

Management Committee

Meeting date: July 25, 2018

For the Metropolitan Council meeting of: July 25, 2018

Subject: Loan Agreement with The Minnesota Public Facilities Authority (PFA) And Issuance Of a General Obligation Sewer Note.

District(s), Member(s): All

Policy/Legal Reference: MN Stat. 473.541(3) and Council Policy 3-1-1

Staff Prepared/Presented: Richard Koop, Senior Manager, 651-602-1629

Division/Department: Regional Administration/Finance

Proposed Action

That the Metropolitan Council approves the attached parameters Resolution 2018-8 to authorize the Regional Administrator to execute a loan agreement with the Minnesota Public Facilities Authority (PFA) in substantially the same form as the attached agreement. And further, to issue the related General Obligation Sewer Note securing the loan agreement substantially in the form of the Note referenced in the resolution.

Background

This approval does not authorize any capital spending, which is done via the adoption of the capital budget, but does provide a negotiated low-cost instrument to finance capital project expenses that are already approved. MCES capital projects that will be funded by this loan are ongoing. The 2017 PFA loan for eligible projects has \$6.7 million in remaining capacity as of the end of June 2018 and at the current projected monthly spending rate will be completely used in August of 2018.

The \$45 million available from this loan is expected to provide funds to finance the cash flows on those MCES capital projects that are or will be PFA-eligible for about 12 months beginning when the current loan is completed on or around August of 2018. PFA finalized the 2018 Intended Use Plan (IUP). Capital borrowing for MCES that is beyond what can be funded by PFA loans typically comes from bonds issued by the Council or from wastewater fees (“pay-as-you-go”).

The default loan structure provided by PFA for this 20-year loan used level principal payments but was modified to better fit with existing debt service requirements and smooth the total debt service component of the MCES wastewater budget and fees.

Parameters Resolution

This action item authorizes staff to administer the issuance of the Notes as summarized in the below Rationale section and specified in the attached parameters resolutions. The parameters provide specific up-front information to the Council and provide flexibility in setting the interest rate lock-in date so as to optimize conditions in the market place and allow for minor adjustments to the loan.



Attachments to this item are:

Attachment A: Staff summary of the key terms of the transaction

Attachment B: The proposed Resolution with draft Note (drafted by Kennedy and Graven, our bond counsel)

Attachment C: The proposed Commitment and Loan Agreement (drafted by PFA and reviewed by our bond counsel).

Rationale

Conventional PFA loans are less expensive than Council bonding because of the PFA subsidy mechanism. At current interest rates, the savings compared to a traditional Council tax-exempt bond is about \$7.6 million in present value dollars as calculated by the Council.

Terms of the loan provide these savings and are deemed by staff, our financial advisors (Springsted) and our bond counsel (Kennedy & Graven) to be acceptable.

The parameters established for the proposed action are included in the attached resolutions and their exhibits and appendices. Council staff will keep the loan within the following parameters:

90	Loan authorization period (days)
\$45	Maximum par Note to issue (\$million)
3%	Maximum interest rate

Thrive Lens Analysis

Stewardship – The loan program through PFA provides the Council another financing tool which is historically 1% to 1.5% lower than the interest rate that could be obtained by issuing our own AAA debt. This saves the Council millions of dollars in interest costs over the course of 20 years.

Funding

This loan/note, and all MCES debt service, is expected and has always been paid from revenues of the Wastewater system; however, the note carries the general obligation backing of the Council.

Since the interest rate on this loan will tentatively be locked in sometime between the preparation of this Business Item and the unspecified closing date, the attached amortization table is a draft and is subject to change. The final interest rate is currently expected to be about 1-1.5%. The rate is typically determined by the market and a formula in PFA rules; however, 1.0% is the lowest rate the PFA will allow.

Known Support / Opposition

None.

KEY TERMS OF THE PROPOSED LOAN AGREEMENTS

- 1) The Council is financing \$45 million for various portions of approved wastewater projects and will pay debt service on the Loan over the next 20 years.
- 2) The Council must agree to complete all the projects, funded in any part by these loans, regardless of the availability of future PFA loans.
- 3) PFA funds are not drawn down by the Council until after eligible expenses are incurred (that is, on a “reimbursement basis”). Interest will accrue on the debt only as money is disbursed to the Council.
- 4) The net interest rate to be paid to the PFA is currently expected to be approximately 1-1.5%.
- 5) The principal repayment schedule provides a modification to level annual debt service so as to smooth Wastewater’s overall annual debt service requirements. As a result, the average length of time that the funds are loaned to us is slightly longer than a loan structure with even payments every year.
- 6) The Council must execute a General Obligation Note pledging its full faith and credit to secure repayment of the loan. This means that should wastewater revenues become inadequate, the Council must levy taxes to provide the necessary funds. However, no property taxes have ever been levied or anticipated for these PFA Notes or any other wastewater debt.
- 7) The Council agrees that under this loan agreement, the Project 8059, Metro Plant Rehabilitation and Facilities Improvement family of projects will be designated as coming from state bond funds and are thereby subject to extra restrictions for the life of the project and possibly repayment of the funds if the facility were sold. In addition, a declaration of these covenants must be recorded against the benefitted real estate parcel titles.
- 8) Unlike past loans, if either the PFA or the Council subsequently issue refinancing debt associated with this loan, neither party will be sharing with the other any part of the net present value of savings from the refinancing (refunding) process. The Council is required to get PFA approval to prepay the loan.
- 9) The Council agrees to standard terms and conditions of PFA’s financing and state law. Among these terms are:
 - A. Sale of any benefitted project facilities are restricted;
 - B. Funds can not be used for “private uses”;
 - C. Insurance requirements must be met;
 - D. Information disclosure requirements for the investment community must be met;
 - E. Projects funded must meet EPA diversity requirements; and,
 - F. Loan funded contractors must pay prevailing wages in accordance with state and federal requirements.

CERTIFICATION OF EXTRACT FROM MINUTES
RELATING TO A GENERAL OBLIGATION
WASTEWATER REVENUE NOTE, SERIES 2018A

Issuer: Metropolitan Council, Minnesota

Governing Body: Council Members

Kind, date, time and place of meeting: A regular meeting held Wednesday, July 25, 2018, at 4:00 o'clock P.M., at 390 North Robert Street, St. Paul, Minnesota.

Members Present:

Members Absent:

Documents Attached:

Extract of minutes of said meeting including:

RESOLUTION NO. 2018- 8
ACCEPTING THE OFFER OF THE MINNESOTA
PUBLIC FACILITIES AUTHORITY TO
PURCHASE A GENERAL OBLIGATION
WASTEWATER REVENUE NOTE, SERIES 2018A, PROVIDING
FOR ITS ISSUANCE, AND AUTHORIZING
EXECUTION OF A PROJECT LOAN AGREEMENT

I, the undersigned, being the duly qualified and acting Recording Secretary of the Metropolitan Council, the public corporation issuing the notes referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been extracted; that said documents are correct and accurate copies of the resolution and related documents approved by the Council at its regular meeting held on July 25, 2018, so far as they relate to said Note; and that said meeting was duly held by the governing body at the time and place and was attended by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such Recording Secretary on _____, 2018.

Emily Getty, Recording Secretary

After some discussion, Council Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 2018- 8
ACCEPTING THE OFFER OF THE MINNESOTA
PUBLIC FACILITIES AUTHORITY TO
PURCHASE A GENERAL OBLIGATION
WASTEWATER REVENUE NOTE, SERIES 2018A, PROVIDING
FOR ITS ISSUANCE, AND AUTHORIZING
EXECUTION OF A PROJECT LOAN AGREEMENT

The motion for the adoption of the foregoing resolution was seconded by Council Member _____ and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following were absent for the vote:

whereupon the resolution was declared duly passed and adopted and was signed by the Chair whose signature was attested by the Recording Secretary.

RESOLUTION NO. 2018-8
ACCEPTING THE OFFER OF THE MINNESOTA
PUBLIC FACILITIES AUTHORITY TO
PURCHASE A GENERAL OBLIGATION
WASTEWATER REVENUE NOTE, SERIES 2018A, PROVIDING
FOR ITS ISSUANCE, AND AUTHORIZING
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BE IT RESOLVED by the Metropolitan Council (the “Council” or the “Issuer”) as follows:

Section 1. Recitals.

- a) The Minnesota Public Facilities Authority (the “PFA”) is authorized pursuant to Minnesota Statutes, Chapters 446A as amended, to issue its bonds (the “PFA Bonds”) and to use the proceeds thereof, together with certain other funds of the agency available for such purpose in the Clean Water Revolving Fund, to provide loans to political subdivisions of the state to fund eligible costs of construction of sanitary sewer collection and wastewater treatment systems (the “Program”).
- (b) The Issuer is authorized to issue its obligations pursuant to Minnesota Statutes, Sections 473.541, subd. 3 and Chapter 475 (the “Act”), for the purpose of financing the acquisition or betterment of interceptors and treatment works determined to be necessary or desirable for the metropolitan disposal system, including without limitation the improvements set forth in the Project Loan Agreement defined below (the “Project”).
- (c) The Issuer has applied for a loan from the PFA pursuant to the Program, and the PFA has offered to make a loan to the Issuer in a principal amount not to exceed \$45,000,000, to be disbursed and repaid in accordance with the terms of a Bond Purchase and Project Loan Agreement (the “Project Loan Agreement”) to be executed by the Issuer and the PFA within 90 days of the date hereof, in substantially the form now on file with the Council Secretary.
- (d) In accordance with Section 475.60, subdivision 2(4) of the Act, the Issuer is authorized to issue obligations to a board, department or agency of the State of Minnesota by negotiation and without advertisement for bids and the PFA is, and has represented that it is a board, department or agency of the State of Minnesota.
- (e) Contracts for the Project have been or will be made by the Issuer with the approval of the PFA and all other state and federal agencies of whose approval is required.

Section 2. Acceptance of Offer: Payment.

- (a) The Issuer hereby accepts the offer of the PFA to purchase the General Obligation Wastewater Revenue Note, Series 2018A (the “Note”) to be issued by the Issuer in an original aggregate principal amount not to exceed \$45,000,000 at the rate of interest set forth in the Project Loan Agreement, and to pay therefor the par amount of the Note as provided below, and the sale of the Note is awarded to the PFA. Payment for the Note is to be disbursed in installments as eligible costs of the Project reimbursed or paid, all as provided in the Project Loan Agreement. The terms set forth in this resolution relating to the Note are intended to be consistent with the provisions of the Project Loan Agreement, and to the extent that any provision in the Project Loan Agreement is in conflict with this resolution, the Project Loan Agreement will control. The Council hereby delegates to the Chief Financial Officer/Treasurer, or the Chief Financial Officer/Treasurer’s designee, authority to lock the interest rate on the Note, provided such rate of interest shall not exceed 3% and to determine, in consultation with the PFA, the original aggregate principal amount of the Note in an amount not to exceed \$45,000,000.
- (b) The Note is to be issued in an aggregate principal amount not to exceed \$45,000,000, originally and nominally dated as of the date of delivery as a fully registered Note without coupons. The Note will be in the denomination of the entire principal amount thereof, numbered R-1 and bear interest and mature in installment amounts as set forth therein.
- (c) The Note is subject to redemption and prior payment as provided in the Project Loan Agreement.
- (d) Interest and principal in the installment amounts set out in the Note, as executed, a draft of which is attached as Exhibit A, are payable by wire transfer, or if by check or draft of the Issuer or its designated Registrar, mailed no later than 5 business days prior to the payment date to the registered holder thereof at the holder’s address as it appears on the bond register at the close of business on the 15th day (whether or not a business day) of the calendar month next preceding the interest payment date.

Section 3. Date: Denomination: Interest Rates. The Note will be a fully registered negotiable obligation, dated as of date of delivery and issued forthwith. The Note shall be in substantially the form set forth on **Exhibit A** attached hereto. The approval hereby given to the Note includes approval of a series designation and such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the Council and by the Chief Financial Officer/Treasurer prior to its execution; and Chief Financial Officer/Treasurer is hereby authorized to approve said changes on behalf of the Council as evidenced by a certificate of the Chief Financial Officer/Treasurer to be executed upon issuance of the Note. The execution and delivery of the Note as provided in Section 4 is conclusive evidence of the approval of the Note in accordance with the terms hereof.

Section 4. Execution. The Note is to be executed on behalf of the Council by the signatures of the Chair and Chief Financial Officer/Treasurer, the Council having no seal; provided; however, that one of such signatures may be a printed or photocopied facsimile on the Note as permitted by law. In the event of disability or resignation or other absence of any of such officers, the Note may be signed by any officer who is authorized to act on behalf of such absent or disabled officer. If an officer whose signature will appear on the Note ceases to be such officer before the delivery of the Note, such officer's signature will nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

Section 5. Delivery: Application of Proceeds. The Note when so prepared and executed will be delivered by the Chief Financial Officer/Treasurer to the PFA prior to disbursements pursuant to the Project Loan Agreement. The purchaser is not obliged to see to the proper application thereof.

Section 6. PFA Sewer Revenue Note Fund, Pledges, Appropriations.

(i) Sewer Revenue Note Fund. There is hereby established a 2018A PFA Sewer Revenue Note Fund (the "Note Fund") in the Council's Debt Service Fund. The Note Fund shall be held in the custody of the Chief Financial Officer/Treasurer, deposited in one or more banks duly qualified as depositories of Council funds, and invested and reinvested in accordance with resolutions of the Council and Minnesota Statutes, Chapter 118A, and the Project Loan Agreement, and shall be used only to pay principal and interest and related expenses (including paying agency, registration, swap agreement or investment service expenses and rebate of arbitrage earnings) payable with respect to the Note or PFA Bonds and any other general obligation wastewater revenue obligations of the Council, as may be directed by the Council to be paid from the Note Fund, until all such principal and interest and expenses have been fully paid; provided that if any payment falls due when the balance in the Note Fund is insufficient to pay it, the deficiency shall be paid out of any other funds of the Council available for that purpose, and advances so made may be repaid from the Note Fund when a sufficient balance is available therein.

(ii) Other Appropriations. The following sums are hereby pledged and appropriated and shall be credited as received to the Note Fund:

(a) All income and gain from investment of the Note Fund (to which all loss from such investment shall also be charged).

(b) All payments by local government units of debt service costs for obligations payable out of the Note Fund hereafter allocated to such units in each annual budget of the Council under the provisions of Minnesota Statutes, Sections 473.517 and 473.521, provided that such debt service allocation payments shall be transferred by the Council to the Note Fund in such amounts and at such times during the budget year as is required under subparagraph (iv) hereof.

(c) All sums collected from taxes levied, extended and assessed under the provisions of subparagraph (iv) below.

(iii) Pledge of Revenues and Note Proceeds. Pursuant to the provisions of Minnesota Statutes, Section 473.541, subdivision 3, the Council irrevocably pledges and appropriates to the Note Fund, from the revenues receivable under the provisions of Minnesota Statutes, Sections 473.517 and 473.521, all sums received from businesses and local government units for the payment of the principal of and interest on the Note and any other obligations hereafter made payable out of the Note Fund and all related expenses payable out of the Note Fund. The Note shall be secured equally and ratably with all other obligations heretofore or hereafter issued and made payable from the Note Fund by the pledge of all assets appropriated to the Note Fund.

(iv) Taxes; Pledges. It is estimated that the revenues pledged for the payment of the Note, together with other available monies designated by the Council for such purposes, will produce sums in an amount not less than 5% in excess of the amounts needed to meet when due payments of principal of and interest on the Note, and accordingly no tax is levied by this Resolution for that purpose. The Council shall deposit in the Note Fund revenues pledged to the payment of the Note in such amounts and at such times as are directed by the Chief Financial Officer/Treasurer of the Council so that as of the interest payment dates for the Note (i.e. February 20 and August 20 of each year as set forth in the Note) (each an "Interest Payment Date") during the term of the Note, the amount held in the Note Fund is sufficient to pay principal (if any) of and interest on the Note (and any other obligations payable from the Note Fund) payable on that Interest Payment Date and so that all related expenses payable out of the Note Fund are paid when due.

(v) Note Record. The Chief Financial Officer/Treasurer of the Council is directed to keep on file in the Council office a tabulation of the dates and amounts of the principal and interest payments to become due on all obligations payable from the Note Fund, and of the balance required in the Note Fund on each Interest Payment Date in lieu of taxes then otherwise required to be levied for the security of such Note.

(vi) Separate Council Funds. In its annual budget, the Council shall allocate all wastewater debt service costs, together with operations and maintenance costs of the metropolitan disposal system and any other applicable costs, to local government units pursuant to Minnesota Statutes, Section 473.517, as amended.

Section 7. Disposition of Note Proceeds. All disbursements of Note proceeds made under the Project Loan Agreement shall be made and applied as provided in the Project Loan Agreement.

Section 8. General Obligation Pledge. The full faith and credit and taxing powers of the Issuer will be, and are irrevocably pledged for the prompt and full payment of the principal of and interest on the Note as the same respectively become due. If the net revenues of the wastewater system appropriated and pledged to the payment of principal and interest on the Note, together with other funds irrevocably appropriated to the Debt Service Fund referred to in Section 6 are at any time insufficient to pay such principal and interest when due, the Issuer covenants and agrees to levy, without limitation as to rate or amount, for collection the following year a general ad valorem tax upon all taxable property in the "metropolitan area" within the meaning of Minnesota Statutes, Section 473.121, subdivision 2, in an amount sufficient to pay such principal and interest as the same become due. If the balance in the Debt Service Fund is ever insufficient to pay all principal

and interest then due on the Note and any other obligations payable therefrom, the deficiency will be promptly paid out of any other funds of the Issuer which are available for such purpose, and those other funds may be reimbursed, with or without interest, from the Debt Service Fund when a sufficient balance is available in that Fund.

Section 9. Certificate of Registration. The Chief Financial Officer/Treasurer is authorized and directed to file a certified copy of this resolution with the County Auditors of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties, Minnesota, together with such other information as the County Auditors may require, and to obtain from the County Auditors their certificates that the Note has been entered in the County Auditors' Bond Registers.

Section 10. Project Loan Agreement. The Project Loan Agreement is approved in substantially the form presented to the Council, and in the form executed is incorporated by reference and made a part of this resolution. The provisions of this resolution relating to the Note are intended to be consistent with the provisions of the Project Loan Agreement, and to the extent that any provision in the Project Loan Agreement is in conflict with this resolution as it relates to the Note, that provision controls. The approval hereby given to the Project Loan Agreement includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the Council and by the Regional Administrator prior to its execution; and Regional Administrator is hereby authorized to approve said changes on behalf of the Council. The execution and delivery of the Project Loan Agreement by the Regional Administrator is hereby authorized. The execution of the Project Loan Agreement by the Regional Administrator is conclusive evidence of the approval of the Project Loan Agreement in accordance with the terms hereof. The Project Loan Agreement may be attached to the Note, and must be attached to the Note if the holder of the Note is any person other than the PFA.

Section 11. Records and Certificates. The officers of the Council are hereby authorized and directed to prepare and furnish to the PFA, and to the attorneys approving the legality of the issuance of the Note, certified copies of all proceedings and records of the Council relating to the Note and to the financial condition and affairs of the Council, and such other affidavits, certificates, agreements and information as are required to show the facts relating to the legality and marketability of PFA Bonds, if any were used as a source of financing for this loan, as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the Council as to the facts recited therein.

Section 12. Negative Covenants as to Use of Proceeds and Project. The Issuer covenants not to use the proceeds of the Note or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangement for the cost of the Project, in such a manner as to cause the Note to be private activity bond within the meaning of Section 103 and 141 through 150 of the Code. The Issuer reasonably expects that no action will be taken over the term of the Note that would cause it to be a private activity bond, and the average term of the Note is not longer than reasonably necessary for the government purpose of the issue. The Issuer covenants not to use the proceeds of the Note in such a manner as to cause the Note to be a "hedge bond" within the meaning of Section 149(g) of the Code.

Section 13. Tax-Exempt Status of the Note: Rebate. The Issuer will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Note, including without limitation (i) requirements relating to temporary periods for investments; (ii) limitations on amounts invested at a yield greater than the yield on the PFA Bonds; and (iii) the rebate of excess investment earnings to the United States.

Section 14. Tax-Exempt Status of the PFA Bonds; Rebate. The Issuer with respect to the Note will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the PFA Bonds, if any were used to fund the Loan, including without limitation (i) requirements relating to temporary periods for investments; (ii) limitations on amounts invested at a yield in excess of the applicable yield restrictions imposed by the Code; and (iii) the rebate of excess investment earnings to the United States. The Issuer covenants and agrees with the PFA and holders of the Note that the investments of proceeds of the Note, including the investment of any revenues pledged to the Note, which may be considered gross proceeds of PFA Bonds under the applicable regulations, and accumulated sinking funds, if any, will be limited as to amount and yield in such manner that such PFA Bonds will not be arbitrage bonds within the meaning of Section 148 of the Code and any regulations thereunder. On the basis of the existing facts, estimates and circumstances, including, the foregoing findings and covenants, the Issuer certifies that it is not expected that the proceeds of the Note, will be used in such manner to cause such PFA Bonds to be arbitrage bonds under Section 148 of the Code, and any regulations thereunder. The Note Registrar will furnish a certificate to the PFA addressing the foregoing certification at the time of delivery of the Note to the PFA.

The Issuer covenants and agrees that the PFA and holders of the Note that the investments of proceeds of the Note, including the investment of any revenues pledged to the Note, which are considered gross proceeds of any such PFA Bonds under the applicable regulations and accumulated sinking funds, if any, will be limited as to amount(s) and yield(s) in such manner that such PFA Bonds will not be arbitrage bonds within the meaning of Section 148 of the Code, and any regulations thereunder. On the basis of the existing facts, estimates and circumstances, including the foregoing findings and covenants, the Issuer hereby certifies that it is not expected that the proceeds of the Note will be used in such manner as to cause such PFA Bonds to be arbitrage bonds under Section 148 of the Code and any regulations thereunder. The Regional Administrator and Chief Financial Officer/Treasurer will furnish an arbitrage certificate to the PFA addressing the foregoing certification at the time of delivery of the Note to the PFA.

Section 15. Severability. If any section, paragraph or provision of this resolution is held to be invalid or unenforceable for any reason, the validity or unenforceability of such section, paragraph or provision will not affect any of the remaining provisions of this resolution.

Section 16. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and do not limit or define the meaning of any provision hereof.

Adopted: July 25, 2018

Emily Getty, Recording Secretary

Alene Tchourumoff, Chair

EXHIBIT A
TO SALE RESOLUTION

FORM OF NOTE

No. R-1

\$45,000,000

UNITED STATES OF AMERICA
STATE OF MINNESOTA
ANOKA, CARVER, DAKOTA, HENNEPIN, RAMSEY, SCOTT AND
WASHINGTON COUNTIES
METROPOLITAN COUNCIL
(Minneapolis-St. Paul metropolitan area)

GENERAL OBLIGATION WASTEWATER REVENUE NOTE, SERIES 2018A

Date of Original Issue: _____, 2018

The METROPOLITAN COUNCIL, a body corporate and politic having jurisdiction over the Minneapolis-St. Paul metropolitan area comprising the Counties of Anoka, Carver, Dakota (excluding the City of Northfield), Hennepin (excluding the Cities of Hanover and Rockford), Ramsey, Scott (excluding the City of New Prague), and Washington, Minnesota (the “Issuer”), certifies that it is indebted for value received and promises to pay to the Minnesota Public Facilities Authority or registered assigns, the principal sum of \$45,000,000, or so much thereof as may have been disbursed, on August 20, in the years and in the installments as follows:

<u>Year</u>	<u>Installment</u>	<u>Year</u>	<u>Installment</u>
2019	\$ 800,000	2029	\$2,300,000
2020	2,300,000	2030	2,300,000
2021	1,400,000	2031	2,300,000
2022	1,400,000	2032	2,300,000
2023	2,300,000	2033	2,300,000
2024	3,200,000	2034	2,400,000
2025	3,200,000	2035	2,400,000
2026	2,300,000	2036	2,400,000
2027	2,300,000	2037	2,400,000
2028	2,300,000	2038	2,400,000

and to pay interest on so much of the principal amount of the debt as may be disbursed from time to time as provided in the Project Loan Agreement (as defined below) and remains unpaid, from the date of this Note for disbursements made on or prior to that date or from the date of each later disbursement until the principal amount hereof is paid or has been provided for, at the rate of 1.091% per annum (calculated on the basis of a 360-day year of twelve 30-day months) on February 20, 2019 and semiannually thereafter on each February 20 and August 20.

Principal and Interest Payments. Interest accrues only on the aggregate amount of this Note that has been disbursed under the Public Facilities Authority Bond Purchase and Project Loan Agreement dated as of _____, 2018, by and between the Issuer and the Minnesota Public Facilities Authority (the “Project Loan Agreement”). The principal installments that will be paid in the amounts scheduled above even if at the time of payment the full principal amount of this Note has not been disbursed; provided that to the extent any principal amount of this Note is never disbursed, the amount of the principal not disbursed is to be applied to reduce each unpaid principal installment in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule is to be reamortized to provide similar reductions in the annual installments of total debt service payments).

Interest on this Note includes amounts treated by the Minnesota Public Facilities Authority as service fees. Principal, interest and any premium due under this Note will be paid on each payment date by wire transfer of immediately available funds, or by check or draft mailed at least 5 business days prior to the payment date to the person in whose name this Note is registered in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

Redemption. This Note is subject to redemption and prepayment in whole or in part as provided in the Project Loan Agreement.

Purpose: General Obligation. This Note has been issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, thereunto enabling, including Minnesota Statutes, Sections 473.541 and Chapter 475 for the purpose of providing money to finance eligible project costs related to the acquisition or betterment of interceptors and treatment works determined to be necessary or desirable for the metropolitan disposal system (the “Wastewater System”), and is payable out of the PFA Debt Service Fund of the Issuer, to which fund have been pledged certain net revenues of the Issuer’s Wastewater System. This Note constitutes a general obligation of the Issuer and the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged to provide money for the prompt and full payment of the principal installments of and interest on this Note when the same become due.

Registration: Transfer. This Note must be registered in the name of the payee on the books of the Issuer by presenting this Note for registration to the Council’s Chief Financial Officer/Treasurer (the “Note Registrar”), who will endorse the date of registration opposite the name of the payee in the certificate of registration attached hereto. Thereafter this Note may be transferred to a bona fide purchaser only by delivery with an assignment duly executed by the registered owner or owner’s legal representative, and the Issuer may treat the registered owner as the person exclusively entitled to exercise all the rights and powers of an owner until this Note is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Note Registrar.

Fees Upon Transfer or Loss. The Note Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer of this Note and any legal or unusual costs regarding transfers and lost notes.

Project Loan Agreement. The terms and conditions of the Project Loan Agreement are incorporated herein by reference and made a part hereof. The Project Loan Agreement may be attached to this Note and must be attached to this Note if the holder of this Note is any person other than the Minnesota Public Facilities Authority.

Tax-Exempt Obligation. The Issuer intends that the interest on this Note will be excluded from gross income for United States income tax purposes or from both gross income and taxable net income for State of Minnesota income tax purposes.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed precedent to and in the issuance of this Note, have been done, have happened and have been performed in regular and due form, time and manner required by law; and that this Note, together with all other debts of the Issuer outstanding on the date hereof, being the date of its actual issuance and delivery, does not exceed any constitutional, or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the Metropolitan Council (Minneapolis-St Paul metropolitan area), Anoka, Carver, Dakota, Hennepin, Ramsey Scott and Washington Counties, Minnesota, has caused this Note to be executed with the manual signatures of its Chair and its Chief Financial Officer/Treasurer, both as of the nominal date of original issue specified above.

METROPOLITAN COUNCIL
Anoka, Carver, Dakota, Hennepin, Ramsey,
Scott and Washington Counties, Minnesota

By _____
Chair

By _____
Chief Financial Officer/Treasurer

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is the Note described above and has been registered as to the principal and interest in the name of the Registered Owner identified below on the registration books of the Note Registrar. The transfer of ownership of the principal amount of this Note may be made only by the Registered Owner or by the Registered Owner's legal representative last noted below.

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Note Registrar</u>
_____, 2018	Minnesota Public Facilities Authority Federal Employer I.D. No. 41-6007162 _____	_____

**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 Metropolitan Council (“Recipient”) and is dated _____.

The project consists of cash flow financing for a portion of the Metropolitan Council capital wastewater projects described in Exhibit B attached hereto and as detailed in the Minnesota Pollution Control Agency certifications, the dates of which are identified in Exhibit B (collectively “the Project”). The Project is further described and detailed in the Recipient’s Project application which is incorporated herein.

Program Funding for the Project	Name	Legal citations	Funding IDs	Amounts
Clean Water State Revolving Fund Loan	("the Loan")	MS 446A.07; MN Rules 7380 .0400-.0480	MPFA-CWRF-L-0// -FY//	\$45,000,000
<i>Total Authority project financing</i>				\$45,000,000

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 FORTY FIVE MILLION DOLLARS (\$45,000,000) 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, 2038. The aggregate principal amount of the Loan disbursed and outstanding will bear interest and servicing fees collectively at the rate of 1.091% per annum accruing from and after the date of the Note described in Section 1.4 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.

(d) The Authority agrees that the only project listed in Exhibit B that will be funded from state general obligation bonds are the MWWTP Rehabilitation & Facilities Improvement projects (the "Metro Wastewater Treatment Plant Projects").

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 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 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.

(d) The Recipient agrees to impose and collect rates and charges (including costs allocated by the Recipient to local governments) in compliance with Minnesota Statutes and in accordance with the Recipient's approved 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 1.4 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 ("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.

(h) The Recipient agrees to follow the procurement provisions identified in USD 1101-1104 for architectural and engineering services procured after October 1, 2014.

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 Section 608 of the Federal Water Pollution Control Act, 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.

(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 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 therein 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.

(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 "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 15c2-12. 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.

(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 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 The Authority may also exercise one or more of the following remedies: (1) withhold approval of any disbursement request, (2) 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:

Metropolitan Council
Attention: Regional Administrator
390 North Robert
Saint Paul, MN 55101-1805

Section 10.5. Exhibits. The following exhibits are hereto attached and constitute a part of this Agreement:

Exhibit A: Loan Amortization Schedule

Exhibit B: Project Description

The remainder of this page is intentionally left blank.

Recipient name: Metropolitan Council
Project Funding ID(s): MPFA-CWRF-L-0// -FY//

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.

MINNESOTA PUBLIC FACILITIES AUTHORITY:

By _____
Title Wes Kooistra
Regional Administrator

By _____
Title Shawntera Hardy, or delegate
Chair

Date _____

Date _____

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

By _____
Title

By _____

Date _____

PO date _____

PO ID(s) B2401: _____

Metropolitan Council - cw29

Loan Amortization Schedule

MPFA-CWRF-L-____-FY__

funding dates:

45,000,000.00

Rate: 1.109%

Date:

Maturity: 08/20/38

private activity:

final loan amount: 45,000,000.00

Date	Effective	Source	Disbursement	Repayment	Interest	Principal	Loan Balance	Annl Debt Srv
projected	06/27/18	Op Res	45,000,000.00				45,000,000.00	
	02/20/19			322,996.25	322,996.25		45,000,000.00	
	08/20/19			1,049,525.00	249,525.00	800,000.00	44,200,000.00	1,372,521.25
	02/20/20			245,089.00	245,089.00		44,200,000.00	
	08/20/20			2,545,089.00	245,089.00	2,300,000.00	41,900,000.00	2,790,178.00
	02/20/21			232,335.50	232,335.50		41,900,000.00	
	08/20/21			1,632,335.50	232,335.50	1,400,000.00	40,500,000.00	1,864,671.00
	02/20/22			224,572.50	224,572.50		40,500,000.00	
	08/20/22			1,624,572.50	224,572.50	1,400,000.00	39,100,000.00	1,849,145.00
	02/20/23			216,809.50	216,809.50		39,100,000.00	
	08/20/23			2,516,809.50	216,809.50	2,300,000.00	36,800,000.00	2,733,619.00
	02/20/24			204,056.00	204,056.00		36,800,000.00	
	08/20/24			3,404,056.00	204,056.00	3,200,000.00	33,600,000.00	3,608,112.00
	02/20/25			186,312.00	186,312.00		33,600,000.00	
	08/20/25			3,386,312.00	186,312.00	3,200,000.00	30,400,000.00	3,572,624.00
	02/20/26			168,568.00	168,568.00		30,400,000.00	
	08/20/26			2,468,568.00	168,568.00	2,300,000.00	28,100,000.00	2,637,136.00
	02/20/27			155,814.50	155,814.50		28,100,000.00	
	08/20/27			2,455,814.50	155,814.50	2,300,000.00	25,800,000.00	2,611,629.00
	02/20/28			143,061.00	143,061.00		25,800,000.00	
	08/20/28			2,443,061.00	143,061.00	2,300,000.00	23,500,000.00	2,586,122.00
	02/20/29			130,307.50	130,307.50		23,500,000.00	
	08/20/29			2,430,307.50	130,307.50	2,300,000.00	21,200,000.00	2,560,615.00
	02/20/30			117,554.00	117,554.00		21,200,000.00	
	08/20/30			2,417,554.00	117,554.00	2,300,000.00	18,900,000.00	2,535,108.00
	02/20/31			104,800.50	104,800.50		18,900,000.00	
	08/20/31			2,404,800.50	104,800.50	2,300,000.00	16,600,000.00	2,509,601.00
	02/20/32			92,047.00	92,047.00		16,600,000.00	
	08/20/32			2,392,047.00	92,047.00	2,300,000.00	14,300,000.00	2,484,094.00
	02/20/33			79,293.50	79,293.50		14,300,000.00	
	08/20/33			2,379,293.50	79,293.50	2,300,000.00	12,000,000.00	2,458,587.00
	02/20/34			66,540.00	66,540.00		12,000,000.00	
	08/20/34			2,466,540.00	66,540.00	2,400,000.00	9,600,000.00	2,533,080.00
	02/20/35			53,232.00	53,232.00		9,600,000.00	
	08/20/35			2,453,232.00	53,232.00	2,400,000.00	7,200,000.00	2,506,464.00
	02/20/36			39,924.00	39,924.00		7,200,000.00	
	08/20/36			2,439,924.00	39,924.00	2,400,000.00	4,800,000.00	2,479,848.00
	02/20/37			26,616.00	26,616.00		4,800,000.00	
	08/20/37			2,426,616.00	26,616.00	2,400,000.00	2,400,000.00	2,453,232.00
	02/20/38			13,308.00	13,308.00		2,400,000.00	
	08/20/38			2,413,308.00	13,308.00	2,400,000.00	-	2,426,616.00
totals			45,000,000.00	50,573,002.25	5,573,002.25	45,000,000.00		50,573,002.25

Calculation of Loan Rate for Metropolitan Council - cw29

DRAFT

MPFA-CWRF-L-___-FY__

Date	Principal	06/13/18 Rate Scales		Cash flow using principal schedule and these rate scales:		Present Value of Cash Flows and these rate scales *:	
		PFA Bonds	MMD AAA	PFA Bonds	MMD AAA	PFA Bonds	MMD AAA
06/27/18	(45,000,000.00)			(45,000,000.00)	(45,000,000.00)	(45,000,000.00)	(45,000,000.00)
08/20/19	800,000.00	0.680%	1.47%	1,962,551.41	2,063,171.97	1,905,500.75	2,002,724.77
02/20/20	-			503,961.00	544,655.00	483,060.05	521,889.89
08/20/20	2,300,000.00	0.800%	1.66%	2,803,961.00	2,844,655.00	2,653,336.17	2,690,658.30
02/20/21	-			494,761.00	525,565.00	462,202.06	490,712.29
08/20/21	1,400,000.00	0.900%	1.81%	1,894,761.00	1,925,565.00	1,747,458.91	1,774,721.59
02/20/22	-			488,461.00	512,895.00	444,732.17	466,629.37
08/20/22	1,400,000.00	1.060%	1.90%	1,888,461.00	1,912,895.00	1,697,433.55	1,717,933.26
02/20/23	-			481,041.00	499,595.00	426,857.55	442,899.09
08/20/23	2,300,000.00	1.250%	2.00%	2,781,041.00	2,799,595.00	2,436,264.17	2,449,928.83
02/20/24	-			466,666.00	476,595.00	403,588.94	411,698.51
08/20/24	3,200,000.00	1.450%	2.13%	3,666,666.00	3,676,595.00	3,130,549.42	3,135,069.38
02/20/25	-			443,466.00	442,515.00	373,788.26	372,478.25
08/20/25	3,200,000.00	1.600%	2.25%	3,643,466.00	3,642,515.00	3,031,769.37	3,026,535.82
02/20/26	-			417,866.00	406,515.00	343,269.00	333,420.73
08/20/26	2,300,000.00	1.730%	2.36%	2,717,866.00	2,706,515.00	2,204,152.84	2,191,280.70
02/20/27	-			397,971.00	379,375.00	318,626.00	303,199.05
08/20/27	2,300,000.00	2.047%	2.43%	2,697,971.00	2,679,375.00	2,132,471.17	2,113,801.40
02/20/28	-			374,430.50	351,430.00	292,168.39	273,678.74
08/20/28	2,300,000.00	2.323%	2.50%	2,674,430.50	2,651,430.00	2,060,200.24	2,038,233.57
02/20/29	-			347,716.00	322,680.00	264,434.98	244,859.74
08/20/29	2,300,000.00	2.550%	2.55%	2,647,716.00	2,622,680.00	1,987,841.46	1,964,545.96
02/20/30	-			318,391.00	293,355.00	235,986.54	216,911.18
08/20/30	2,300,000.00	2.740%	2.60%	2,618,391.00	2,593,355.00	1,915,918.67	1,892,875.13
02/20/31	-			286,881.00	263,455.00	207,233.74	189,818.26
08/20/31	2,300,000.00	2.936%	2.64%	2,586,881.00	2,563,455.00	1,844,808.32	1,823,176.85
02/20/32	-			253,117.00	233,095.00	178,201.86	163,646.83
08/20/32	2,300,000.00	3.088%	2.68%	2,553,117.00	2,533,095.00	1,774,507.10	1,755,487.26
02/20/33	-			217,605.00	202,275.00	149,311.07	138,375.74
08/20/33	2,300,000.00	3.198%	2.73%	2,517,605.00	2,502,275.00	1,705,402.29	1,689,757.36
02/20/34	-			180,828.00	170,880.00	120,926.38	113,907.44
08/20/34	2,400,000.00	3.297%	2.78%	2,580,828.00	2,570,880.00	1,703,846.78	1,691,664.44
02/20/35	-			141,264.00	137,520.00	92,070.20	89,324.34
08/20/35	2,400,000.00	3.386%	2.82%	2,541,264.00	2,537,520.00	1,635,134.51	1,626,990.41
02/20/36	-			100,632.00	103,680.00	63,922.82	65,620.88
08/20/36	2,400,000.00	3.466%	2.86%	2,500,632.00	2,503,680.00	1,568,143.18	1,564,218.60
02/20/37	-			59,040.00	69,360.00	36,550.93	42,775.91
08/20/37	2,400,000.00	2.430%	2.88%	2,459,040.00	2,469,360.00	1,502,912.68	1,503,301.66
02/20/38	-			29,880.00	34,800.00	18,028.72	20,912.82
08/20/38	2,400,000.00	2.490%	2.90%	2,429,880.00	2,434,800.00	1,447,388.80	1,444,335.64
totals	-			13,170,506.41	13,203,651.97	-	-
				* yields that equates PV of cash flows to \$-0-		2.588%	2.609%
				less discounts applied to the higher of the two yields:			1.5000%
				base discount:			
				MHI below average:			
				Avg residential cost:			
				resulting loan rate (min=1%):			1.109%

estimated savings: \$7,630,650 **WAM: 11.2 years**

Exhibit B
#MPFA-CWRF-L-XXX-FY19

MCES Project Number	IUP Project #	Project Name/Subproject Name	Project Phase Certified for PFA Funding	Certification Date as of 6/26/18	AIS Required?
802800	279356-PD00	Blue Lake Int. System Improvements	Planning/Design	06/04/04	Non-construction
802840	279356-PD01	Wayzata Area Improvements	Planning/Design	06/04/04	Non-construction
802820	279356-PD02	Mound Area Improvements	Design	6/4/2004	Non-construction
802824	279356-PS09	MAI - Western Maintenance Base	Construction	6/30/2014	No
802826	279356-PS10	MAI - Lift Station L38	Construction	6/30/2014	No
802828	279356-PS11	MAI - Interceptor 6-MO-650	Construction	4/11/2018	Yes
808300	279356-PS14	Waconia LS/FM Rehab	Planning/Design	6/4/2004	Yes
808320	279356-PS19	Waconia Forcemain 7508 Phase 2 Replacement	Planning/Design	06/04/04	Yes
802827	279356-PS15	MAI - Lift Stations L39/L40	Construction	4/25/2016	Yes
802855	279356-PS16	Excelsior Area Lift Station L18	Construction	4/11/2018	Yes
802829	279356-PS17	MAI - Interceptor 7021	Planning/Design	06/04/04	Yes
802854	279356-PD03	Excelsior Area Lift Stations	Planning/Design	6/4/2004	Non-construction
802856	279356-PS18	Excelsior Area Lift Station L20	Planning/Design	06/04/04	Yes
807400	280268-PS01	MCES Empire WWTP Solids In Biosolids improvements	Planning/Design	6/30/2015	Yes
804100	272493-PD00	Hopkins System Improvements (HSI)	Planning/Design	08/07/01	Non-construction
804126	272493-PS03	HSI Contract D - Lift Station	Construction	06/29/16	Yes
804124	272493-PS04	HSI Contract C - East Isles FM Rehab	Planning/Design	08/07/01	Yes
804130	272493-PS05	HSI Contract F - St Louis Park FM	Construction	06/26/14	No
805500	279769-PD00	Lift stations L7,L13,L30,L35,L66	Planning/Design	04/20/10	Non-construction
805540	279679-PS02	Crystal L30	Construction	06/30/16	Yes
807600	280213-PS00	Mpls Interceptor 2	Planning/Design	1/5/2015	Non-construction
807626	280213-PS01	Regulators R06, R10, R12 Imp	Construction	2/6/2015	Yes
807627	280213-PS02	Mpls Regulator R08	Design	1/5/2015	Yes
807629	280213-PS04	Interceptor 1-MN-344 Tunnel & Regulator R04	Design	1/5/2015	Yes
805900	279435-PD00	MWWTP Rehabilitation & Facilities Improvements	Planning/Design	07/02/07	Non-construction
805916	279435-PS23	Sludge Storage Tank Mixers	Planning/Design	07/02/07	Yes
805922/44	279435-PS24	EPT Improve. & Flotation Thickeners Renewal	Construction	12/16/14	Yes
805932	279435-PS30	HVAC Improvements Phase 2	Planning/Design	07/02/07	Yes
805963	279435-PS31	Water Improvements - Fire Protection	Planning/Design	07/02/07	Yes
805947	279435-PS35	MWWTP SMB Baghouse/Scrubber/Misc. Imp	Planning/Design	07/02/07	Yes
806200	272355-PS00	MWWTP Solids Processing Improvements	Planning/Design	06/10/97	Yes
808025	280267-PD00	Seneca Area System Rehab System rehab, Phases 3, 4, 5	Planning/Design	6/30/2015	Non-construction
807500	280266-PD00	Seneca Solids Processing Imp Biosolids improvements	Planning/Design	6/30/2015	Non-construction
807520	280266-PS02	Seneca Solids Processing Imp Solids Improvements Phase 2	Construction	4/23/2018	Yes
808200	280269-PS01	St. Bonifacius LS/FM Rehab Rehab lift station and forcemain	Planning/Design	6/30/2015	Yes
808800	280347-PD00	St. Paul Interceptor System (SPIS) Rehabilitation	Planning/Design	6/7/2018	Yes
808821	280347-PS02	SPIS - 8566-370/7705 Eastview/Mounds Pk Reha	Pending	Pending	Yes
808900	280346-PD00	MWWTP Asset Renewal	Pending	Pending	Yes
808910	280346-PS01	MWWTP Electrical Distribution Renewal Ph 1	Pending	Pending	Yes
808920	280346-PS02	MWWTP SMB Scum Processing & Roof Imp	Pending	Pending	Yes
809300	280545-PD00	Brooklyn Park-Champlin Interceptor (BPCI) Renewal	Planning/Design	6/7/2018	Yes
809310	280545-PS01	BPCI Renewal Phase 1	Pending	Pending	Yes
809320	280545-PS02	BPCI Renewal Phase 2	Pending	Pending	Yes
809330	280545-PS03	BPCI Renewal Phase 3	Pending	Pending	Yes
809340	280545-PS04	BPCI Renewal Phase 4	Pending	Pending	Yes
809350	280545-PS05	BPCI Renewal Phase 5	Pending	Pending	Yes

These projects are further described and listed on the 2018 Intended Use Plan (IUP) in Part A. Projects listed in Part B of the 2018 IUP that are certified by June 30, 2018 are eligible for funding. MCES planning/design projects in the fundable range that are certified for construction by June 30, 2018 may be eligible for funding for the construction phase following MPCA's certification and PFA approval.

American Iron and Steel (AIS) requirements detailed in Section 2.2 (e) of this Agreement apply to construction and pending construction projects/subprojects and Non-Construction (planning and design or design) if the "AIS Required?" column states "yes". New construction projects generated from non-construction project are subject to the AIS requirements. Projects identified with a "no" in the "AIS Required?" column are not subject to AIS requirements per the Environmental Protection Agency memo "Implementation of American Iron and Steel provisions of P. L. 113-76 Consolidated Appropriations Act, 2014" dated March 20, 2014 and Q & A Part 3 issued March 2015.

**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 Metropolitan Council (“Recipient”) and is dated July 17, 2018.

The project consists of cash flow financing for a portion of the Metropolitan Council capital wastewater projects (“the Project”). The Project is further described and detailed in Exhibit B and the related MN Pollution Control Agency's project certifications, and in the Recipient’s Project application which is incorporated herein.

Program Funding for the Project	Name	Legal citations	Funding IDs	Amounts
Clean Water State Revolving Fund Loan	("the Loan")	MS 446A.07; MN Rules 7380 .0400-.0480	MPFA-CWRF-L-012-FY19	\$45,000,000
Total Authority project financing				\$45,000,000

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 FORTY FIVE MILLION DOLLARS (\$45,000,000) 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, 2038. The aggregate principal amount of the Loan disbursed and outstanding will bear interest and servicing fees collectively at the rate of 1.091% per annum accruing from and after the date of the Note described in Section 1.4 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.

(d) The Authority agrees that the only project listed in Exhibit B that will be funded from state general obligation bonds are the MWWTP Rehabilitation and Facilities Improvement Projects (the "Metro Wastewater Treatment Plant Project").

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, 2022 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.

(d) The Recipient agrees to impose and collect rates and charges (including costs allocated by the Recipient to local governments) 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 ("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.

(h) The Recipient agrees to follow the procurement provisions identified in USC 1101-1104 for architectural and engineering services procured after October 1, 2014.

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 Section 608 of the Federal Water Pollution Control Act, 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.

(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 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 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.

(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 "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 15c2-12. 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.

(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 7380.0475, 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 The Authority may also exercise one or more of the following remedies: (1) withhold approval of any disbursement request, (2) 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:

Metropolitan Council
Attention: Chief Financial Officer
390 North Robert
Saint Paul, MN 55101-1805
Copy to: MCES Financial Director

This page is intentionally left blank.

Recipient name: Metropolitan Council
Project Funding ID(s): MPFA-CWRF-L-012-FY19

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 Wes Kooistra
Regional Administrator

Date _____

MINNESOTA PUBLIC FACILITIES AUTHORITY:

By _____
Title Shawntera Hardy, or delegate
Chair

Date _____

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

By _____
PO date 07/17/18
PO ID(s) B2401:3000002283-2286

Metropolitan Council - cw29

Loan Amortization Schedule
MPFA-CWRF-L-012-FY19

funding dates:

45,000,000.00

Rate: 1.091%

Date:

Maturity: 08/20/38

private activity:

final loan amount: 45,000,000.00

Date	Effective	Source	Disbursement	Repayment	Interest	Principal	Loan Balance	Annl Debt Srv
projected	07/25/18	Op Res	45,000,000.00				45,000,000.00	
	02/20/19			279,568.75	279,568.75		45,000,000.00	
	08/20/19			1,045,475.00	245,475.00	800,000.00	44,200,000.00	1,325,043.75
	02/20/20			241,111.00	241,111.00		44,200,000.00	
	08/20/20			2,541,111.00	241,111.00	2,300,000.00	41,900,000.00	2,782,222.00
	02/20/21			228,564.50	228,564.50		41,900,000.00	
	08/20/21			1,628,564.50	228,564.50	1,400,000.00	40,500,000.00	1,857,129.00
	02/20/22			220,927.50	220,927.50		40,500,000.00	
	08/20/22			1,620,927.50	220,927.50	1,400,000.00	39,100,000.00	1,841,855.00
	02/20/23			213,290.50	213,290.50		39,100,000.00	
	08/20/23			2,513,290.50	213,290.50	2,300,000.00	36,800,000.00	2,726,581.00
	02/20/24			200,744.00	200,744.00		36,800,000.00	
	08/20/24			3,400,744.00	200,744.00	3,200,000.00	33,600,000.00	3,601,488.00
	02/20/25			183,288.00	183,288.00		33,600,000.00	
	08/20/25			3,383,288.00	183,288.00	3,200,000.00	30,400,000.00	3,566,576.00
	02/20/26			165,832.00	165,832.00		30,400,000.00	
	08/20/26			2,465,832.00	165,832.00	2,300,000.00	28,100,000.00	2,631,664.00
	02/20/27			153,285.50	153,285.50		28,100,000.00	
	08/20/27			2,453,285.50	153,285.50	2,300,000.00	25,800,000.00	2,606,571.00
	02/20/28			140,739.00	140,739.00		25,800,000.00	
	08/20/28			2,440,739.00	140,739.00	2,300,000.00	23,500,000.00	2,581,478.00
	02/20/29			128,192.50	128,192.50		23,500,000.00	
	08/20/29			2,428,192.50	128,192.50	2,300,000.00	21,200,000.00	2,556,385.00
	02/20/30			115,646.00	115,646.00		21,200,000.00	
	08/20/30			2,415,646.00	115,646.00	2,300,000.00	18,900,000.00	2,531,292.00
	02/20/31			103,099.50	103,099.50		18,900,000.00	
	08/20/31			2,403,099.50	103,099.50	2,300,000.00	16,600,000.00	2,506,199.00
	02/20/32			90,553.00	90,553.00		16,600,000.00	
	08/20/32			2,390,553.00	90,553.00	2,300,000.00	14,300,000.00	2,481,106.00
	02/20/33			78,006.50	78,006.50		14,300,000.00	
	08/20/33			2,378,006.50	78,006.50	2,300,000.00	12,000,000.00	2,456,013.00
	02/20/34			65,460.00	65,460.00		12,000,000.00	
	08/20/34			2,465,460.00	65,460.00	2,400,000.00	9,600,000.00	2,530,920.00
	02/20/35			52,368.00	52,368.00		9,600,000.00	
	08/20/35			2,452,368.00	52,368.00	2,400,000.00	7,200,000.00	2,504,736.00
	02/20/36			39,276.00	39,276.00		7,200,000.00	
	08/20/36			2,439,276.00	39,276.00	2,400,000.00	4,800,000.00	2,478,552.00
	02/20/37			26,184.00	26,184.00		4,800,000.00	
	08/20/37			2,426,184.00	26,184.00	2,400,000.00	2,400,000.00	2,452,368.00
	02/20/38			13,092.00	13,092.00		2,400,000.00	
	08/20/38			2,413,092.00	13,092.00	2,400,000.00	-	2,426,184.00
totals			45,000,000.00	50,444,362.75	5,444,362.75	45,000,000.00		50,444,362.75

**Exhibit B
Project Description
#MPFA-CWRF-L-012-FY19**

MCES Project Number	IUP Project #	Project Name/Subproject Name	Project Phase Certified for PFA Funding	Certification Date as of 6/30/18	AIS Required?
802800	279356-PD00	Blue Lake Int. System Improvements	Planning/Design	06/04/04	Non-construction
802840	279356-PD01	Wayzata Area Improvements	Planning/Design	06/04/04	Non-construction
802845	279356-PS04	Wayzata Area Improve Ph 3	Construction	03/25/13	No
802847	279356-PS06	Wayzata L26 Improvements	Construction	01/02/14	No
802850	279356-PS07	Excelsior Area Imp Phase 1	Construction	05/08/13	No
802820	279356-PD02	Mound Area Improvements	Design	6/4/2004	Non-construction
802824	279356-PS09	MAI - Western Maintenance Base	Construction	6/30/2014	No
802826	279356-PS10	MAI - Lift Station L38	Construction	6/30/2014	No
802828	279356-PS11	MAI - Interceptor 6-MO-650	Design	6/4/2004	Yes
802851	279356-PS13	Excelsior Area Imp Phase 2	Construction	6/30/2014	No
808300	279356-PS14	Waconia LS/FM Rehab	Planning/Design	6/4/2004	Yes
808320	279356-PS19	Waconia Forcemain 7508 Phase 2 Replacement	Pending	Pending	Yes
802827	279356-PS15	MAI - Lift Stations L39/L40	Construction	4/25/2016	Yes
802855	279356-PS16	Excelsior Area Lift Station L18	Planning/Design	06/04/04	Yes
802829	279356-PS17	MAI - Interceptor 7021	Pending	Pending	Yes
802854	279356-PD03	Excelsior Area Lift Stations	Planning/Design	6/4/2004	Non-construction
802856	279356-PS18	Excelsior Area Lift Station L20	Pending	Pending	Yes
808000	280212-PS01	Burnsville Interceptor Rehab	Construction	10/21/2013	No
807400	280268-PS01	MCES Empire WWTP Solids In Biosolids improvements	Planning/Design	6/30/2015	Yes
805700	279770-PD00	Golden Valley Area Imp	Planning/Design	3/25/2010	Non-construction
805730	279770-PS02	1-GV-461 Relief LS and Phase 3 FM	Construction	6/30/2014	Yes
804100	272493-PD00	Hopkins System Improvements (HSI)	Planning/Design	08/07/01	Non-construction
804122	272493-PS02	HSI Contract B - St Louis/Mpls FM	Construction	06/07/12	No
804126	272493-PS03	HSI Contract D - Lift Station	Construction	06/29/16	Yes
804124	272493-PS04	HSI Contract C - East Isles FM Rehab	Planning/Design	08/07/01	Yes
804130	272493-PS05	HSI Contract F - St Louis Park FM	Construction	06/26/14	No
805500	279769-PD00	Lift stations L7,L13,L30,L35,L66	Planning/Design	04/20/10	Non-construction
805520/30	279769-PS01	Mahtomedi L7 improvements	Construction	06/29/12	No
805540	279679-PS02	Crystal L30	Construction	06/30/16	Yes
807600	280213-PS00	Mpls Interceptor 2	Planning/Design	1/5/2015	Non-construction
807626	280213-PS01	Regulators R06, R10, R12 Imp	Construction	2/6/2015	Yes
807627	280213-PS02	Mpls Regulator R08	Design	1/5/2015	Yes
807629	280213-PS04	Interceptor 1-MN-344 Tunnel & Regulator R04	Design	1/5/2015	Yes
805900	279435-PD00	MWWTP Rehabilitation & Facilities Improvements	Planning/Design	07/02/07	Non-construction
805916	279435-PS23	Sludge Storage Tank Mixers	Planning/Design	07/02/07	Yes
805922/44	279435-PS24	EPT Improve. & Flotation Thickeners Renewal	Construction	12/16/14	Yes
805924	279435-PS25	F&I Bldg. No. 1 Demolition	Construction	06/27/13	No
805931	279435-PS26	HVAC Improvements - Phase 1	Construction	06/27/13	No
805962	279435-PS27	Water Systems Improvements	Construction	06/27/13	No
805960a	279435-PS28	Double Barrel Interceptor Rehab - Phase 2	Construction	06/27/13	No
805932	279435-PS30	HVAC Improvements Phase 2	Planning/Design	07/02/07	Yes
805963	279435-PS31	Water Improvements - Fire Protection	Planning/Design	07/02/07	Yes
805947	279435-PS35	MWWTP SMB Baghouse/Scrubber/Misc. Imp	Pending	Pending	Yes
806200	272355-PS00	MWWTP Solids Processing Improvements	Planning/Design	06/10/97	Yes
808025	280267-PD00	Seneca Area System Rehab System rehab, Phases 3, 4, 5	Planning/Design	6/30/2015	Non-construction
807500	280266-PD00	Seneca Solids Processing Imp Biosolids improvements	Planning/Design	6/30/2015	Non-construction
807520	280266-PS02	Seneca Solids Processing Imp Solids Improvements Phase 2	Construction	4/23/2018	Yes
808200	280269-PS01	St. Bonifacius LS/FM Rehab Rehab lift station and forcemain	Planning/Design	6/30/2015	Yes
808800	280347-PD00	St. Paul Interceptor System (SPIS) Rehabilitation	Planning/Design	6/7/2018	Yes
808821	280347-PS02	SPIS - 8566-370/7705 Eastview/Mounds Pk Reha	Pending	Pending	Yes
808900	280346-PD00	MWWTP Asset Renewal	Pending	Pending	Yes
808910	280346-PS01	MWWTP Electrical Distribution Renewal Ph 1	Pending	Pending	Yes
808920	280346-PS02	MWWTP SMB Scum Processing & Roof Imp	Pending	Pending	Yes
809300	280545-PD00	Brooklyn Park-Champlin Interceptor (BPCI) Renewal	Planning/Design	6/7/2018	Yes
809310	280545-PS01	BPCI Renewal Phase 1	Pending	Pending	Yes

Exhibit B
Project Description
#MPFA-CWRF-L-012-FY19

MCES Project Number	IUP Project #	Project Name/Subproject Name	Project Phase Certified for PFA Funding	Certification Date as of 6/30/18	AIS Required?
809320	280545-PS02	BPCI Renewal Phase 2	Pending	Pending	Yes
809330	280545-PS03	BPCI Renewal Phase 3	Pending	Pending	Yes
809340	280545-PS04	BPCI Renewal Phase 4	Pending	Pending	Yes
809350	280545-PS05	BPCI Renewal Phase 5	Pending	Pending	Yes

These projects are further described and listed on the 2018 Intended Use Plan (IUP) in Part A. Projects listed in Part B of the 2018 IUP that are certified by June 30, 2018 are eligible for funding. MCES planning/design projects in the fundable range that are certified for construction by June 30, 2018 may be eligible for funding for the construction phase following MPCA's certification and PFA approval.

American Iron and Steel (AIS) requirements detailed in Section 2.2 (c) of this Agreement apply to construction and pending construction projects/subprojects if the plans and specifications were approved June 10, 2014 or later. The projects subject to AIS requirements are identified with a Yes in the "AIS Required?" column.