) by the project engineer/architect and the Borrower's authorized officer and submitted to BND via a Certificate of Requisition.
  5. At closing, the Borrower will be required to evidence that the security issued is in accordance with the NDCC.
  6. All documentation will be drafted by BND counsel and provided to the Borrower's counsel for review.
  7. Borrower to complete and return to BND the enclosed Advance and Payment Options form **PRIOR to funding**.

I. LOAN CONDITIONS:

The following conditions precedent must also be satisfied in a manner satisfactory to BND as determined in its sole discretion:

1. The loan documents are satisfactory in form and substance to BND as determined in its sole discretion and have been agreed to and executed by the obligors and any required third parties.
2. Borrower will notify BND of any adverse change in the condition or operation, financial or otherwise, of the borrower or any guarantors (collectively "obligors") has occurred.
3. Borrower shall provide any documents and assurances deemed necessary by BND.

**COMMITMENT EXPIRATION:** If this commitment is not drawn upon by **November 6, 2025**, BND reserves the right to cancel this commitment without further notification to you. Any request for modifications or changes to this commitment must be submitted, in writing, to BND for approval.

**IMPORTANT CONTACT INFORMATION:**

Loan Funding Email:	<a href="mailto:BNDLoanFunding@nd.gov">BNDLoanFunding@nd.gov</a>
Advances/Payments Email:	<a href="mailto:BNDLoanOperations@nd.gov">BNDLoanOperations@nd.gov</a>
Advances/Payments Number:	800.472.2166 ext 328.5666 or 701.328.5666
Advances/Payments Fax Number:	701.328.5631

BND will credit for any advances and will apply any payments received at this Bank before 3:30 p.m. (CST). Telephone, fax or email notifications are acceptable.

BND reserves the right to cancel this commitment if the conditions precedent listed above are not satisfied prior to the commitment expiration date set out in this letter. This commitment shall become effective upon your written acceptance by signing and returning this letter and the W-9 (Request for Taxpayer Identification Number and Certification).

This commitment shall become effective upon your written acceptance by signing and returning this letter by **November 20, 2024**. Any request for modifications or changes to this commitment must be submitted to BND in writing for approval.

Document Imaging and Electronic Transactions. All parties hereby acknowledge the receipt of a copy of this Agreement and all other loan documents. Bank may, on behalf of parties, create a microfilm or optical disk or other electronic image of this Agreement and any or all of the loan documents. Bank may store the electronic image of this Agreement and loan documents in its electronic form and then destroy the paper original as part of Bank's normal business practices, with the electronic image deemed to be an original.

Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligation hereunder have been duly authorized, and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

Sincerely,



Kylee Merkel  
Business Banker  
Economic Development & Large Projects

Accepted this 7 day of November, 2024

**Estimated Funding Date:**

May 2025

**CITY OF VALLEY CITY**

By: Branda Klein

Title: Finance Director

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City Administrator