

**CITY OF PARK RIVER, NORTH DAKOTA, REGULAR COUNCIL MEETING,
MONDAY, AUGUST 11, 2016 AT 7:30 P.M.**

The City of Park River held their regular meeting of the Park River City Council on Monday, August 11, 2016 at 7:30 P.M.

Mayor Stenvold called the meeting to order with the following present: Council members Mike Lorton, Kyle Halvorson, Arvid Knutson, Robert Lundquist III, Dwight Byron, and Keith Anderson, City Attorney Tracy Laaveg, City Coordinator Nancy Thompson, Public Works Director (PWD) Dennis Larson and City Auditor Ann Berg. Absent: None. Others present: At 8:02 pm Jon Markusen.

No additions or changes to agenda.

Comments From Citizens: None.

Lorton moved and Anderson seconded to approve the minutes from the July 11, 2016 Regular Council meeting. Upon roll call vote, all voted aye. M/C.

Halvorson moved and Lundquist seconded payment of the following bills for the General Fund and Municipal Utilities. Upon roll call vote, all voted aye. M/C.

General Fund

29118	NDPERS	53.22
19	Aflac	20.26
29120	Discovery Benefits	39.20
21	NDPERS	42.48
22	NDPERS	660.16
23	PR Airport Authority	1,042.47
24	PR Park District	2,779.92
25	PR Public Library	1,042.47
26	BC/BS of North Dakota	1,031.49
27	Sillers, Laaveg, & Wenzel	750.00
28	Access Printing Solutions, LLC	634.34
29	Productivity Plus Account	397.50
29130	DFD Express Inc	500.00
31	Farmers Union Service Assoc	148.00
32	Jolene Halldorson	37.99
33	Jim's Super Valu	10.48
34	Pete Kelly	200.00
35	Lon's Hardware	66.14
36	Montana Dakota Utilities	90.33
37	Michael Todd & Company, Inc	1,114.56
38	Morgan Printing	223.00
39	Municipal Government Academy	50.00
29140	Northdale Oil, Inc	965.86
41	North Star Coop	1,054.40
42	Polar Communications	456.23
43	PR Airport Authority	28.05
44	PR Community Club	150.00
45	PR Park District	24.77

46	PR Public Library	29.83
47	Quill Corporation	49.37
48	Robert's Truck & Tractor Repr	180.00
49	Glenn Rost	250.00
29150	Alyssa Schauer	250.00
51	Sillers, Laaveg, & Wenzel	1,074.60
52	Sobolik Construction	13,072.00
53	Special Funds	6.41
54	United Pentecostal Church	100.00
55	Verizon Wireless	143.10
56	Walsh County Auditor	11,709.10
57	Walsh County Press	676.50
58	Walsh County Sheriff's Dept	451.94
AW	EFTPS GFMU	1,942.54
AW	ND St Tax Commissioner	222.71
AW	Municipal Utilities	5,935.14
AW	NSF Returned Check	1,600.00

Municipal Utilities

33648	NDPERS	341.90
49	Aflac	377.00
33650	Discovery Benefits	299.12
51	NDPERS	352.64
52	NDPERS	5,051.12
53	General Fund	5,935.14
54	Postmaster	288.92
56	2016 Electrical Upgrade	8,000.00
57	Airborne Custom Spraying, Inc.	2,900.00
58	AmeriPride Services, Inc	146.89
59	Aqua-Pure Inc.	1,758.00
33660	Border States Electric Supply	21,565.82
61	Cardmember Service	280.34
62	City of Cavalier	3,420.00
63	City of Fargo	28.00
64	Productivity Plus Account	6.18
65	Consolidated Waste, LTD.	17,369.75
66	Discovery Benefits, Inc	16.50
67	Ethanol Products, LLC	1,276.83
68	Ferguson Waterworks #2516	456.60
69	GF Environmental Lab	105.50
33670	Graymont (WI) LLC	5,695.25
71	Hawkins Inc	957.72
72	Jim's Super Valu	50.46
73	Dennis L Larson	75.00
74	Liberty Business Systems, Inc	150.91
75	Light & Water Dept	4,195.76
76	Lindell's Mowing	500.00
77	Lon's Hardware	57.73
78	Loren's Appliance & AC Repair	505.20

79	Michael Kilmer Construction	5,960.00
33680	Municipal Utilities	250.00
81	ND One Call Inc.	32.20
82	NMPA	175.00
83	Northdale Oil, Inc	71.01
84	North Star Coop	375.07
85	PDQ Sanitary Services, Inc	1,220.00
86	Shirley Peterka	83.15
87	Polar Communications	151.65
88	Quill Corporation	246.20
89	Samson Electric LTD	498.75
33690	Simmons Multimedia USA	42.00
91	Dan Stenvold	75.00
92	T & R Service Company	759.00
93	T&R Electric Supply Co. Inc	1,194.00
94	Thatcher Company of Montana	8,756.00
95	US Bank	0.00
96	Verizon Wireless	122.45
97	Vessco, Inc	102.41
98	Wat & Sew Imprv Dist #2015-1	3,700.00
99	Wat & Sew Imprv Dist #2016-1	9,477.00
33700	Water System Repair & Replace	1,500.00
1	Water Bond Fund 05	4,830.00
2	Water Rev Bond Fund Phase II	3,450.00
3	Water Sur-Charge Fund	5,000.00
4	Water Tower Fund	11,671.50
5	Void	0.00
6	Wayne's Variety	8.99
7	Welch's Bakery	9.00
8	Ye Olde Medicine Center	44.05
9	US Bank Equipment Finance	157.59
33710	Dakota Supply Group	46,092.39
11	Moorhead Electric, Inc	56,631.53
12	NDPERS	309.38
13	NDPERS	21.79
14	Nodak Electric Cooperative	4,856.73
15	North Plains Utility Contract	4,877.00
16	Widseth Smith Nolting & Assoc	7,210.53
17	Bank of North Dakota	30,025.00
18	Bank of North Dakota	45,412.50
AW	NMPA	136,205.68
7676-7705	Salaries	30,660.26
AW	EFTPS MU July	9,568.60
AW	Job Service ND	98.58
AW	ND St Tax Commissioner	1,051.42
AW	First United Bank ACH Chg	12.80
AW	NSF Returned Check	547.33
AW	NSF Returned Check	3,751.16
AW	NSF Returned Check	150.00

Byron moved and Knutson seconded payment of the following bills Special Fund and Debt Service bills. Upon roll call vote, all voted aye. M/C.

Special Funds

100048	Hospital Bldg Fund	14,278.95
100049	2016 Electrical Upgrade	118,788.92
100050	PR Economic Development Corp	5,000.00

Water Tower Fund

10060	US Bank	82,925.00
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Byron moved and Knutson seconded payment of the following project and pay request bills. 2016 Electrical Upgrade: North Plains Utility Contracting \$4,877.00; Widseth Smith & Nolting \$7,201.53; Dakota Supply Group \$46,092.39; Moorhead Electric, Inc \$56,631.53 and the following Water & Sewer Improvement Districts 2016-1 & 2015-1. Upon roll call vote, all voted aye. M/C.

Wat & Sewer Improve Dist's 2016-1 & 2015-1

116	KLJ, Inc	16,684.45
117	US Bank	800.00
118	Advanced Engineering &	39,900.00
119	Utility Services of America	234,158.30
120	Advanced Engineering &	26,600.00

Byron moved and Lundquist seconded payment of the following project and pay request bills and Berg's request to borrow \$16,684.45 in funds from the St. Improvement District #2013-1 (135th Ave NE) to pay the KLJ, Inc engineering bill for the Water & Sewer Improve Dist #2015-1. Upon roll call vote, all voted aye. M/C.

St Imprv Dist 2013-1 (135th)

3040	Wat & Sew Imprv Dist #2015-1	16,684.45
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Lundquist moved and Halvorson seconded to accept the Auditors Report into record. Upon roll call vote, all voted aye. M/C

Ward Reports: Ward I - Nothing to report. Ward II - Nothing to report. Ward III - Nothing to report.

The Sales Tax Committee is recommending the following items for the Council's approval: Lundquist moved and Lorton seconded to approve a \$5,000 housing incentive payment to the PR Economic Development Corporation for Jeff & Patty Dahlen from the Economic Development Fund. Upon roll call vote, all voted aye. M/C.

Anderson moved and Lundquist seconded to approve the following request to borrow \$118,788.92 to the 2016 Electrical Upgrade from the Capital Improvement Fund for project costs with funds to be repaid upon receipt of municipal bonds. Upon roll call vote, all voted aye. M/C.

Larson reported that the City of Grafton has a traffic study completed. Findings of their study resulted in numerous stop signs removed and the City of Grafton adopted the Uniform Traffic Safety Code. The cost of the study was about \$20,000 for the entire city and Grafton received a grant to cover the cost. Jon Markusen, engineer from KLJ, Inc., reported the Council could choose to do traffic control studies in certain sections of town, use accident history, or conduct traffic counts. The City could also have a general guideline to follow when deciding if and what type sign to install or take down.

Halvorson moved and Lundquist seconded to remove from table the ordinance 4.c regarding unoccupied property. Upon roll call vote, all voted aye. M/C.

Lundquist moved and Halvorson seconded to approve the first reading of the following ordinance:

Ordinance No. 4.c
An ordinance relating to Registration of vacant buildings

Be it ordained by the City Council of the City of Park River:

Section 1. Purpose. The city council finds as follows:

When the owner of a vacant building fails to actively maintain and manage the building, the building can become a major cause of blight in both residential and nonresidential neighborhoods. Vacant buildings that are boarded, substandard or unkempt properties, and long term vacancies discourage economic development and retard appreciation of property values. It is the responsibility of property owner to prevent owned property from becoming a burden to the neighborhood and community and a threat to the public health, safety, or welfare. One vacant property that is not actively and well maintained and managed can be the core and cause of spreading blight within a community. Some owners have acquired multiple vacant and blighted buildings at depressed prices and have not improved or cared for the properties. Unfortunately, many buildings, once boarded or vacated, remain that way for many years. The purpose of this ordinance is to establish a program for identifying and registering vacant buildings; to determine the responsibilities of owners of vacant buildings and structures; and to speed the rehabilitation of the vacant properties,

Section 2. Definitions.

- a. Building shall mean any enclosed structure, originally built or designed for human or animal habitation, storage, or protection of property from the elements of nature.
- b. City shall mean city of Park River, North Dakota.
- c. Owner shall mean those persons or entities shown to be the owner or owners on the records of the Walsh County Recorder in Grafton, ND, and/or those identified as the owner or owners on a vacant building registration form, a mortgagee in possession, a mortgagor in possession, assignee of rents, receiver, executor, trustee, lessee, other person, firm, or corporation in control of the premises. Any such person or entity shall have a joint and several obligation for compliance with the provisions of this article.
- d. Secured by other than normal means – shall mean any security design, apparatus, or means of securing a building by means other than by the use of doors or windows that may be locked.
- e. Unoccupied – shall mean a building which is not being used for residential or storage purposes as authorized by the owner.
- f. Unsecured – shall mean a building or portion of a building which is open to entry by unauthorized persons without the use of tools or ladders.
- g. Vacant building – shall mean a building or portion of a building which is:
 1. Unoccupied and unsecured;
 2. Unoccupied and secured by other than normal means;
 3. Unoccupied and an unsafe building as determined by the City of Park River.
 4. Unoccupied and has had all utilities removed.
 5. Illegally occupied.
 6. Unoccupied for a period of time over ninety (90) days.

Section 3. Vacant Building Registration.

- a. The owner shall register a vacant building with the City of Park River not later than thirty (30) days after any building located within the city of Park River becomes a vacant building, as defined in Section 2, or not later than 30 days after being notified by the City of Park River of the requirement to register. The City may identify vacant buildings through its own inspection, as well as through notification by residents that a building may be eligible for inclusion on the registry.
- b. The registration shall be submitted on forms provided by the City of Park River and shall include the following information supplied by the owner;

1. A description of the premises;
2. The names and addresses of the owner or owners;
3. If the owner does not reside in Walsh County or any adjoining county, the name and address of any third party who the owner has entered into a contract or agreement with for property management;
4. The names and addresses of all known lienholders and all other parties with an ownership interest in the building;
5. A telephone number where a responsible party can be reached at all times during business and nonbusiness hours; and
6. A vacant building plan as described in Section C.

c. The owner shall submit a vacant building plan which must meet the approval of the City. The plan, at a minimum, must contain information from one of the following three choices for the property:

1. If the building is to be demolished, a demolition plan Indicating the proposed time frame for demolition, or allow the city to demolish the building at the expense of the owner: or
2. If the building is to remain vacant, a plan for the securing of the building as provided in section 4, along with the procedure that will be used to maintain the property, and a statement of the reasons why the building will be left vacant; or
3. If the building is to be returned to appropriate occupancy or use, a rehabilitation plan for the property. The rehabilitation plan shall not exceed three hundred sixty-five (365) days, unless the city grants an extension upon receipt of a written statement from the owner detailing the reasons for the extension. Any repairs, improvements or alterations to the property must comply with any applicable zoning, housing, historic preservation or building codes and must be secured during the rehabilitation.

d. The owner shall notify the city of any changes in information supplied as part of the vacant building registration within thirty days of the change. If the plan or timetable for the vacant building is revised in any way, the revisions must be in writing and must meet the approval of the city,

e. The owner and subsequent owners shall keep the building secured and safe and the building and ground properly maintained as provided in Section 5 of this ordinance.

f. New owners shall register or re-register the vacant building with the city within thirty days of any transfer of an ownership interest in a vacant building. The new owners shall comply with the approved plan and timetable submitted by the previous owner until any proposed changes are submitted and meet the approval of the city,

Section 4. Secure the building to prevent unlawful entry.

- a. Openings with secure doors and windows, without broken or cracked glass, may be left as is so long as they remain secure and in good condition.
- b. Plywood may be used only during the first 6 months the building is vacant
- c. After 6 months, all plywood must be removed and the openings filled with new secure doors and windows, filled with the same material as the surrounding wall (bricked up), or secured with commercial-grade metal security panels.

Section 5. Maintain the property and visit regularly to verify the property is clean and secure.

- a. Keep the lot clean. Maintain fences and gates. Cut the grass, remove weeds, garbage, debris dead trees and fallen limbs. Keep the property free from pests such as rats and other rodents. Bait the property as necessary,
- b. Maintain foundations, basements, exterior walls, exterior windows and doors, roofs, gutters, downspouts, chimneys, flues, outside stairs, steps, decks, porches, and balconies.
- c. Keep the building interior free from junk, debris, trash, rodents and pests.
- d. Maintain or winterize plumbing and heating systems. Maintain the foundation, floors, walls, stairs, and ceilings. Exit doors should be secured with an internal deadbolt lock. Maintain interior stairs in a safe, usable condition.

Section 6. Failure to comply with maintenance provision

After a vacant property has been secured and registered, should the owner fail to maintain the building in a secured condition until such time as it has been repaired and reoccupied, the City building inspector or his/her designee, shall re-secure any openings to the buildings if it becomes open to trespass, without prior notice to the owner. Upon taking such, action, the city shall notify the presumed owner in writing. Should it be necessary to re-secure any opening in the same building more than 1 time during any 12 month period, the City may again take any necessary action to secure said opening, with the costs of said securing, as well as an administrative fee of \$200.00 minimum, plus \$50.00 per man hour, special equipment \$100.00 per hour and shall be assessed against the real estate taxes of the property.

Section 7. Vacant building fees;

- a. The owner of a vacant building shall pay an annual fee of one thousand dollars (\$1000) for the period the building remains a vacant building.
- b. The first annual fee shall be paid no later than thirty days after the building becomes vacant or thirty days after being notified by the city. If the fee is not paid within forty-five days of being due, the owner shall be subject to having the fees assessed to their property taxes. If a plan is extended beyond 365 days, subsequent annual fees shall be due on the anniversary date.
- c. The fee shall be prorated and a refund may be issued if the building is no longer deemed vacant under the provisions of this article within one hundred eighty (180) days of its registry.
- d. All delinquent fees shall be paid by the owner prior to any transfer of an ownership interest in any vacant building. If the fees are not paid prior to any transfer, the new owner shall pay the annual fee no later than thirty days after the transfer of ownership and subsequent annual fees shall be due on the new anniversary date.

Section 8. Exemptions.

- a. A building which has suffered fire damage or damage caused by extreme weather conditions shall be exempt from the registration requirement for a period of ninety days after the date of the fire or extreme weather event if the property owner submits a request for exemption in writing to the city. This request shall include the following information supplied by the owner:
 - i. A description of the premises;
 - ii. The names and addresses of the owner or owners;
 - iii. A statement of intent to repair and reoccupy the building in an expedient manner, or the intent to demolish the building.
- b. Any owner who is served a notice of vacant property registration may, within 30 calendar days of receipt of such notice, apply for an exemption from the Park River city council or appeal the findings of the city.
- c. Residential Rental and Seasonally Vacant properties are exempt from registration as long as the building has power, water, and sewer services which are being paid in a timely fashion. These properties must still adhere to Section 4 and 5 of this ordinance. Any building for which water, power, or sewer fees are delinquent for more than 60 days shall be required to be registered.

Section 9. Savings clause.

In the event that this ordinance or any provisions of It shall be deemed by a court to be in conflict with a provision of the North Dakota State Constitution or with a general law, or if adherence to or enforcement of any section of this ordinance shall be restrained by a court, the remaining provisions of this local law shall not be affected.

Section 10. Effective Date.

This ordinance shall take effect immediately upon passage, adoption, and publication.

First Reading: 8-11-2016

Second Reading:

Publication:

Roll call vote: Lorton, Halvorson, Knutson, Lundquist, Byron, and Anderson voted "Aye".

Dan Stenvold, Mayor

ATTEST: _____
Ann Berg, City Auditor

Knutson moved and Anderson seconded to approve the second reading of the change to Ordinance 1.b. verbiage.

ORDINANCE 1.b

AN ORDINANCE PROVIDING FOR THE CALL OF SPECIAL MEETINGS OF THE CITY COUNCIL.

Section 1.

Special meetings of the City Council of the City of Park River may be called by order of the Mayor, or in the Mayor's absence, by the President of the Council. Upon calling a meeting, the Mayor shall notify each member of the Council or the Mayor may direct the City Auditor to notify the members of the time of said proposed meeting. Such notification may be by person, by telephone, electronic mail or by mailing said notice, and ~~in all cases~~, must be at least 24 hours before the hour of said proposed meeting, except in cases of exigent circumstances. All meetings shall be at the Council room in the City Hall, or at such place as the Mayor or President directs.

Section 2.

The City Auditor shall cause to be posted on the city website, and on the outside door of the City Auditor's office a notice stating the call of said special meeting. Such notice shall state the hour of posting ~~and shall be so posted at least 24 hours prior to the hour of the proposed special meeting~~. These notices shall be preserved by the Auditor.

Section 3.

All business authorized to be done at a regular meeting shall be authorized to be done at a special meeting.

-revised 12-30-15

This ordinance shall take effect immediately upon passage, adoption, and publication.

First Reading: 7-11-2016

Second Reading: 8-11-2016

Publication:

Roll call vote: Lorton, Halvorson, Knutson, Lundquist, Byron, and Anderson voted "Aye".

Dan Stenvold, Mayor

ATTEST: _____
Ann Berg, City Auditor

Lundquist moved and Anderson seconded to approve the transfer of the American Legion liquor license on 9-10-16 to Coliseum for the Barrow/Holand wedding reception and on 9-24-16 to Coliseum for the Kalgard/Dusek wedding reception. Upon roll call vote, all voted aye. M/C.

Mayor Stenvold informed the Council that in view of negative feedback he will be turning down the pay raise for Special and Committee meetings and utility credit the Council passed by ordinance last month.

Stenvold was contacted former Mayor Walstad who stated it is a privilege to run for office and serve the City, and that Special and Committee meetings are a part of the job; and in view of utility rate increases the energy credit should also be removed. Laaveg stated that the ordinance was passed and Stenvold will receive the benefits but could pay the City back if he so desired. Knutson and Lundquist felt the Council deserves the extra pay and utility credit while Byron and Halvorson felt the benefit should be removed. No motion was made to rescind the Council raises and utility credit and the Ordinance 1.a stands as passed.

Berg asked the Council for permission to apply for and use the Walsh County 2016 1/2 Mill Self Help Program for the replacement of Christmas decorations. This program matches funds up to \$1,500. Lundquist moved and Lorton seconded to approve the request, and upon roll call, all voted aye. M/C.

**CERTIFICATION OF MINUTES RELATING TO
\$600,000 ELECTRIC UTILITY REVENUE BONDS, SERIES 2016**

Issuer: City of Park River, North Dakota Governing

Body: City Council

Kind, date, time and place of meeting: A regular meeting, held on August 11, 2016, at 7:30 P.M., at the City Hall, Park River, North Dakota.

Members present: Lorton, Halvorson, Knutson, Lundquist, Byron, and Anderson.

Members absent: None.

Document Attached: **RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF PARK RIVER, NORTH DAKOTA, ELECTRIC UTILITY REVENUE BONDS, SERIES 2016 AND RELATED MATTERS**

I, the undersigned, being the duly qualified and acting Auditor of the City of Park River, North Dakota, certify that the Resolution attached hereto, as described above, has been carefully compared with the original records of the City in my legal custody; that the Resolution is a correct and complete copy of the Resolution adopted by the City Council and has not been amended or repealed as of the date hereof; and that the meeting was duly held by the City Council at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such Auditor this 11th day of August, 2016.

City Auditor

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF
CITY OF PARK RIVER, NORTH DAKOTA,
ELECTRIC UTILITY REVENUE BONDS, SERIES 2016
AND RELATED MATTERS**

WHEREAS, the City Council of the City of Park River (the “Issuer”) finds that it is financially feasible and in its best interest to finance certain improvements to the Issuer’s water supply and distribution facilities; and

WHEREAS, the Issuer is authorized to issue revenue bonds pursuant to Chapter 40-35 of the North Dakota Century Code for the purposes of the generation, transmission and distribution of electric energy for lighting, heating, and power for public and private uses; and

WHEREAS, the Issuer has received an offer from the First United Bank, Park River, North Dakota to purchase its revenue bonds to finance the Project (as defined below);

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Park River, North Dakota, as follows:

SECTION 1. DEFINITIONS. As used in this Resolution, the following words shall have the following meanings:

“Bond Fund” means the Bond Fund established pursuant to Section 7 hereof.

“Bonds” means the Series 2016 Bonds, and the Parity Bonds or other parity obligations issued pursuant to this Resolution.

“City Council” means the City Council of the Issuer.

“Construction Fund” means the Construction Fund established pursuant to Section 8 hereof.

“Date of Issue” means the date on which the Series 2016 Bonds are delivered to the purchaser and the purchase price of the Series 2016 Bonds is paid to the Issuer.

“Default” means any event specified in Section 13(a) of this Resolution.

“Issuer” means the City of Park River, North Dakota, its successors and assigns.

“Facilities” means the electrical supply and distribution facilities of the Issuer.

“Governmental Obligations” means direct general obligations of, or obligations

the timely payment of the principal of _____ and interest on which is

unconditionally guaranteed by, the United States of America.

“Gross Revenues” means all fees and charges collected for use of the Facilities, revenues from product sales, and other revenues collected by the Issuer; however, Gross Revenues does not include: (a) collection of ad valorem taxes; (b) any payments of special assessments levied against benefitted properties; (c) the proceeds of any grants; (d) the proceeds of any borrowing for capital improvements; (e) the proceeds of any liability insurance; and (f) the proceeds of any casualty insurance which the Issuer intends to utilize for repair or replacement of the Facilities.

“Net Revenues” means the Gross Revenues less the Operating Expenses.

“Operating Expenses” means all normal, reasonable and current expenses incurred for operation, maintenance and repair of the Facilities, including but not limited to administrative expenses, financial and auditing expenses, insurance premiums, claims (to the extent moneys are not available from proceeds of insurance), taxes, legal and engineering expenses relating to operation and maintenance, payments and reserves for pension, retirement, health, hospitalization, and sick leave benefits, payments to reserve funds, and any other similar expenses to be paid to the extent properly and directly attributable to operations of the Facilities, but excluding depreciation, debt service, amortization and capital expenditures.

“Parity Bonds” means the outstanding obligations of the Issuer and any additional revenue bonds or other obligations of the Issuer issued hereafter which comply with the provisions of Section 12 of this Resolution for the issuance of Parity Bonds.

“Project” means the construction of up grades and improvements to the Issuer’s electrical substation and distribution system.

“Registrar” means Issuer’s City Auditor or any other entity which is under contract with the Issuer to serve as paying agent and registrar for the Series 2016 Bonds and hers successors and assigns.

“Series 2016 Bonds” means the Electric Utility Revenue Bonds, Series 2016 issued pursuant to this Resolution.

SECTION 2. AUTHORIZATION AND SALE OF THE SERIES 2016 BONDS. Pursuant to the authority of Chapter 40-35 of the North Dakota Century Code, the City Council hereby authorizes and directs the issuance of the City of Park River, North Dakota, Water Revenue Bonds, Series 2016, in the aggregate principal amount of **Six Hundred Thousand Dollars (\$600,000)**. The Series 2016 Bonds shall initially be dated the Date of Issue, be issued in fully registered form in denominations of \$5,000 and integral multiples thereof, shall mature on September 1 in the years and amounts set forth below and shall bear interest at the rates set forth opposite such years and amounts:

Year	Amount	Interest Rate	Year	Amount	Interest Rate
2017	\$75,000	1.50%	2021	\$ 75,000	2.50%
2018	75,000	1.50	2022	75,000	2.50
2019	75,000	2.00	2023	150,000	3.00
2020	75,000	2.00			

Interest shall be payable on each March 1 and September 1, commencing March 1, 2017, computed upon the basis of a 360-day year of twelve 30-day months.

The Series 2016 Bonds shall be special obligations of the Issuer, and shall be payable solely from the Net Revenues, as provided by this Resolution. Principal of and interest on the Series 2016 Bonds shall be paid in lawful money of the United States by the Bond Registrar by check or draft mailed to the name and address of the registered owners as they appear on the Bond Register as of the 15th day (whether or not a business day) of the immediately preceding month.

The Issuer hereby accepts the offer of the First United Bank, Park River, North Dakota, to purchase the Series 2016 Bonds at a price of \$600,000.00, representing the principal amount of the Series 2016 Bonds of \$600,000.00, and on the terms and conditions set forth in this Resolution.

SECTION 3. REDEMPTION.

Optional Redemption. The Series 2016 Bonds maturing on or after September 1, 2018, shall be subject to redemption and prepayment, at the option of the Issuer, in whole or in part and if in part in any order of maturity and by lot within any maturity, on September 1, 2017, and any date thereafter, at par plus accrued interest to the redemption date.

Unless waived by any holder of Series 2016 Bonds to be redeemed, official notice of any such redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of any official redemption notice by first class mail at least 30 days prior to the date fixed for redemption to the registered owner of the Series 2016 Bond or Series 2016 Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Registrar.

Prior to any redemption date, the Issuer shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Series 2016 Bonds or portions of Series 2016 Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Series 2016 Bonds or portions of Series 2016 Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Series 2016 Bonds or portions of Series 2016 Bonds shall cease to bear interest. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest.

SECTION 4. FORM OF SERIES 2016 BOND; EXECUTION AND DELIVERY OF SERIES 2016 BONDS. The Series 2016 Bonds shall be in substantially the form attached hereto as Exhibit A and shall contain a recital that they are issued pursuant to Chapter 40-35 of the North Dakota Century Code. The Series 2016 Bonds shall be initially issued as book-entry only bonds with one bond issued for each stated maturity in the aggregate principal amount of such maturity. The Series 2016 Bonds shall be printed under the direction of the City Auditor, and shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and the City Auditor and the Certificate of Authentication shall be manually signed by an authorized representative of the Bond Registrar. When the Series 2016 Bonds have been so prepared and executed, the City Auditor shall deliver the same to the purchaser thereof upon payment of the purchase price in accordance with the contract of sale. The purchaser shall not be obligated to see to the application of the purchase price.

SECTION 5. DISPOSITION OF SERIES 2016 BOND PROCEEDS. Proceeds of the Series 2016 Bonds shall be deposited in the Construction Fund hereby created and shall be disbursed to (i) pay the costs of the Project or reimburse the Issuer for certain prior expenditures incurred in connection with the Project, and (ii) pay costs incurred in connection with the issuance of the Series 2016 Bonds, in accordance with Section 9 hereof.

SECTION 6. PLEDGE AND DISPOSITION OF NET REVENUES. The Issuer hereby pledges the Net Revenues to the payment of principal and interest on all Bonds. The Issuer hereby covenants with the owners of the Bonds that it will, so long as any Bonds remain outstanding, make deposits from the Net Revenues into the Bond Fund and the Reserve Fund at the times and in the amounts required by Section 7.

SECTION 7. BOND FUND. The Issuer shall establish and maintain so long as the Series 2016 Bonds are outstanding a separate fund to be designated the "Bond Fund." Commencing on October 1, 2016, and monthly thereafter the Issuer will deposit into the Bond Fund Net Revenues in amounts sufficient to aggregate the principal and interest which will become due on the Series 2016 Bonds on the next payment date.

If on any principal or interest payment date, the amount in the Bond Fund is insufficient to pay the full amount of principal and/or interest due, the Issuer will deposit into the Bond Fund from funds on deposit in the Reserve Fund, such additional amounts, if any, as may be necessary to meet principal and interest payments then due.

The moneys and investments in the Bond Fund are irrevocably pledged to and shall be used to the extent required for the payment of principal of and interest on the Bonds when and as the same shall become due and payable and for that purpose only.

SECTION 8. CONSTRUCTION FUND. The Issuer shall establish a Series 2016 Construction Fund and shall deposit to the credit of such Fund the proceeds of the Series 2016 Bonds as set forth in Section 5 hereof.

The moneys in the Construction Fund shall be held in trust by the Issuer and applied to the payment of the cost of the Project, and the payment of the costs incurred in connection with the issuance of the Series 2016 Bonds in accordance with and subject to the provisions of this Section. Pending such application, moneys in the Construction Fund shall be subject to a lien and charge in favor of the owners of the Series 2016 Bonds issued and outstanding under this Resolution and shall be held for the further security of such owners until paid out as herein provided. Moneys in the Construction Fund shall be subject to withdrawal from time to time by the Mayor, Public Works Director or City Auditor for the purpose of paying amounts due for the Project, for cost of issuance, and for reimbursement to the Issuer for payments theretofore made by the Issuer.

Monies in the Construction Fund may be invested in such investments as are authorized by law for the Issuer. Earnings from investment of the funds in the Construction Fund shall remain in the Construction Fund, and shall be treated and disbursed as Series 2016 Bond proceeds. Any proceeds of the Series 2016 Bonds and any interest earnings thereon remaining in the Construction Fund after payment of all costs of the Project (including reimbursement to the Issuer for prior expenditures) and issuance costs shall be transferred to the Bond Fund.

SECTION 9. RATE COVENANT. The Issuer covenants that it will charge fees in connection with the operation of the Facilities which are projected to generate Net Revenues at least equal to 1.20 times the annual average debt service on all outstanding Bonds. If the Net Revenues fail to meet this level, the Issuer shall promptly increase its fees to a level so that Net Revenues are projected to meet the required level.

SECTION 10. GENERAL COVENANTS. The Issuer hereby covenants and agrees with the owners of all outstanding Bonds as follows:

- (a) That it will, to the extent the Net Revenues are sufficient, promptly cause the principal and interest on the Bonds to be paid as they become due.
- (b) That it will maintain complete books and records relating to the operation of the Facilities, the Construction Fund, the Bond Fund and the Reserve Fund and will cause such books and records to be audited annually at the end of each fiscal year in accordance with Generally Accepted Accounting Standards. The audit report shall be made available as provided in the Continuing Disclosure Certificate.
- (c) That it will not issue bonds or other obligations having a claim superior to the claim of the Bonds upon the Net Revenues.
- (d) That it will impose, maintain and collect the rates and charges for its water utility in an amount sufficient pay all Operating Costs, to maintain the Reserve Fund and to produce Net Revenues sufficient to pay the principal of and interest on the Bonds as the same becomes due.

- (e) That all users of the Facility will be metered.

SECTION 11. AUTHENTICATION, REGISTRATION AND TRANSFER.

(a) All Series 2016 Bonds shall be in fully registered form. The Issuer hereby appoints the Park River City Auditor, Park River, North Dakota, to serve as registrar and paying agent for the Series 2016 Bonds (the “Bond Registrar”). A successor Registrar may be appointed for the Series 2016 Bonds by resolution of the Issuer. The Registrar shall provide notice to Bondholders of any change in the Registrar not later than the interest payment date following the change in Registrar.

(b) No Series 2016 Bond shall be entitled to any right or benefit under this Resolution unless it shall have been signed by the manual or facsimile signatures of the Mayor and the City Auditor and, if signed by facsimile signatures, authenticated by an authorized officer of the Issuer’s Registrar.

(c) The ownership of all Series 2016 Bonds shall be entered in the Bond Register maintained by the Registrar and the Issuer and the Registrar may treat the person listed as owner in the Bond Register as the owner of the Series 2016 Bond for all purposes.

(d) If principal and interest payments are made by check, the Registrar shall mail each Series 2016 Bond principal and interest payment on the respective payment date to the name and address of the Bondholder, as that name and address appear on the Bond Register as of the 15th day of the month preceding a Series 2016 Bond interest payment date (the “Record Date”). If principal and interest payments are made by wire transfer, the Registrar shall wire each payment on or before the payment due date in accordance with the instructions from the Bondholder.

(e) Series 2016 Bonds may be exchanged for an equal principal amount of Series 2016 Bonds of the same maturity which are in different authorized denominations, and Series 2016 Bonds may be transferred to other owners if the Bondholder submits the following to the Registrar:

- (i) written instructions for exchange or transfer satisfactory to the Registrar, signed by the Bondholder or his attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and

- (ii) the Series 2016 Bonds to be exchanged or transferred.

(f) The Registrar shall not be required to exchange or transfer any Series 2016 Bonds submitted to it during any period beginning with a Record Date and ending on the next following interest payment date; however, such Series 2016 Bonds shall be exchanged or transferred promptly following that interest payment date. In addition, no transfer or

exchange of Series 2016 Bonds shall be required to be made during the period beginning 15 days before any selection of Series 2016 Bonds for redemption and ending on the day of such selection, or for any Series 2016 Bond selected for redemption in whole or in part.

(g) Each Series 2016 Bond delivered under this Resolution upon transfer or exchange for, or in lieu of, any other Series 2016 Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Series 2016 Bond, and each such Series 2016 Bond shall be so dated that neither gain nor loss in interest shall result from such transfer, exchange or substitution. Each Series 2016 Bond shall be dated by the Registrar as of the last interest payment date preceding the date of authentication to which interest on the Series 2016 Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case such Series 2016 Bond shall be dated as of the date of authentication, or (ii) the date of authentication of a Series 2016 Bond is prior to the first interest payment date, in which case such Series 2016 Bond shall be dated as of the Date of Issue.

(h) For purposes of this Section, Series 2016 Bonds shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in subsection (e) of this Section.

(i) The Issuer may require payment by the Bondholder of a sum sufficient to pay any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Series 2016 Bonds. All other expenses incurred by the Issuer or the Registrar in connection with any transfer or exchange of Series 2016 Bonds shall be paid by the Issuer.

(j) All Series 2016 Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the Issuer.

(k) When any Series 2016 Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Series 2016 Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(l) In case any Series 2016 Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Series 2016 Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Series 2016 Bond or in lieu of and in substitution for any such Series 2016 Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Series 2016 Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Series 2016 Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar

of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the Issuer and the Registrar shall be named as obligees. All Series 2016 Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the Issuer. If the mutilated, destroyed, stolen or lost Series 2016 Bond has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Series 2016 Bond prior to payment.

(m) The Issuer may alter these provisions regarding the registration and transfer by mailing notification of the altered provisions to all Bondholders. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.

SECTION 12. PARITY BONDS. The Issuer may issue Parity Bonds to provide funds to finance the acquisition, construction and equipping of Facilities, the repair and improvement of Facilities, or the refunding of outstanding bonds, upon the following conditions:

(a) No Default has occurred and is continuing;

(b) At the time of the issuance of the Parity Bonds there is no deficiency in the Bond Fund or the Reserve Fund, provided that the Reserve Fund or any other account required to be funded in installments need not be fully funded at the time of issuance of the Parity Bonds if all required deposits have been made and are current; and

(c) The Resolution authorizing the issuance of the Parity Bonds contains a covenant requiring the Issuer to charge fees projected to generate Net Revenues for the fiscal year following the year in which the Parity Bonds are issued at least equal to 1.20 times the average annual debt service on all outstanding Bonds including the Parity Bonds.

All Bonds issued in accordance with this Section shall have a lien on the Net Revenues which is equal to the lien of the Series 2016 Bonds and all Parity Bonds issued in accordance with this Section. Nothing in this Resolution shall preclude the Issuer from issuing additional bonds which are expressly made a charge on only the surplus Net Revenues of the Facilities subordinate to the pledge of Net Revenues to the Bonds authorized hereunder.

SECTION 13. DEFAULT.

(a) The following events shall constitute Default:

(i) failure to pay Bond principal or interest when due; or

(ii) failure to perform any other obligation of the Issuer imposed by the Resolution or the Bonds, but only if:

(A) the failure continues for a period of more than 90 days after demand has been made on the Issuer to remedy the failure, and

(B) the Issuer fails to take reasonable steps to remedy the failure within that 90-day period; or

(iii) imposition of a receivership upon the Issuer; or

(iv) written admission by the Issuer that the Issuer is unable to pay its debts as they become due.

(b) Upon Default, any Bondholder may exercise any of the following remedies:

(i) By mandamus or other suit, action, or proceeding at law or in equity, enforce the holder's rights against the Issuer and its City Council and any of its officers, agents, and employees and may require the Issuer or the City Council or any officers, agents or employees of the Issuer or City Council to perform their duties and obligations under Chapter 40-35 of the North Dakota Century Code and the covenants and agreements contained herein;

(ii) By action or suit in equity, require the Issuer and the City Council to account as if they were the trustees of an express trust;

(iii) By action or suit in equity, enjoin any acts or things that may be unlawful or in violation of the rights of the Bondholders; or

(iv) Bring suit upon the Series 2016 Bonds.

A right or remedy conferred by this Section upon any Bondholder is not intended to be exclusive of any other right or remedy, but each such right or remedy is cumulative and in addition to every other right or remedy and may be exercised without exhausting and without regard to any other remedy conferred by this chapter or by any other law of the State.

SECTION 14. SALES AND LEASES. The Issuer may not sell or exchange or otherwise dispose of any property constituting a part of the Facilities unless such property is either worn out or obsolete or, in the opinion of the Issuer, is no longer useful in the operation of the Facilities. Any proceeds of such sale, exchange or other disposition not used to replace the property so sold or exchanged shall be deposited in the Bond Fund.

The Issuer may lease as lessor or make contracts or grant licenses for the operation of, or grant easements or other rights with respect to any part of the Facilities if such lease, contract, license, easement or right does not, in the opinion of the Issuer, impede the operation of the

Facilities, and in the opinion of the Issuer's bond counsel, does not affect the tax-exempt status of the Issuer's Bonds.

SECTION 15. AMENDMENT OF RESOLUTION.

(a) This Resolution may be amended without the consent of any Bondholders for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Issuer in this Resolution any other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer;

(ii) to cure any ambiguity or formal defect contained in this Resolution, if that cure does not, in the judgment of the City Council, adversely affect the interests of the Bondholders;

(iii) to issue Parity Bonds in accordance with Section 13 hereof; or

(iv) to make any other change which, in the opinion of Bond Counsel, is not to the prejudice of the holders of the Series 2016 Bonds.

(b) This Resolution may be amended for any other purpose only upon consent of not less than 50% in aggregate principal amount of the Series 2016 Bonds outstanding; provided, however, that no amendment shall be valid which:

(i) extends the maturity of any Series 2016 Bond, reduces the rate of interest upon any Series 2016 Bond, extends the time of payment of interest on any Series 2016 Bond, reduces the amount of principal payable on any Series 2016 Bond, or reduces any premium payable on any Series 2016 Bond, without the consent of all the affected Bondholders; or

(ii) reduces the percent of Bondholders required to approve the amendatory resolutions.

SECTION 16. DISCHARGE. When all of the Series 2016 Bonds, and the interest thereon, have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution shall cease. The Issuer may discharge all Series 2016 Bonds due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Series 2016 Bond or interest thereon should not be paid when due, the same may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The Issuer may also discharge all prepayable Series 2016 Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Registrar on or before that date a sum

sufficient for the payment thereof in full, provided that notice of the redemption thereof has been duly given as provided herein. The Issuer may also discharge all or part of the Series 2016 Bonds at any time by irrevocably depositing in escrow with a suitable bank or trust company for the purpose of paying all or part of the principal and interest due on such Series 2016 Bonds prior to the date upon which the same will be prepayable according to their terms, and paying such Series 2016 Bonds on that date, a sum of cash and securities which are general obligations of the United States or securities the principal and interest payments on which are guaranteed by the United States in such aggregate amount, bearing interest at such rates and maturing or callable at the holder's option on such dates as shall be required to provide funds sufficient for this purpose; provided that notice of the redemption of all prepayable Series 2016 Bonds on or before such date has been duly given as required herein.

SECTION 17. TAX COVENANTS. The Issuer covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Series 2016 Bonds under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). The Issuer will not directly or indirectly use or permit the use of any proceeds of the Series 2016 Bonds or any other funds of the Issuer, or take or omit to take any action that would cause the Series 2016 Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code. To that end, the Issuer will comply with all requirements of Section 148 of the Code and any applicable regulations to the extent applicable to the Series 2016 Bonds. In the event that any time the Issuer is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any moneys held in the Bond Fund, the Construction Fund or the Reserve Fund, the Issuer shall take such action as may be necessary.

Without limiting the generality of the foregoing, the Issuer agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Series 2016 Bonds from time to time. This covenant shall survive payment in full or defeasance of the Series 2016 Bonds.

Notwithstanding any provision of this Section, if the Issuer receives an opinion of nationally recognized bond counsel to the effect that any action required under this Section is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the Series 2016 Bonds pursuant to Section 103 of the Code, the Issuer may rely conclusively on such opinion in complying with the provisions hereof.

The Issuer covenants and agrees that not in excess of ten percent (10%) of the proceeds of the Series 2016 Bonds will be used (directly or indirectly) in a trade or business carried on by any person other than a governmental unit ("Private Business Use") if, in addition, the payment of more than ten percent (10%) of the principal or ten percent (10%) of the interest due on the Series 2016

Bonds during the term thereof is, under the terms of the Series 2016 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for Private Business Use or in payments in respect of property used or to be used for Private Business Use or is to be derived from payments in respect of property or borrowed money used or to be used for Private Business Use. Use of the Facilities by a trade or business on the same basis as the general public is not Private Business Use.

SECTION 18. SMALL ISSUER EXEMPTION FROM BANK NONDEDUCTIBILITY RESTRICTION. The Issuer hereby designates the Series 2016 Bonds as “qualified tax-exempt obligations” for purposes of paragraph (3) of Section 265(b) of the Code and covenants that the Series 2016 Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income taxes (excluding, however, private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Series 2016 Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2016.

SECTION 19. SMALL ISSUER EXCEPTION FROM REBATE REQUIREMENTS. In accordance with Section 148(f)(4)(D) of the Code, the Issuer represents and covenants that it is a governmental unit with general taxing powers; that the Series 2016 Bonds are not private activity bonds as defined in Section 141 of the Code; that 95% or more of the net proceeds of the Series 2016 Bonds (i.e., the face amount of the Series 2016 Bonds, plus accrued interest and premium, if any, less original issue discount, if any) are to be used for the local governmental activities of the Issuer; and that the aggregate face amount of all tax-exempt obligations of the Issuer (including all subordinate entities of the Issuer), issued during the calendar year 2016 is not reasonably expected to exceed \$5,000,000.

SECTION 20. CONTINUING DISCLOSURE. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the Issuer to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Underwriter or the Holders of at least 25% aggregate principal amount in outstanding Series 2016 Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Section.

SECTION 21. OTHER DOCUMENTS AND PROCEEDINGS. The officers of the Issuer are hereby authorized and directed to execute and carry out or cause to be carried out the obligations which are necessary or advisable in connection with this Resolution and the issuance, sale and delivery of the Series 2016 Bonds. The officers of the Issuer are further authorized and directed to prepare, execute and furnish to the attorneys passing on the legality of the Series 2016 Bonds, certified copies of all proceedings, ordinances, resolutions and records and all such certificates and affidavits and other instruments as may be required to evidence the legality and marketability of the

Series 2016 Bonds, and all certified copies, certificates, affidavits and other instruments so furnished shall constitute representations of the Issuer as to the correctness of all facts stated or recited therein.

(Remainder of this page intentionally left blank.)

Adopted August 11, 2016.

**CITY OF PARK RIVER,
NORTH DAKOTA**

Mayor

ATTEST:

City Auditor

The motion for the adoption of the foregoing resolution was duly made by Member Knutson, seconded by Member Anderson, and upon vote being taken thereon, the following voted in favor:
Lorton, Halvorson, Knutson, Lundquist, Byron, and Anderson; the following voted against the same: None; and the following were absent: None; whereupon the resolution was declared duly passed and adopted and was signed by the Mayor and attested by the City Auditor.

EXHIBIT A

FORM OF BOND

No. R- _____ **UNITED STATES OF AMERICA** _____ \$ _____
STATE OF NORTH DAKOTA
COUNTY OF WALSH
CITY OF PARK RIVER
ELECTRIC UTILITY REVENUE BOND
SERIES 2016

Interest Rate Maturity Date Date of Original Issue CUSIP
____ % September 1, _____ August , 2016

REGISTERED OWNER: FIRST UNITED BANK

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Park River, North Dakota (the "Issuer"), for value received acknowledges itself indebted and hereby promises to pay to the registered owner specified above, or registered assigns, but solely from the sources indicated below, the principal amount specified above on the maturity date set forth above, together with interest thereon from the date hereof at the rate per annum indicated above, all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. Interest is payable semiannually on March 1 and September 1 in each year until maturity or prior redemption commencing March 1, 2017. Principal of and interest on this Bond are payable in lawful money of the United States through the Park River City Auditor, Park River, North Dakota, as paying agent and bond registrar, or its successor (the "Bond Registrar"), by check or draft mailed to the name and address of the registered owner as it appears on the Bond Register as of the fifteenth day (whether or not a business day) of the month prior to the date on which interest comes due.

Additional provisions of this Bond are contained on the reverse hereof, and such provisions shall, for all purposes, have the same effect as though fully set forth at this place.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Bond Registrar by the manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City Council of the City of Park River, North Dakota, has caused this Bond to be signed by the facsimile signature of its Mayor and attested by the facsimile signature of its City Auditor, as of the date indicated above.

**CITY OF PARK RIVER, NORTH
DAKOTA (facsimile signature)
Mayor**

ATTEST:
(facsimile signature)
City Auditor

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

**PARK RIVER CITY AUDITOR, as
Bond Registrar and Paying Agent**

Dated: _____ By: _____
Authorized Representative

(form of reverse of Bond)

This Bond is not a general obligation or debt of the Issuer, but is a limited obligation payable solely from the Net Revenues of the Facilities as provided in the Resolution of the Issuer adopted August 11, 2016 (the "Resolution"). The Issuer covenants and agrees with the owner of this Bond that it will keep and perform all of the covenants in this Bond and in the Resolution. The Issuer has pledged the Net Revenues of the Facilities to the payment of principal and interest on this Bond. The Bonds are further secured by a Reserve Fund.

This Bond is one of the Electric Utility Revenue Bonds, Series 2016, of the Issuer, issued in the aggregate principal amount of \$600,000 by the Issuer for the purposes of constructing improvements to the Issuer's electrical supply and distribution facilities and paying costs of issuance in full and strict accordance and compliance with all of the provisions of the Constitution and Chapter 40-35 of the North Dakota Century Code and pursuant to the Resolution, to which reference is made for a description of the nature and extent of the security for the Bonds, the rights thereunder of the Issuer and the Bondholders, and the terms upon which the Bonds and any additional bonds may be issued and secured. The Bonds are qualified tax-exempt obligations designated by the Issuer for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Optional Redemption. Bonds maturing in the years 2018 and thereafter are each subject to redemption and prepayment at the option of the Issuer, in whole or in part, and if in part by lot within any maturity, on September 1, 2017, and any date thereafter at a price equal to the principal amount thereof plus accrued interest.

Notice of redemption shall be mailed to the registered owners of the Bonds to be redeemed not less than thirty days prior to the redemption date. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become

due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Bonds may be exchanged for an equal aggregate principal amount of registered Bonds of the same maturities and of any other authorized denominations in the manner, and subject to the conditions set forth in the Resolution.

Any transfer of this Bond must be registered, as provided in the Resolution, upon the Bond Register kept for that purpose at the office of the Registrar. This Bond may be transferred only by surrendering it, together with a written instrument of transfer which is satisfactory to the Registrar and which is executed by the registered owner or his duly authorized attorney, at the office of the Registrar in the manner and subject to the conditions set forth in the Resolution and subject to reimbursement for any tax, fee or governmental charge required to be paid with regard to such transfer or exchange. Upon such transfer, a new registered Bond or Bonds, of the same Series and maturity and in the same aggregate principal amount, shall be issued to the transferee as provided in the Resolution. The Issuer and the Registrar may treat the person in whose name this Bond is registered on the Bond Register as its absolute owner for all purposes, as provided in the Resolution.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and statutes of the State of North Dakota; that the Issuer has pledged net revenues from its Facilities to the payment of principal of and interest on the Bonds as such become due; and that the issue of which this Bond is a part, and all other obligations of the Issuer, are within every debt limitation and other limits prescribed by such Constitution and statutes.

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations: TEN COM - as tenants in common, TEN ENT - as tenants by the entireties, JT TEN - as joint tenants with right of survivorship and not as tenants in common.

UNIF TRANS MIN ACT

Under Uniform Transfers to Minors Act

(CUST)

(MINOR)

(STATE)

Custodian

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated

:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature guaranteed: _____

Signature(s) must be guaranteed by a member of the Medallion Signature Program.

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

CITY OF PARK RIVER, NORTH DAKOTA
RESOLUTION REGARDING TRANSFER OF MONIES AND CLOSING OF ACCOUNTS

BE IT RESOLVED by the governing body of the City of Park River, North Dakota, pursuant to a recommendation by the City Attorney, that there are a number of checking and other bank accounts that can be closed and combined into existing bank accounts. As such, it is hereby resolved the following bank accounts be closed, and the balances in said accounts be transferred into the City's General Fund operating account; General Funded Depreciation savings

It is further resolved that the following accounts shall be closed and the balances in said accounts be transferred into the municipal utilities checking account and the balances in said accounts be transferred into the City's Municipal Utilities operating account: Municipal Utilities Funded Depreciation savings, Water System Repair & Replacement savings and MMIS savings.

It is further resolved that the following accounts shall be closed and the balances in said accounts be transferred into the City's Special Fund operating account: City Sales Tax Fund savings and Hospital Building Fund checking.

That the following accounts shall be closed and the balances in said accounts be transferred into the City's Debt Service & Bond Fund bank account: The following savings accounts; Street Improvement District #7, Municipal Utilities Water Surcharge savings, Water Bond Fund 2005 savings, Water Revenue Bond Fund Phase II savings, and Water Revenue Bond Series 2014 Reserve savings; The following checking accounts; Street Improvement District #2013-1 (135th Avenue NE) checking, Street Improvement District 2012-2 (North Star Addition) checking, Water & Sewer Improvement District 2012-1 (North Star Addition) checking, Water & Sewer Improvement District 2015-1 and Water & Sewer Improvement District 2016-1 checking, Water Revenue Bond Series 2014 checking; The following transferred from the Special Fund checking account; Southview Addition TIF and North Star Addition TIF.

That balances transferred shall continue to be tracked separately through applicable industry standard fund accounting principles.

Dated and adopted this 11th day of August, 2016

CITY OF PARK RIVER, NORTH DAKOTA

ATTEST:

Mayor

City Auditor

The governing body of the political subdivision acted on the foregoing resolution on August 11, 2016 as follows:

Adoption moved by Lundquist. Seconded by Halvorson.

Roll call: Lorton, Halvorson, Knutson, Lundquist, Byron, and Anderson voted "Aye"

"Nay": None

Absent: None

Abstain: None

After the vote, the presiding officer declared the resolution adopted.

Lundquist moved and Halvorson seconded to approve a resolution authorizing Mayor Dan Stenvold and City Coordinator Nancy Thompson to sign for all City of Park River banking activities on all bank accounts and remove former City Coordinator Jolene Halldorson from all City accounts. Upon roll call vote, all voted aye. M/C.

A Special meeting will be held for the purpose of approving the 2017 Preliminary Budget Wednesday, September 7, 2016 at 12:00pm (noon).

The Council designated October 4, 2016 as Fall Clean-up Day. PWD Larson requested residential utility customers wishing to be placed on the pick-up schedule to call the water plant at 701.284.6399 no later than 4:00 PM, Monday, October 3, 2016.

Being no further business, the meeting adjourned at 8:40 PM.

Dan Stenvold, Mayor

ATTEST: _____
Ann Berg, City Auditor