



Monday, July 7, 2025
5:30PM CST

Jobs Development Authority Meeting Agenda

Devils Lake City Hall Commission Chambers
423 6th St NE, Devils Lake, 58301

Meeting Items

- 1) Approval of Minutes - June 02, 2025
- 2) Construction Mortgage – Single Family Housing Incentive Fund Pilot Project
- 3) Promissory Note – Single Family Housing Incentive Fund Pilot Project
- 4) Promissory Note with Beyond Shelter, INC- Region III Affordable Housing Line of Credit – \$195,865 @ 2% Interest

City Commission Meeting Agenda

Devils Lake City Hall Commission Chambers
423 6th St NE, Devils Lake, 58301

Meeting Items

- 1) Call to Order
- 2) Approval of Minutes – June 16, 2025
- 3) Approval of Minutes – June 25, 2025 Special Meeting

Awards and Proclamations

Public Hearings – 5:30 PM

Bid Openings – 5:30 PM

Visitors or Delegations

**Limited to five minutes per guest, unless extended by presiding officer*

- 1) Lake Region Rodeo Club – Brandon Padilla

Commission Portfolios

Old Business

- 1) Update on Sales Tax Proposal and Police Department Relocation Strategy

Consent Agenda

New Business

- 1) Establish DL Journal as Official City Newspaper
- 2) Appointment of Election Officials for July 22, 2025 Special Election

- 3) Solid Waste Disposal and Management Agreement with City of Grand Forks
- 4) Cemetery Work Change Order – Project 250102 – Mill and Overlay of Original Townsite
- 5) Pay Estimate #1 – Project 250102 – Mill & Overlay of Original Townsite
- 6) Pay Estimate #1 – Project 250104 – Downtown Alleys & Parking Lots

Citizen Comment

Informational Items

- Q2 Economic & Utility Data

Motion to approve payment of the list of bills as submitted.

The City of Devils Lake may convene in an executive session as provided by NDCC 44-04-19.2 to consider and discuss closed or confidential records and information, negotiating strategy or negotiating instructions as provided by NDCC 44-04-19.1, 44-04-19.2, 44-04-18.4.

**MEETING MINUTES OF THE JOBS DEVELOPMENT AUTHORITY
OF THE CITY OF DEVILS LAKE, ND
June 02, 2025**

The regular meeting of the Devils Lake Jobs Development Authority was held on June 02, 2025 with the following members present: Jim Moe, Jason Pierce, Lisa Uhlenkamp and Rob Hach. Joe Knowski was absent.

MEETING ITEMS

1) Approval of Minutes – April 7, 2025

Commissioner Hach made a motion to approve the meeting minutes from the April 07, 2025 meeting of the Jobs Development Authority. Commissioner Pierce seconded the motion, and the motion was carried unanimously.

2) Contract with Gleason Companies and Gleason Construction – North Dakota Housing Incentive Fund Single Family Housing Pilot Program

The City Administrator communicated that this is the formal contract for the program and project that has been talked about the past couple of months with Gleason Companies and Gleason Construction. He mentioned that the total for the homes will be \$1,580,000 or \$395,000 per home. The total budget for this project is \$446,000 per home. Tim Gleason, with Gleason Companies, provided a highlight of the project. He mentioned in 2023, the ND Housing Finance Agency approved 13.75 million dollars of housing incentive funds. He mentioned that each house will be around 1,500 square feet slab on grade and have an attached 2 stall garage. They plan on starting construction after July 4th and are hoping to be completed by May or June of next year. Commissioner Pierce made a motion to approve the contract with Gleason Companies and Gleason Construction – North Dakota Housing Incentive Fund Single Housing Family Housing Pilot Program. Commissioner Hach seconded the motion, and the motion was carried unanimously on a roll call vote.

3) Approval of List of Bills for Jobs Development Authority

Commissioner Uhlenkamp made a motion to approve the list of bills for Jobs Development Authority. Commissioner Pierce seconded the motion, and the motion was carried unanimously on a roll call vote.

4) Small Business Revolving Loan Fund Policy

Commissioner Hach made a motion to approve the policy as written. Commissioner Uhlenkamp seconded the motion, and the motion was carried unanimously.

5) Façade Loan Policy

Commissioner Hach made a motion to approve the policy as written. Commissioner Uhlenkamp seconded the motion, and the motion was carried unanimously.

6) Pace Loan Interest Buydown Policy

Commissioner Hach made a motion to approve the policy as written. Commissioner Uhlenkamp seconded the motion, and the motion was carried unanimously.

7) Flex-Pace Loan Interest Buydown Policy

Commissioner Hach made a motion to approve the policy as written. Commissioner Uhlenkamp seconded the motion, and the motion was carried unanimously.

8) Mobile Career Exploration Lab Funding Commitment Request

Brady Ash, Executive Director of Forward Devils Lake, gave an update on the Mobile Career Exploration Classroom that Ann Pollert has been running for the past year. He mentioned that the funding came from the City of Devils Lake, along with 5 other counties and a grant from the State. The RWIP Grant funding is set to expire at the end of 2025. Sandy Shively, with North Central Planning Council, gave an update on the grant funding and mentioned that the funding from the grant was all used by the end of 2024. She mentioned that she has reached out the surrounding counties for funding, and the funding is based on population in the community. Ann mentioned that she has done 37 school visits since the fall of 2024. Commissioner Pierce made a motion to approve the mobile career exploration lab funding commitment request up to \$30,537.89, which is a commitment for 2026 and 2027. Commissioner Hach seconded the motion, and the motion was carried unanimously on a roll call vote.

9) Façade Loan – Lotta's and Ye' Olde Tavern

Brady Ash, Executive Director of Forward Devils Lake, mentioned that the Forward Devils Lake Board recommended approval for the application for \$20,000, \$10,000 for each application that was submitted. Commissioner Pierce asked if the old arcade is going to be storage or if something else is going to be done with that. Shane Diseth, owner, communicated that he wants to get a

business in the old arcade – whether that is his own business or another individual who wants to open a business. Xtreme Signs & Graphix is going to be working with them on the signs. Commissioner Pierce made a motion to approve the façade loan for Ye’ Olde Tavern in the amount of \$10,000. Commissioner Uhlenkamp seconded the motion, and the motion was carried unanimously on a roll call vote. Commissioner Pierce made a motion to approve the façade loan for Lotta’s in the amount of \$10,000. Commissioner Uhlenkamp seconded the motion, and the motion was carried unanimously on a roll call vote.

Informational

- 1) Head Over Heels Small Business Revolving Loan Update Memo

SPENCER HALVORSON
CITY ADMINISTRATOR/AUDITOR

JIM MOE
PRESIDENT OF JOBS DEV. AUTHORITY

To: Devils Lake City Commission

From: Spencer Halvorson, City Administrator/Auditor

Date: July 07, 2025

Re: Update: Sales Tax Proposal and Police Department Relocation Strategy

Below is a short update on the two noted matters related to the sales tax proposal:

Sales Tax Proposal

Open Houses are scheduled for July 8th and July 10th from 11:00am-1:00pm and 4:00pm – 6:30pm both days.

Presentation to be provided to the Devils Lake Rotary Club on Wednesday, July 9th at noon.

Police Department Relocation Strategy

No further updates and now awaiting results of sales tax proposal before proceeding with further dialogue with commission members and prospective property owners.



**CONSTRUCTION MORTGAGE
HOUSING INCENTIVE FUND -SINGLE FAMILY
PLANNING AND HOUSING DEVELOPMENT DIVISION**

THIS CONSTRUCTION MORTGAGE ("**Security Instrument**") is dated as of the 7th day of July, 2025, between Devils Lake Job Development Authority, a Local Government Nonprofit Corporation organized and existing under the laws of North Dakota, whose address is 423 6t Street NE, Devils Lake ND 58301, as mortgagor ("**Borrower**"), and the Industrial Commission acting in its capacity as the North Dakota Housing Finance Agency, a state agency organized and existing under the laws of North Dakota, whose address is PO Box 1535 Bismarck, ND 58502-1535, as mortgagee ("**Lender**").

TO SECURE TO LENDER the repayment of the Indebtedness, and all renewals, extensions and modifications of the Indebtedness, and the performance of the covenants and agreements of Borrower contained in the Loan Documents, Borrower mortgages, warrants, grants, conveys and assigns to Lender, with power of sale, the Mortgaged Property, including the Land located in Ramsey County, State of North Dakota, and legally described as:

Lot 1, Outlot D of the Replat of Outlots B & D of the Replat of Block 3, Smith's Subdivision, City of Devils Lake, Ramsey County North Dakota

And

Lot 2, Outlot D of the Replat of Outlots B & D of the Replat of Block 3, Smith's Subdivision, City of Devils Lake, Ramsey County, North Dakota

And

Lot 1, Outlot B of the Replat of Outlots B & D of the Repat of Block 3, Smith's Subdivision, City of Devils Lake, Ramsey County, North Dakota

And

Lot 2, Outlot B of the Replat of Outlots B & D of the Replat of Block 3, Smith's Subdivision, City of Devils Lake, Ransey County, North Dakota

The Real Property or its address is commonly known as 1301 16th Street SE, Devils Lake, ND; 1305 16th Street SE, Devils Lake, ND; 1300 16th Street SE, Devils Lake ND; and 1302 16th Street SE, Devils Lake ND.

The maximum principal amount secured by this Security Instrument, exclusive of interest, shall not exceed **four hundred and eighty thousand 00/100 Dollars (\$480,000)** in the aggregate at any one time. If the unpaid principal amount at any one time exceeds this sum, this Security Instrument shall secure that portion of the unpaid principal amount that does not exceed this sum, and interest on that amount.

Borrower represents and warrants that Borrower is lawfully seized of the Mortgaged Property and has the right, power and authority to mortgage, grant, convey and assign the Mortgaged Property, and that the Mortgaged Property is unencumbered unless otherwise disclosed. Borrower covenants that Borrower will warrant and defend generally the title to the Mortgaged Property against all claims and demands, subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy issued to Lender contemporaneously with the execution and recordation of this Security Instrument and insuring Lender's interest in the Mortgaged Property.

Covenants. Borrower and Lender covenant and agree as follows:

1. DEFINITIONS.

The following terms, when used in this Security Instrument (including when used in the above recitals), shall have the following meanings:

- (a) **"Borrower"** means all persons or entities identified as "Borrower" in the first paragraph of this Security Instrument, together with their successors and assigns.
- (b) **"Collateral Agreement"** means any separate agreement between Borrower and Lender for the purpose of establishing replacement reserves for the Mortgaged Property, establishing a fund to assure completion of repairs or improvements specified in that agreement, or assuring reduction of the outstanding principal balance of the Indebtedness if the occupancy of or income from the Mortgaged Property does not increase to a level specified in that agreement, or any other agreement or agreements between Borrower and Lender which provide for the establishment of any other fund, reserve or account.
- (c) **"Environmental Permit"** means any permit, license, or other authorization issued under any Hazardous Materials Law with respect to any activities or businesses conducted on or in relation to the Mortgaged Property.
- (d) **"Event of Default"** means the occurrence of any event listed in Section 22.
- (e) **"Fixtures"** means all property which is so attached to the Land or the Improvements as to constitute a fixture under applicable law, including: machinery, equipment, engines, boilers, incinerators, installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring and conduits used in connection with radio, television, security, fire prevention, or fire detection or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances; light fixtures, awnings, storm windows and storm doors; pictures, screens, blinds, shades, curtains and curtain rods; mirrors; cabinets, paneling, rugs and floor and wall coverings; fences, trees and plants; swimming pools; and exercise equipment.
- (f) **"Governmental Authority"** means any board, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision of any of them, that has or acquires jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property.
- (g) **"Hazardous Materials"** means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls ("PCBs") and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; any substance the presence of which on the Mortgaged Property is prohibited by any federal, state or local authority; any substance that requires special handling; and any other material or substance now or in the future defined as a "hazardous substance," "hazardous material," "hazardous waste," "toxic substance," "toxic pollutant," "contaminant," or "pollutant" within the meaning of any Hazardous Materials Law.
- (h) **"Hazardous Materials Laws"** means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, administrative rulings and court judgments and decrees in effect now or in the future and including all amendments, that relate to Hazardous Materials and apply to Borrower or to the Mortgaged Property. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq.*, the Toxic Substance

Control Act, 15 U.S.C. Section 2601, *et seq.*, the Clean Water Act, 33 U.S.C. Section 1251, *et seq.*, and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, and their state analogs.

- (i) **"Impositions"** and **"Imposition Deposits"** are defined in Section 7(a).
- (j) **"Improvements"** means the buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed upon the Land, including any future replacements and additions.
- (k) **"Indebtedness"** means the principal of, interest on, and all other amounts due at any time under, the Note, this Security Instrument or any other Loan Document, including late charges, default interest, and advances as provided in Section 12 to protect the security of this Security Instrument.
- (l) [Intentionally omitted]
- (m) **"Land"** means the land described on the first page of this Security Instrument.
- (n) **"Leases"** means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Mortgaged Property, or any portion of the Mortgaged Property (including proprietary leases or occupancy agreements if Borrower is a cooperative housing corporation), and all modifications, extensions or renewals.
- (o) **"Lender"** means the entity identified as "Lender" in the first paragraph of this Security Instrument and its successors and assigns, or any subsequent holder of the Note.
- (p) **"Loan Documents"** means the Note, this Security Instrument, all guaranties, all indemnity agreements, all Collateral Agreements, O&M Programs, and any other documents now or in the future executed by Borrower, any guarantor or any other person in connection with the loan evidenced by the Note, as such documents may be amended from time to time.
- (q) **"Loan Servicer"** means the entity that from time to time is designated by Lender to collect payments and deposits and receive notices under the Note, this Security Instrument and any other Loan Document, and otherwise to service the loan evidenced by the Note for the benefit of Lender. Unless Borrower receives notice to the contrary, the Loan Servicer is the entity identified as "Lender" in the first paragraph of this Security Instrument.
- (r) **"Mortgaged Property"** means all of Borrower's present and future right, title and interest in and to all of the following:
 - (1) the Land;
 - (2) the Improvements;
 - (3) the Fixtures;
 - (4) the Personality;
 - (5) all current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefitting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated;
 - (6) all proceeds paid or to be paid by any insurer of the Land, the Improvements, the Fixtures, the Personality or any other part of the Mortgaged Property, whether or not Borrower obtained the insurance pursuant to Lender's requirement;
 - (7) all awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Land, the Improvements, the Fixtures, the Personality or any other part of the Mortgaged Property, including any awards or settlements resulting from condemnation proceedings or the total or partial taking of the Land, the Improvements, the Fixtures, the Personality

or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof;

- (8) all contracts, options and other agreements for the sale of the Land, the Improvements, the Fixtures, the Personality or any other part of the Mortgaged Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations;
 - (9) all proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds;
 - (10) all Rents and Leases;
 - (11) all earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Mortgaged Property, and all undisbursed proceeds of the loan secured by this Security Instrument and, if Borrower is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;
 - (12) all Imposition Deposits;
 - (13) all refunds or rebates of Impositions by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which this Security Instrument is dated);
 - (14) all tenant security deposits which have not been forfeited by any tenant under any Lease; and
 - (15) all names under or by which any of the above Mortgaged Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Mortgaged Property.
- (s) **"Note"** means the Promissory Note dated July 7, 2025, in the original principal amount of US \$480,000 from the Borrower to the Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.
- (t) **"O&M Program"** is defined in Section 18(a).
- (u) **"Personality"** means all equipment, inventory, general intangibles which are used now or in the future in connection with the ownership, management or operation of the Land or the Improvements or are located on the Land or in the Improvements, including furniture, furnishings, machinery, building materials, appliances, goods, supplies, tools, books, records (whether in written or electronic form), computer equipment (hardware and software) and other tangible personal property (other than Fixtures) which are used now or in the future in connection with the ownership, management or operation of the Land or the Improvements or are located on the Land or in the Improvements, and any operating agreements relating to the Land or the Improvements, and any surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements and all other intangible property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land.
- (v) **"Property Jurisdiction"** is defined in Section 30(a).
- (w) **"Rents"** means all rents (whether from residential or non-residential space), revenues and other income of the Land or the Improvements, including subsidy payments received from any sources (including, but not limited to, payments under any Housing Assistance Payments Contract), parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Mortgaged Property, whether now due, past due, or to become due, and deposits forfeited by tenants.
- (x) **"Taxes"** means all taxes, assessments, vault rentals and other charges, if any, general, special or otherwise, including all assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, will become a lien, on the Land or the Improvements.

- (y) **"Transfer"** means (A) a sale, assignment, transfer or other disposition (whether voluntary, involuntary or by operation of law); (B) the granting, creating or attachment of a lien, encumbrance or security interest (whether voluntary, involuntary or by operation of law); (C) the issuance or other creation of an ownership interest in a legal entity, including a partnership interest, interest in a limited liability company or corporate stock; (D) the withdrawal, retirement, removal or involuntary resignation of a partner in a partnership or a member or manager in a limited liability company; or (E) the merger, dissolution, liquidation, or consolidation of a legal entity. "Transfer" does not include (i) a conveyance of the Mortgaged Property at a judicial or non-judicial foreclosure sale under this Security Instrument or (ii) the Mortgaged Property becoming part of a bankruptcy estate by operation of law under the United States Bankruptcy Code. For purposes of defining the term "Transfer," the term "partnership" shall mean a general partnership, a limited partnership, a limited liability limited partnership, a joint venture and a limited liability partnership, and the term "partner" shall mean a general partner, a limited partner and a joint venture.

2. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT.

This Security Instrument is a "construction mortgage" for the purposes of Sections 9-334 and 2A-309 of the Uniform Commercial Code, as those sections have been adopted by the State of North Dakota.

This Security Instrument is also a security agreement under the Uniform Commercial Code for any of the Mortgaged Property which, under applicable law, may be subject to a security interest under the Uniform Commercial Code, whether acquired now or in the future, and all products and cash and non-cash proceeds thereof (collectively, **"UCC Collateral"**), and Borrower hereby grants to Lender a security interest in the UCC Collateral. Borrower hereby authorizes Lender to file financing statements, continuation statements and financing statement amendments in such form as Lender may require to perfect or continue the perfection of this security interest and Borrower agrees, if Lender so requests, to execute and deliver to Lender such financing statements, continuation statements and amendments. Borrower shall pay all filing costs and all costs and expenses of any record searches for financing statements that Lender may require. Without the prior written consent of Lender, Borrower shall not create or permit to exist any other lien or security interest in any of the UCC Collateral. If an Event of Default has occurred and is continuing, Lender shall have the remedies of a secured party under the Uniform Commercial Code, in addition to all remedies provided by this Security Instrument or existing under applicable law. In exercising any remedies, Lender may exercise its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability of Lender's other remedies. This Security Instrument constitutes a financing statement with respect to any part of the Mortgaged Property which is or may become a Fixture.

3. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.

- (a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all Rents. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all Rents and to authorize and empower Lender to collect and receive all Rents without the necessity of further action on the part of Borrower. Promptly upon request by Lender, Borrower agrees to execute and deliver such further assignments as Lender may from time to time require. Borrower and Lender intend this assignment of Rents to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of Rents, and for no other purpose, Rents shall not be deemed to be a part of the "Mortgaged Property," as that term is defined in Section 1. However, if this present, absolute and unconditional assignment of Rents is not enforceable by its terms under the laws of the Property Jurisdiction, then the Rents shall be included as a part of the Mortgaged Property and it is the intention of the Borrower that in this circumstance this Security Instrument create and perfect a lien on Rents in favor of Lender, which lien shall be effective as of the date of this Security Instrument.
- (b) After the occurrence of an Event of Default, Borrower authorizes Lender to collect, sue for and compromise Rents and directs each tenant of the Mortgaged Property to pay all Rents to, or as directed by, Lender, and Borrower shall, upon Borrower's receipt of any Rents from any sources (including, but not limited to subsidy payments under any Housing Assistance Payments Contract), pay the total amount of such receipts to the

Lender. However, until the occurrence of an Event of Default, Lender hereby grants to Borrower a revocable license to collect and receive all Rents, to hold all Rents in trust for the benefit of Lender and to apply all Rents to pay the installments of interest and principal then due and payable under the Note and the other amounts then due and payable under the other Loan Documents, including Imposition Deposits, and to pay the current costs and expenses of managing, operating and maintaining the Mortgaged Property, including utilities, Taxes and insurance premiums (to the extent not included in Imposition Deposits), tenant improvements and other capital expenditures. So long as no Event of Default has occurred and is continuing, the Rents remaining after application pursuant to the preceding sentence may be retained by Borrower free and clear of, and released from, Lender's rights with respect to Rents under this Security Instrument. From and after the occurrence of an Event of Default, and without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, or by a receiver, Borrower's license to collect Rents shall automatically terminate and Lender shall without notice be entitled to all Rents as they become due and payable, including Rents then due and unpaid. Borrower shall pay to Lender upon demand all Rents to which Lender is entitled. At any time on or after the date of Lender's demand for Rents, Lender may give, and Borrower hereby irrevocably authorizes Lender to give, notice to all tenants of the Mortgaged Property instructing them to pay all Rents to Lender, no tenant shall be obligated to inquire further as to the occurrence or continuance of an Event of Default, and no tenant shall be obligated to pay to Borrower any amounts which are actually paid to Lender in response to such a notice. Any such notice by Lender shall be delivered to each tenant personally, by mail or by delivering such demand to each rental unit. Borrower shall not interfere with and shall cooperate with Lender's collection of such Rents.

- (c) Except as otherwise disclosed to and consented to in writing by Lender, Borrower represents and warrants to Lender that Borrower has not executed any prior assignment of Rents (other than an assignment of Rents securing indebtedness that will be paid off and discharged with the proceeds of the loan evidenced by the Note), that Borrower has not performed, and Borrower covenants and agrees that it will not perform, any acts and has not executed, and shall not execute, any Security Instrument which would prevent Lender from exercising its rights under this Section 3, and that at the time of execution of this Security Instrument there has been no anticipation or prepayment of any Rents for more than two months prior to the due dates of such Rents. Borrower shall not collect or accept payment of any Rents more than two months prior to the due dates of such Rents.
- (d) If an Event of Default has occurred and is continuing, Lender may, regardless of the adequacy of Lender's security or the solvency of Borrower and even in the absence of waste, enter upon and take and maintain full control of the Mortgaged Property in order to perform all acts that Lender in its discretion determines to be necessary or desirable for the operation and maintenance of the Mortgaged Property, including the execution, cancellation or modification of Leases, the collection of all Rents, the making of repairs to the Mortgaged Property and the execution or termination of contracts providing for the management, operation or maintenance of the Mortgaged Property, for the purposes of enforcing the assignment of Rents pursuant to Section 3(a), protecting the Mortgaged Property or the security of this Security Instrument, or for such other purposes as Lender in its discretion may deem necessary or desirable. Alternatively, if an Event of Default has occurred and is continuing, regardless of the adequacy of Lender's security, without regard to Borrower's solvency and without the necessity of giving prior notice (oral or written) to Borrower, Lender may apply to any court having jurisdiction for the appointment of a receiver for the Mortgaged Property to take any or all of the actions set forth in the preceding sentence. If Lender elects to seek the appointment of a receiver for the Mortgaged Property at any time after an Event of Default has occurred and is continuing, Borrower, by its execution of this Security Instrument, expressly consents to the appointment of such receiver, including the appointment of a receiver *ex parte* if permitted by applicable law. Lender or the receiver, as the case may be, shall be entitled to receive a reasonable fee for managing the Mortgaged Property. Immediately upon appointment of a receiver or immediately upon the Lender's entering upon and taking possession and control of the Mortgaged Property, Borrower shall surrender possession of the Mortgaged Property to Lender or the receiver, as the case may be, and shall deliver to Lender or the receiver, as the case may be, all documents, records (including records on electronic or magnetic media), accounts,

surveys, plans, and specifications relating to the Mortgaged Property and all security deposits and prepaid Rents. In the event Lender takes possession and control of the Mortgaged Property, Lender may exclude Borrower and its representatives from the Mortgaged Property. Borrower acknowledges and agrees that the exercise by Lender of any of the rights conferred under this Section 3 shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and Improvements.

- (e) If Lender enters the Mortgaged Property, Lender shall be liable to account only to Borrower and only for those Rents actually received. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Mortgaged Property, by reason of any act or omission of Lender under this Section 3, and Borrower hereby releases and discharges Lender from any such liability to the fullest extent permitted by law.
- (f) If the Rents are not sufficient to meet the costs of taking control of and managing the Mortgaged Property and collecting the Rents, any funds expended by Lender for such purposes shall become an additional part of the Indebtedness as provided in Section 12.
- (g) Any entering upon and taking of control of the Mortgaged Property by Lender or the receiver, as the case may be, and any application of Rents as provided in this Security Instrument shall not cure or waive any Event of Default or invalidate any other right or remedy of Lender under applicable law or provided for in this Security Instrument.

4. ASSIGNMENT OF LEASES; LEASES AFFECTING THE MORTGAGED PROPERTY.

- (a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all of Borrower's right, title and interest in, to and under the Leases, including Borrower's right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all of Borrower's right, title and interest in, to and under the Leases. Borrower and Lender intend this assignment of the Leases to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of the Leases, and for no other purpose, the Leases shall not be deemed to be a part of the "Mortgaged Property," as that term is defined in Section 1. However, if this present, absolute and unconditional assignment of the Leases is not enforceable by its terms under the laws of the Property Jurisdiction, then the Leases shall be included as a part of the Mortgaged Property and it is the intention of the Borrower that in this circumstance this Security Instrument create and perfect a lien on the Leases in favor of Lender, which lien shall be effective as of the date of this Security Instrument.
- (b) Until Lender gives notice to Borrower of Lender's exercise of its rights under this Section 4, Borrower shall have all rights, power and authority granted to Borrower under any Lease (except as otherwise limited by this Section or any other provision of this Security Instrument), including the right, power and authority to modify the terms of any Lease or extend or terminate any Lease. Upon the occurrence of an Event of Default, the permission given to Borrower pursuant to the preceding sentence to exercise all rights, power and authority under Leases shall automatically terminate. Borrower shall comply with and observe Borrower's obligations under all Leases, including Borrower's obligations pertaining to the maintenance and disposition of tenant security deposits.
- (c) Borrower acknowledges and agrees that the exercise by Lender, either directly or by a receiver, of any of the rights conferred under this Section 4 shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and the Improvements. The acceptance by Lender of the assignment of the Leases pursuant to Section 4(a) shall not at any time or in any event obligate Lender to take any action under this Security Instrument or to expend any money or to incur any expenses. Lender shall not be liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Mortgaged

Property. Prior to Lender's actual entry into and taking possession of the Mortgaged Property, Lender shall not (i) be obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease); (ii) be obligated to appear in or defend any action or proceeding relating to the Lease or the Mortgaged Property; or (iii) be responsible for the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property. The execution of this Security Instrument by Borrower shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of Borrower, prior to such actual entry and taking of possession.

- (d) Upon delivery of notice by Lender to Borrower of Lender's exercise of Lender's rights under this Section 4 at any time after the occurrence of an Event of Default, and without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the Property Jurisdiction, Lender immediately shall have all rights, powers and authority granted to Borrower under any Lease, including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease.
- (e) Borrower shall, promptly upon Lender's request, deliver to Lender an executed copy of each residential Lease then in effect. All Leases for residential dwelling units shall be on forms approved by Lender, shall be for initial terms of at least six months and not more than two years, and shall not include options to purchase. If customary in the applicable market, residential Leases with terms of less than six months may be permitted with Lender's prior written consent.
- (f) Borrower shall not lease any portion of the Mortgaged Property for non-residential use except with the prior written consent of Lender and Lender's prior written approval of the Lease agreement. Borrower shall not modify the terms of, or extend or terminate, any Lease for non-residential use (including any Lease in existence on the date of this Security Instrument) without the prior written consent of Lender. Borrower shall, without request by Lender, deliver an executed copy of each non-residential Lease to Lender promptly after such Lease is signed. All non-residential Leases, including renewals or extensions of existing Leases, shall specifically provide that (1) such Leases are subordinate to the lien of this Security Instrument (unless waived in writing by Lender); (2) the tenant shall attorn to Lender and any purchaser at a foreclosure sale, such attornment to be self-executing and effective upon acquisition of title to the Mortgaged Property by any purchaser at a foreclosure sale or by Lender in any manner; (3) the tenant agrees to execute such further evidences of attornment as Lender or any purchaser at a foreclosure sale may from time to time request; (4) the Lease shall not be terminated by foreclosure or any other transfer of the Mortgaged Property; (5) after a foreclosure sale of the Mortgaged Property, Lender or any other purchaser at such foreclosure sale may, at Lender's or such purchaser's option, accept or terminate such Lease; and (6) the tenant shall, upon receipt after the occurrence of an Event of Default of a written request from Lender, pay all Rents payable under the Lease to Lender.
- (g) Borrower shall not receive or accept Rent under any Lease (whether residential or non-residential) for more than two months in advance.

5. PAYMENT OF INDEBTEDNESS; PERFORMANCE UNDER LOAN DOCUMENTS.

Borrower shall pay the Indebtedness when due in accordance with the terms of the Note and the other Loan Documents and shall perform, observe and comply with all other provisions of the Note and the other Loan Documents.

6. EXCULPATION.

Borrower's personal liability for payment of the Indebtedness and for performance of the other obligations to be performed by it under this Security Instrument is limited in the manner, and to the extent, provided in the Note.

7. DEPOSITS FOR TAXES, INSURANCE AND OTHER CHARGES.

- (a) At the written direction of Lender, Borrower may be required to deposit with Lender on the day monthly installments of principal or interest, or both, are due under the Note (or on another day designated in writing by Lender), until the Indebtedness is paid in full, an additional amount sufficient to accumulate with Lender the entire sum required to pay, when due (1) any water and sewer charges which, if not paid, may result in a lien on all or any part of the Mortgaged Property, (2) the premiums for fire and other hazard insurance, rent loss insurance and such other insurance as Lender may require under Section 19, (3) Taxes, and (4) amounts for other charges and expenses which Lender at any time reasonably deems necessary to protect the Mortgaged Property, to prevent the imposition of liens on the Mortgaged Property, or otherwise to protect Lender's interests, all as reasonably estimated from time to time by Lender. The amounts deposited under the preceding sentence are collectively referred to in this Security Instrument as the **"Imposition Deposits"**. The obligations of Borrower for which the Imposition Deposits are required are collectively referred to in this Security Instrument as **"Impositions"**. The amount of the Imposition Deposits shall be sufficient to enable Lender to pay each Imposition before the last date upon which such payment may be made without any penalty or interest charge being added. Lender shall maintain records indicating how much of the monthly Imposition Deposits and how much of the aggregate Imposition Deposits held by Lender are held for the purpose of paying Taxes, insurance premiums and each other obligation of Borrower for which Imposition Deposits are required. Any waiver by Lender of the requirement that Borrower remit Imposition Deposits to Lender may be revoked by Lender, in Lender's discretion, at any time upon notice to Borrower.
- (b) Imposition Deposits shall be held in an institution (which may be Lender, if Lender is such an institution) whose deposits or accounts are insured or guaranteed by a federal agency. Lender shall not be obligated to open additional accounts or deposit Imposition Deposits in additional institutions when the amount of the Imposition Deposits exceeds the maximum amount of the federal deposit insurance or guaranty. Lender shall apply the Imposition Deposits to pay Impositions so long as no Event of Default has occurred and is continuing. Unless applicable law requires, Lender shall not be required to pay Borrower any interest, earnings or profits on the Imposition Deposits. Borrower hereby pledges and grants to Lender a security interest in the Imposition Deposits as additional security for all of Borrower's obligations under this Security Instrument and the other Loan Documents. Any amounts deposited with Lender under this Section 7 shall not be trust funds, nor shall they operate to reduce the Indebtedness, unless applied by Lender for that purpose under Section 7(e).
- (c) If Lender receives a bill or invoice for an Imposition, Lender shall pay the Imposition from the Imposition Deposits held by Lender. Lender shall have no obligation to pay any Imposition to the extent it exceeds Imposition Deposits then held by Lender. Lender may pay an Imposition according to any bill, statement or estimate from the appropriate public office or insurance company without inquiring into the accuracy of the bill, statement or estimate or into the validity of the Imposition.
- (d) If at any time the amount of the Imposition Deposits held by Lender for payment of a specific Imposition exceeds the amount reasonably deemed necessary by Lender, the excess shall be credited against future installments of Imposition Deposits. If at any time the amount of the Imposition Deposits held by Lender for payment of a specific Imposition is less than the amount reasonably estimated by Lender to be necessary, Borrower shall pay to Lender the amount of the deficiency within 15 days after notice from Lender.
- (e) If an Event of Default has occurred and is continuing, Lender may apply any Imposition Deposits, in any amounts and in any order as Lender determines, in Lender's discretion, to pay any Impositions or as a credit against the Indebtedness. Upon payment in full of the Indebtedness, Lender shall refund to Borrower any Imposition Deposits held by Lender.

8. COLLATERAL AGREEMENTS.

Borrower shall deposit with Lender such amounts as may be required by any Collateral Agreement and shall perform all other obligations of Borrower under each Collateral Agreement.

9. APPLICATION OF PAYMENTS.

If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, then Lender may apply that payment to amounts then due and payable in any manner and in any order determined by Lender, in Lender's discretion. Neither Lender's acceptance of an amount which is less than all amounts then due and payable nor Lender's application of such payment in the manner authorized shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction. Notwithstanding the application of any such amount to the Indebtedness, Borrower's obligations under this Security Instrument and the Note shall remain unchanged.

10. COMPLIANCE WITH LAWS.

Borrower shall comply with all laws, ordinances, regulations and requirements of any Governmental Authority and all recorded lawful covenants and agreements relating to or affecting the Mortgaged Property, including all laws, ordinances, regulations, requirements and covenants pertaining to health and safety, construction of improvements on the Mortgaged Property, fair housing, zoning and land use, and Leases. Borrower also shall comply with all applicable laws that pertain to the maintenance and disposition of tenant security deposits. Borrower shall at all times maintain records sufficient to demonstrate compliance with the provisions of this Section 10. Borrower shall take appropriate measures to prevent, and shall not engage in or knowingly permit, any illegal activities at the Mortgaged Property that could endanger tenants or visitors, result in damage to the Mortgaged Property, result in forfeiture of the Mortgaged Property, or otherwise materially impair the lien created by this Security Instrument or Lender's interest in the Mortgaged Property. Borrower represents and warrants to Lender that no portion of the Mortgaged Property has been or will be purchased with the proceeds of any illegal activity.

11. USE OF PROPERTY.

Unless required by applicable law, Borrower shall not (a) except for any change in use approved by Lender, allow changes in the use for which all or any part of the Mortgaged Property is being used at the time this Security Instrument was executed, (b) convert any individual dwelling units or common areas to commercial use, (c) initiate or acquiesce in a change in the zoning classification of the Mortgaged Property, or (d) establish any condominium or cooperative regime with respect to the Mortgaged Property.

12. PROTECTION OF LENDER'S SECURITY.

- (a) If Borrower fails to perform any of its obligations under this Security Instrument or any other Loan Document, or if any action or proceeding is commenced which purports to affect the Mortgaged Property, Lender's security or Lender's rights under this Security Instrument, including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Hazardous Materials Laws, fraudulent conveyance or reorganizations or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, disburse such sums and take such actions as Lender reasonably deems necessary to perform such obligations of Borrower and to protect Lender's interest, including (1) payment of fees and out-of-pocket expenses of attorneys (unless prohibited by N.D.C.C. § 28-26-04), accountants, inspectors and consultants, (2) entry upon the Mortgaged Property to make repairs or secure the Mortgaged Property, (3) procurement of the insurance required by Section 19, and (4) payment of amounts which Borrower has failed to pay under Sections 15 and 17.
- (b) Any amounts disbursed by Lender under this Section 12, or under any other provision of this Security Instrument that treats such disbursement as being made under this Section 12, shall be added to, and become part of, the principal component of the Indebtedness, shall be immediately due and payable and shall bear interest at the Note Interest Rate from the date of disbursement until paid.
- (c) Nothing in this Section 12 shall require Lender to incur any expense or take any action.

13. INSPECTION.

Lender, its agents, representatives, and designees may make or cause to be made entries upon and inspections of the Mortgaged Property (including environmental inspections and tests) during normal business hours, or at any other reasonable time.

14. BOOKS AND RECORDS; FINANCIAL REPORTING.

- (a) Borrower shall keep and maintain at all times at the Mortgaged Property or the management agent's offices, and upon Lender's request shall make available at the Mortgaged Property, complete and accurate books of account and records (including copies of supporting bills and invoices) adequate to reflect correctly the operation of the Mortgaged Property, and copies of all written contracts, Leases, and other Security Instruments which affect the Mortgaged Property. The books, records, contracts, Leases and other Security Instruments shall be subject to examination and inspection at any reasonable time by Lender.
- (b) Lender's request may include any or all of the following:
 - (1) a statement of income and expenses for Borrower's operation of the Mortgaged Property for that fiscal year, a statement of changes in financial position of Borrower relating to the Mortgaged Property for that fiscal year, and a balance sheet showing all assets and liabilities of Borrower relating to the Mortgaged Property as of the end of that fiscal year;
 - (2) a rent schedule for the Mortgaged Property showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable for the current month, the date through which rent has been paid, and any related information requested by Lender;
 - (3) an accounting of all security deposits held pursuant to all Leases, including the name of the institution (if any) and the names and identification numbers of the accounts (if any) in which such security deposits are held and the name of the person to contact at such financial institution, along with any authority or release necessary for Lender to access information regarding such accounts;
 - (4) a statement that identifies all owners of any interest in Borrower and the interest held by each, if Borrower is a corporation, all officers and directors of Borrower, and if Borrower is a limited liability company, all managers who are not members;
 - (5) a monthly property management report for the Mortgaged Property, showing the number of inquiries made and rental applications received from tenants or prospective tenants and deposits received from tenants and any other information requested by Lender;
 - (6) a balance sheet, a statement of income and expenses for Borrower and a statement of changes in financial position of Borrower for Borrower's most recent fiscal year; and
 - (7) a statement of income and expense for the Mortgaged Property for the prior month or quarter.
- (c) Each of the statements, schedules and reports required by Section 14(b) shall be certified to be complete and accurate by an individual having authority to bind Borrower, and shall be in such form and contain such detail as Lender may reasonably require. Lender also may require that any statements, schedules or reports be audited at Borrower's expense by independent certified public accountants acceptable to Lender.
- (d) If Borrower fails to provide in a timely manner the statements, schedules and reports required by Section 14(b), Lender shall have the right to have Borrower's books and records audited, at Borrower's expense, by independent certified public accountants selected by Lender in order to obtain such statements, schedules and reports, and all related costs and expenses of Lender shall become immediately due and payable and shall become an additional part of the Indebtedness as provided in Section 12.
- (e) If an Event of Default has occurred and is continuing, Borrower shall deliver to Lender upon written demand all books and records relating to the Mortgaged Property or its operation.
- (f) Borrower authorizes Lender to obtain a credit report on Borrower at any time.

- (g) If an Event of Default has occurred and Lender has not previously required Borrower to furnish a quarterly statement of income and expense for the Mortgaged Property, Lender may require Borrower to furnish such a statement within 45 days after the end of each fiscal quarter of Borrower following such Event of Default.

15. TAXES; OPERATING EXPENSES.

- (a) Subject to the provisions of Section 15(c) and Section 15(d), Borrower shall pay, or cause to be paid, all Taxes when due and before the addition of any interest, fine, penalty or cost for nonpayment.
- (b) Subject to the provisions of Section 15(c), Borrower shall pay the expenses of operating, managing, maintaining and repairing the Mortgaged Property (including insurance premiums, utilities, repairs and replacements) before the last date upon which each such payment may be made without any penalty or interest charge being added.
- (c) As long as no Event of Default exists and Borrower has timely delivered to Lender any bills or premium notices that it has received, Borrower shall not be obligated to pay Taxes, insurance premiums or any other individual Imposition to the extent that sufficient Imposition Deposits are held by Lender for the purpose of paying that specific Imposition. If an Event of Default exists, Lender may exercise any rights Lender may have with respect to Imposition Deposits without regard to whether Impositions are then due and payable. Lender shall have no liability to Borrower for failing to pay any Impositions to the extent that any Event of Default has occurred and is continuing, insufficient Imposition Deposits are held by Lender at the time an Imposition becomes due and payable or Borrower has failed to provide Lender with bills and premium notices as provided above.
- (d) Borrower, at its own expense, may contest by appropriate legal proceedings, conducted diligently and in good faith, the amount or validity of any Imposition other than insurance premiums, if (1) Borrower notifies Lender of the commencement or expected commencement of such proceedings, (2) the Mortgaged Property is not in danger of being sold or forfeited, (3) Borrower deposits with Lender reserves sufficient to pay the contested Imposition, if requested by Lender, and (4) Borrower furnishes whatever additional security is required in the proceedings or is reasonably requested by Lender, which may include the delivery to Lender of the reserves established by Borrower to pay the contested Imposition.
- (e) Borrower shall promptly deliver to Lender a copy of all notices of, and invoices for, Impositions, and if Borrower pays any Imposition directly, Borrower shall promptly furnish to Lender receipts evidencing such payments.

16. LIENS; ENCUMBRANCES.

Borrower acknowledges that, to the extent provided in Section 21, the grant, creation or existence of any mortgage, deed of trust, deed to secure debt, security interest or other lien or encumbrance (a "**Lien**") on the Mortgaged Property (other than the lien of this Security Instrument) or on certain ownership interests in Borrower, whether voluntary, involuntary or by operation of law, and whether or not such Lien has priority over the lien of this Security Instrument, is a "**Transfer**" which constitutes an Event of Default.

17. PRESERVATION, MANAGEMENT AND MAINTENANCE OF MORTGAGED PROPERTY.

- (a) Borrower (1) shall not commit waste or permit impairment or deterioration of the Mortgaged Property, (2) shall not abandon the Mortgaged Property, (3) shall restore or repair promptly, in a good and workmanlike manner, any damaged part of the Mortgaged Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, whether or not insurance proceeds or condemnation awards are available to cover any costs of such restoration or repair, (4) shall keep the Mortgaged Property in good repair, including the replacement of Personality and Fixtures with items of equal or better function and quality, and (5) shall give notice to Lender of and, unless otherwise directed in writing by Lender, shall appear in and defend any action or proceeding purporting to affect the Mortgaged Property, Lender's security or Lender's rights under this Security Instrument. Borrower shall not (and shall not permit any tenant or other person to)

remove, demolish or alter the Mortgaged Property or any part of the Mortgaged Property except in connection with the replacement of tangible Personality.

- (b) If required by Lender (whether before or after an Event of Default), Borrower will cause any Affiliate of Borrower to whom fees are payable for the management of the Mortgaged Property to enter into an agreement with Lender, in a form approved by Lender, providing for subordination of those fees and such other provisions as Lender may require. "Affiliate of Borrower" means any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust or individual controlled by, under common control with, or which controls Borrower (the term "control" for these purposes shall mean the ability, whether by the ownership of shares or other equity interests, by contract or otherwise, to elect a majority of the directors of a corporation, to make management decisions on behalf of, or independently to select the managing partner of, a partnership, or otherwise to have the power independently to remove and then select a majority of those individuals exercising managerial authority over an entity, and control shall be conclusively presumed in the case of the ownership of 50% or more of the equity interests).

18. ENVIRONMENTAL HAZARDS.

- (a) Except for matters covered by a written program of operations and maintenance approved in writing by Lender (an "**O&M Program**") or matters described in Section 18(b), Borrower shall not cause or permit any of the following:
- (1) the presence, use, generation, release, treatment, processing, storage (including storage in above ground and underground storage tanks), handling, or disposal of any Hazardous Materials on or under the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property;
 - (2) the transportation of any Hazardous Materials to, from, or across the Mortgaged Property;
 - (3) any occurrence or condition on the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property, which occurrence or condition is or may be in violation of Hazardous Materials Laws; or
 - (4) any violation of or noncompliance with the terms of any Environmental Permit with respect to the Mortgaged Property or any property of Borrower that is adjacent to the Mortgaged Property.

The matters described in clauses (1) through (4) above are referred to collectively in this Section 18 as "**Prohibited Activities or Conditions**".

- (b) Prohibited Activities and Conditions shall not include the safe and lawful use and storage of quantities of (1) pre-packaged supplies, cleaning materials and petroleum products customarily used in the operation and maintenance of comparable multifamily properties, (2) cleaning materials, personal grooming items and other items sold in pre-packaged containers for consumer use and used by tenants and occupants of residential dwelling units in the Mortgaged Property; and (3) petroleum products used in the operation and maintenance of motor vehicles from time to time located on the Mortgaged Property's parking areas, so long as all of the foregoing are used, stored, handled, transported and disposed of in compliance with Hazardous Materials Laws.
- (c) Borrower shall take all commercially reasonable actions (including the inclusion of appropriate provisions in any Leases executed after the date of this Security Instrument) to prevent its employees, agents, and contractors, and all tenants and other occupants from causing or permitting any Prohibited Activities or Conditions. Borrower shall not lease or allow the sublease or use of all or any portion of the Mortgaged Property to any tenant or subtenant for nonresidential use by any user that, in the ordinary course of its business, would cause or permit any Prohibited Activity or Condition.

- (d) If an O&M Program has been established with respect to Hazardous Materials, Borrower shall comply in a timely manner with, and cause all employees, agents, and contractors of Borrower and any other persons present on the Mortgaged Property to comply with the O&M Program. All costs of performance of Borrower's obligations under any O&M Program shall be paid by Borrower, and Lender's out-of-pocket costs incurred in connection with the monitoring and review of the O&M Program and Borrower's performance shall be paid by Borrower upon demand by Lender. Any such out-of-pocket costs of Lender which Borrower fails to pay promptly shall become an additional part of the Indebtedness as provided in Section 12.
- (e) Borrower represents and warrants to Lender that, except as previously disclosed by Borrower to Lender in writing:
- (1) Borrower has not at any time engaged in, caused or permitted any Prohibited Activities or Conditions;
 - (2) to the best of Borrower's knowledge after reasonable and diligent inquiry, no Prohibited Activities or Conditions exist or have existed;
 - (3) except to the extent previously disclosed by Borrower to Lender in writing, the Mortgaged Property does not now contain any underground storage tanks, and, to the best of Borrower's knowledge after reasonable and diligent inquiry, the Mortgaged Property has not contained any underground storage tanks in the past. If there is an underground storage tank located on the Property which has been previously disclosed by Borrower to Lender in writing, that tank complies with all requirements of Hazardous Materials Laws;
 - (4) Borrower has complied with all Hazardous Materials Laws, including all requirements for notification regarding releases of Hazardous Materials. Without limiting the generality of the foregoing, Borrower has obtained all Environmental Permits required for the operation of the Mortgaged Property in accordance with Hazardous Materials Laws now in effect and all such Environmental Permits are in full force and effect;
 - (5) no event has occurred with respect to the Mortgaged Property that constitutes, or with the passing of time or the giving of notice would constitute, noncompliance with the terms of any Environmental Permit;
 - (6) there are no actions, suits, claims or proceedings pending or, to the best of Borrower's knowledge after reasonable and diligent inquiry, threatened that involve the Mortgaged Property and allege, arise out of, or relate to any Prohibited Activity or Condition; and
 - (7) Borrower has not received any complaint, order, notice of violation or other communication from any Governmental Authority with regard to air emissions, water discharges, noise emissions or Hazardous Materials, or any other environmental, health or safety matters affecting the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property.

The representations and warranties in this Section 18 shall be continuing representations and warranties that shall be deemed to be made by Borrower throughout the term of the loan evidenced by the Note, until the Indebtedness has been paid in full.

- (f) Borrower shall promptly notify Lender in writing upon the occurrence of any of the following events:
- (1) Borrower's discovery of any Prohibited Activity or Condition;
 - (2) Borrower's receipt of or knowledge of any complaint, order, notice of violation or other communication from any Governmental Authority or other person with regard to present or future alleged Prohibited Activities or Conditions or any other environmental, health or safety matters affecting the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property; and
 - (3) any representation or warranty in this Section 18 becomes untrue after the date of this Agreement.

Any such notice given by Borrower shall not relieve Borrower of, or result in a waiver of, any obligation under this Security Instrument, the Note, or any other Loan Document.

- (g) Borrower shall pay promptly the costs of any environmental inspections, tests or audits ("**Environmental Inspections**") required by Lender in connection with any foreclosure or deed in lieu of foreclosure, or as a condition of Lender's consent to any Transfer under Section 21, or required by Lender following a reasonable determination by Lender that Prohibited Activities or Conditions may exist. Any such costs incurred by Lender (including the fees and out-of-pocket costs of attorneys and technical consultants whether incurred in connection with any judicial or administrative process or otherwise) which Borrower fails to pay promptly shall become an additional part of the Indebtedness as provided in Section 12. The results of all Environmental Inspections made by Lender shall at all times remain the property of Lender and Lender shall have no obligation to disclose or otherwise make available to Borrower or any other party such results or any other information obtained by Lender in connection with its Environmental Inspections. Lender hereby reserves the right, and Borrower hereby expressly authorizes Lender, to make available to any party, including any prospective bidder at a foreclosure sale of the Mortgaged Property, the results of any Environmental Inspections made by Lender with respect to the Mortgaged Property. Borrower consents to Lender notifying any party (either as part of a notice of sale or otherwise) of the results of any of Lender's Environmental Inspections. Borrower acknowledges that Lender cannot control or otherwise assure the truthfulness or accuracy of the results of any of its Environmental Inspections and that the release of such results to prospective bidders at a foreclosure sale of the Mortgaged Property may have a material and adverse effect upon the amount which a party may bid at such sale. Borrower agrees that Lender shall have no liability whatsoever as a result of delivering the results of any of its Environmental Inspections to any third party, and Borrower hereby releases and forever discharges Lender from any and all claims, damages, or causes of action, arising out of, connected with or incidental to the results of, the delivery of any of Lender's Environmental Inspections.
- (h) If any investigation, site monitoring, containment, clean-up, restoration or other remedial work ("**Remedial Work**") is necessary to comply with any Hazardous Materials Law or order of any Governmental Authority that has or acquires jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property under any Hazardous Materials Law, Borrower shall, by the earlier of (1) the applicable deadline required by Hazardous Materials Law or (2) 30 days after notice from Lender demanding such action, begin performing the Remedial Work, and thereafter diligently prosecute it to completion, and shall in any event complete the work by the time required by applicable Hazardous Materials Law. If Borrower fails to begin on a timely basis or diligently prosecute any required Remedial Work, Lender may, at its option, cause the Remedial Work to be completed, in which case Borrower shall reimburse Lender on demand for the cost of doing so. Any reimbursement due from Borrower to Lender shall become part of the Indebtedness as provided in Section 12.
- (i) Borrower shall cooperate with any inquiry by any Governmental Authority and shall comply with any governmental or judicial order which arises from any alleged Prohibited Activity or Condition.
- (j) Borrower shall indemnify, hold harmless and defend (i) Lender, (ii) any prior owner or holder of the Note, (iii) the Loan Servicer, (iv) any prior Loan Servicer, (v) the officers, directors, shareholders, partners, employees and trustees of any of the foregoing, and (vi) the heirs, legal representatives, successors and assigns of each of the foregoing (collectively, the "**Indemnitees**") from and against all proceedings, claims, damages, penalties and costs (whether initiated or sought by Governmental Authorities or private parties), including fees and out-of-pocket expenses of attorneys and expert witnesses, investigatory fees, and remediation costs, whether incurred in connection with any judicial or administrative process or otherwise, arising directly or indirectly from any of the following:
- (1) any breach of any representation or warranty of Borrower in this Section 18;
 - (2) any failure by Borrower to perform any of its obligations under this Section 18;
 - (3) the existence or alleged existence of any Prohibited Activity or Condition;

- (4) the presence or alleged presence of Hazardous Materials on or under the Mortgaged Property or any property of Borrower that is adjacent to the Mortgaged Property; and
- (5) the actual or alleged violation of any Hazardous Materials Law.
- (k) Counsel selected by Borrower to defend Indemnitees shall be subject to the approval of those Indemnitees and the Attorney General of the state. However, any Indemnitee may elect to defend any claim or legal or administrative proceeding at the Borrower's expense. The legal defense provided by Borrower to Lender under this provision must be free of any conflicts of interest, even if separate legal counsel for the Lender is necessary.
- (l) Borrower shall not, without the prior written consent of those Indemnitees who are named as parties to a claim or legal or administrative proceeding (a "**Claim**"), settle or compromise the Claim if the settlement (1) results in the entry of any judgment that does not include as an unconditional term the delivery by the claimant or plaintiff to Lender of a written release of those Indemnitees, satisfactory in form and substance to Lender; or (2) may materially and adversely affect Lender, as determined by Lender in its discretion.
- (m) Borrower shall, at its own cost and expense, do all of the following:
 - (1) pay or satisfy any judgment or decree that may be entered against any Indemnitee or Indemnites in any legal or administrative proceeding incident to any matters against which Indemnites are entitled to be indemnified under this Section 18;
 - (2) reimburse Indemnites for any expenses paid or incurred in connection with any matters against which Indemnites are entitled to be indemnified under this Section 18; and
 - (3) reimburse Indemnites for any and all expenses, including fees and out-of-pocket expenses of attorneys and expert witnesses, paid or incurred in connection with the enforcement by Indemnites of their rights under this Section 18, or in monitoring and participating in any legal or administrative proceeding, or in establishing and litigating the indemnification coverage provided herein.
- (n) In any circumstances in which the indemnity under this Section 18 applies, Lender may employ its own legal counsel and consultants to prosecute, defend or negotiate any claim or legal or administrative proceeding and Lender may settle or compromise any action or legal or administrative proceeding. Borrower shall reimburse Lender upon demand for all costs and expenses incurred by Lender, including all costs of settlements entered into in good faith, and the fees and out-of-pocket expenses of such attorneys and consultants.
- (o) The provisions of this Section 18 shall be in addition to any and all other obligations and liabilities that Borrower may have under applicable law or under other Loan Documents, and each Indemnitee shall be entitled to indemnification under this Section 18 without regard to whether Lender or that Indemnitee has exercised any rights against the Mortgaged Property or any other security, pursued any rights against any guarantor, or pursued any other rights available under the Loan Documents or applicable law. If Borrower consists of more than one person or entity, the obligation of those persons or entities to indemnify the Indemnites under this Section 18 shall be joint and several. The obligation of Borrower to indemnify the Indemnites under this Section 18 shall survive any repayment or discharge of the Indebtedness, any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the lien of this Security Instrument.

19. PROPERTY AND LIABILITY INSURANCE.

- (a) Borrower shall keep the Improvements insured at all times against such hazards as Lender may from time to time require, which insurance shall include but not be limited to coverage against loss by fire and allied perils, general boiler and machinery coverage, and business income coverage. Lender's insurance requirements may change from time to time throughout the term of the Indebtedness. If Lender so requires, such insurance shall also include sinkhole insurance, mine subsidence insurance, earthquake insurance,

and, if the Mortgaged Property does not conform to applicable zoning or land use laws, building ordinance or law coverage. If any of the Improvements is located in an area identified by the Federal Emergency Management Agency (or any successor to that agency) as an area having special flood hazards, and if flood insurance is available in that area, Borrower shall insure such Improvements against loss by flood.

- (b) All premiums on insurance policies required under Section 19(a) shall be paid in the manner provided in Section 7, unless Lender has designated in writing another method of payment. All such policies shall also be in a form approved by Lender. All policies of property damage insurance shall include a non-contributing, non-reporting mortgage clause in favor of, and in a form approved by, Lender. Lender shall have the right to hold the original policies or duplicate original policies of all insurance required by Section 19(a). Borrower shall promptly deliver to Lender a copy of all renewal and other notices received by Borrower with respect to the policies and all receipts for paid premiums. At least 30 days prior to the expiration date of a policy, Borrower shall deliver to Lender the original (or a duplicate original) of a renewal policy in form satisfactory to Lender.
- (c) Borrower shall maintain at all times commercial general liability insurance, workers' compensation insurance and such other liability, errors and omissions and fidelity insurance coverages as Lender may from time to time require.
- (d) All insurance policies and renewals of insurance policies required by this Section 19 shall be in such amounts and for such periods as Lender may from time to time require, and shall be issued by insurance companies satisfactory to Lender.
- (e) Borrower shall comply with all insurance requirements and shall not permit any condition to exist on the Mortgaged Property that would invalidate any part of any insurance coverage that this Security Instrument requires Borrower to maintain.
- (f) In the event of loss, Borrower shall give immediate written notice to the insurance carrier and to Lender. Borrower hereby authorizes and appoints Lender as attorney-in-fact for Borrower to make proof of loss, to adjust and compromise any claims under policies of property damage insurance, to appear in and prosecute any action arising from such property damage insurance policies, to collect and receive the proceeds of property damage insurance, and to deduct from such proceeds Lender's expenses incurred in the collection of such proceeds. This power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in this Section 19 shall require Lender to incur any expense or take any action. Lender may, at Lender's option, (1) hold the balance of such proceeds to be used to reimburse Borrower for the cost of restoring and repairing the Mortgaged Property to the equivalent of its original condition or to a condition approved by Lender (the "**Restoration**"), or (2) apply the balance of such proceeds to the payment of the Indebtedness, whether or not then due. To the extent Lender determines to apply insurance proceeds to Restoration, Lender shall do so in accordance with Lender's then-current policies relating to the restoration of casualty damage on similar multifamily properties, if any.
- (g) Lender shall not exercise its option to apply insurance proceeds to the payment of the Indebtedness if all of the following conditions are met: (1) no Event of Default (or any event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default) has occurred and is continuing; (2) Lender determines, in its discretion, that there will be sufficient funds to complete the Restoration; (3) Lender determines, in its discretion, that the rental income from the Mortgaged Property after completion of the Restoration will be sufficient to meet all operating costs and other expenses, Imposition Deposits, deposits to reserves and loan repayment obligations relating to the Mortgaged Property; (4) Lender determines, in its discretion, that the Restoration will be completed before the earlier of (A) one year before the maturity date of the Note or (B) one year after the date of the loss or casualty; and (5) upon Lender's request, Borrower provides Lender evidence of the availability during and after the Restoration of the insurance required to be maintained by Borrower pursuant to this Section 19.

- (h) If the Mortgaged Property is sold at a foreclosure sale or Lender acquires title to the Mortgaged Property, Lender shall automatically succeed to all rights of Borrower in and to any insurance policies and unearned insurance premiums and in and to the proceeds resulting from any damage to the Mortgaged Property prior to such sale or acquisition.

20. CONDEMNATION.

- (a) Borrower shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Mortgaged Property, whether direct or indirect (a "**Condemnation**"). Borrower shall appear in and prosecute or defend any action or proceeding relating to any Condemnation unless otherwise directed by Lender in writing. Borrower authorizes and appoints Lender as attorney-in-fact for Borrower to commence, appear in and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any Condemnation and to settle or compromise any claim in connection with any Condemnation. This power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in this Section 20 shall require Lender to incur any expense or take any action. Borrower hereby transfers and assigns to Lender all right, title and interest of Borrower in and to any award or payment with respect to (i) any Condemnation, or any conveyance in lieu of Condemnation, and (ii) any damage to the Mortgaged Property caused by governmental action that does not result in a Condemnation.
- (b) Lender may apply such awards or proceeds, after the deduction of Lender's expenses incurred in the collection of such amounts, at Lender's option, to the restoration or repair of the Mortgaged Property or to the payment of the Indebtedness, with the balance, if any, to Borrower. Unless Lender otherwise agrees in writing, any application of any awards or proceeds to the Indebtedness shall not extend or postpone the due date of any monthly installments referred to in the Note, Section 7 of this Security Instrument or any Collateral Agreement, or change the amount of such installments. Borrower agrees to execute such further evidence of assignment of any awards or proceeds as Lender may require.

21. TRANSFERS OF THE MORTGAGED PROPERTY OR INTERESTS IN BORROWER.

- (a) The occurrence of any of the following events shall constitute an Event of Default under this Security Instrument:
- (1) a Transfer of all or any part of the Mortgaged Property or any interest in the Mortgaged Property;
 - (2) a Transfer of a Controlling Interest in Borrower;
 - (3) a Transfer of a Controlling Interest in any entity which owns, directly or indirectly through one or more intermediate entities, a Controlling Interest in Borrower;
 - (4) if Borrower is a trust, the termination or revocation of such trust; and
 - (5) a conversion of Borrower from one type of legal entity into another type of legal entity, whether or not there is a Transfer.

Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default in order to exercise any of its remedies with respect to an Event of Default under this Section 21.

- (b) The occurrence of any of the following events shall not constitute an Event of Default under this Security Instrument, notwithstanding any provision of Section 21(a) to the contrary:
- (1) a Transfer to which Lender has consented;
 - (2) a Transfer that occurs by devise, descent, or by operation of law upon the death of a natural person;
 - (3) the grant of a leasehold interest in an individual dwelling unit for a term of two years or less not containing an option to purchase;

- (4) a Transfer of obsolete or worn out Personalty or Fixtures that are contemporaneously replaced by items of equal or better function and quality, which are free of liens, encumbrances and security interests other than those created by the Loan Documents or consented to by Lender;
 - (5) the grant of an easement, if before the grant Lender determines that the easement will not materially affect the operation or value of the Mortgaged Property or Lender's interest in the Mortgaged Property, and Borrower pays to Lender, upon demand, all costs and expenses incurred by Lender in connection with reviewing Borrower's request; and
 - (6) the creation of a tax lien or a mechanic's, materialman's or judgment lien against the Mortgaged Property which is bonded off, released of record or otherwise remedied to Lender's satisfaction within 30 days of the date of creation.
- (c) Lender shall consent, without any adjustment to the rate at which the Indebtedness secured by this Security Instrument bears interest or to any other economic terms of the Indebtedness, to a Transfer that would otherwise violate this Section 21 if, prior to the Transfer, Borrower has satisfied each of the following requirements:
- (1) the submission to Lender of all information required by Lender to make the determination required by this Section 21(c);
 - (2) the absence of any Event of Default;
 - (3) the transferee meets all of the eligibility, credit, management and other standards (including any standards with respect to previous relationships between Lender and the transferee and the organization of the transferee) customarily applied by Lender at the time of the proposed Transfer to the approval of borrowers in connection with the origination or purchase of similar mortgages, deeds of trust or deeds to secure debt on multifamily properties;
 - (4) the Mortgaged Property, at the time of the proposed Transfer, meets all standards as to its physical condition that are customarily applied by Lender at the time of the proposed Transfer to the approval of properties in connection with the origination or purchase of similar mortgages on multifamily properties;
 - (5) in the case of a Transfer of all or any part of the Mortgaged Property, or direct or indirect ownership interests in Borrower, if transferor or any other person has obligations under any Loan Document, the execution by the transferee or one or more individuals or entities acceptable to Lender of an assumption agreement that is acceptable to Lender and that, among other things, requires the transferee to perform all obligations of transferor or such person set forth in such Loan Document, and may require that the transferee comply with any provisions of this Security Instrument or any other Loan Document which previously may have been waived by Lender;
 - (6) if a guaranty has been executed and delivered in connection with the Note, this Security Instrument or any of the other Loan Documents, the Borrower causes one or more individuals or entities acceptable to Lender to execute and deliver to Lender a guaranty in a form acceptable to Lender; and
 - (7) Lender's receipt of all of the following:
 - (i) a non-refundable review fee in the amount of \$3,000 and a transfer fee equal to 1 percent of the outstanding Indebtedness immediately prior to the Transfer.
 - (ii) In addition, Borrower shall be required to reimburse Lender for all of Lender's out-of-pocket costs (including reasonable attorneys' fees) incurred in reviewing the Transfer request, to the extent such expenses exceed \$3,000.
- (d) For purposes of this Section, the following terms shall have the meanings set forth below:
- (1) **"Initial Owners"** means, with respect to Borrower or any other entity, the persons or entities who on the date of the Note own in the aggregate 100% of the ownership interests in Borrower or that entity.

(2) A Transfer of a **"Controlling Interest"** shall mean, with respect to any entity, the following:

- (i) if such entity is a general partnership or a joint venture, a Transfer of any general partnership interest or joint venture interest which would cause the Initial Owners to own less than 51% of all general partnership or joint venture interests in such entity;
- (ii) if such entity is a limited partnership or limited liability limited partnership, a Transfer of any general partnership interest;
- (iii) if such entity is a limited liability company or a limited liability partnership, a Transfer of any membership or other ownership interest which would cause the Initial Owners to own less than 51% of all membership or other ownership interests in such entity;
- (iv) if such entity is a corporation (other than a Publicly-Held Corporation) with only one class of voting stock, a Transfer of any voting stock which would cause the Initial Owners to own less than 51% of voting stock in such corporation;
- (v) if such entity is a corporation (other than a Publicly-Held Corporation) with more than one class of voting stock, a Transfer of any voting stock which would cause the Initial Owners to own less than a sufficient number of shares of voting stock having the power to elect the majority of directors of such corporation; and
- (vi) if such entity is a trust, the removal, appointment or substitution of a trustee of such trust other than (A) in the case of a land trust, or (B) if the trustee of such trust after such removal, appointment or substitution is a trustee identified in the trust agreement approved by Lender.

(3) **"Publicly-Held Corporation"** shall mean a corporation the outstanding voting stock of which is registered under Section 12(b) or 12(g) of the Securities and Exchange Act of 1934, as amended.

22. EVENTS OF DEFAULT.

The occurrence of any one or more of the following shall constitute an Event of Default under this Security Instrument:

- (a) any failure by Borrower to pay or deposit when due any amount required by the Note, this Security Instrument or any other Loan Document;
- (b) any failure by Borrower to maintain the insurance coverage required by Section 19;
- (c) any failure by Borrower to comply with the provisions of Section 33;
- (d) fraud or material misrepresentation or material omission by Borrower, or any of its officers, directors, trustees, general partners or managers, or any guarantor in connection with (A) the application for or creation of the Indebtedness, (B) any financial statement, rent roll, or other report or information provided to Lender during the term of the Indebtedness, or (C) any request for Lender's consent to any proposed action, including a request for disbursement of funds under any Collateral Agreement;
- (e) any Event of Default under Section 21;
- (f) the commencement of a forfeiture action or proceeding, whether civil or criminal, which, in Lender's reasonable judgment, could result in a forfeiture of the Mortgaged Property or otherwise materially impair the lien created by this Security Instrument or Lender's interest in the Mortgaged Property;
- (g) any failure by Borrower to perform any of its obligations under this Security Instrument (other than those specified in Sections 22(a) through (f)), as and when required, which continues for a period of 30 days after notice of such failure by Lender to Borrower, but no such notice or grace period shall apply in the case of any such failure which could, in Lender's judgment, absent immediate exercise by Lender of a right or remedy under this Security Instrument, result in harm to Lender, impairment of the Note or this Security Instrument or any other security given under any other Loan Document;

- (h) any failure by Borrower to perform any of its obligations as and when required under any Loan Document other than this Security Instrument which continues beyond the applicable cure period, if any, specified in that Loan Document; and
- (i) any exercise by the holder of any other debt security instrument secured by a mortgage, deed of trust or deed to secure debt on the Mortgaged Property of a right to declare all amounts due under that debt security instrument immediately due and payable.
- (j) a petition is filed by or against the Borrower under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Security Instrument or thereafter enacted, unless in the case of any such petition filed against the Borrower such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal; or the Borrower shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee of the Borrower or any of its property) shall be appointed by court order to take possession of the Borrower or its property or assets if such order remains in effect or such possession continues for more than thirty (30) days.

23. REMEDIES CUMULATIVE.

Each right and remedy provided in this Security Instrument is distinct from all other rights or remedies under this Security Instrument or any other Loan Document or afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order.

24. FORBEARANCE.

- (a) Lender may (but shall not be obligated to) agree with Borrower, from time to time, and without giving notice to, or obtaining the consent of, or having any effect upon the obligations of, any guarantor or other third party obligor, to take any of the following actions: extend the time for payment of all or any part of the Indebtedness; reduce the payments due under this Security Instrument, the Note, or any other Loan Document; release anyone liable for the payment of any amounts under this Security Instrument, the Note, or any other Loan Document; accept a renewal of the Note; modify the terms and time of payment of the Indebtedness; join in any extension or subordination agreement; release any Mortgaged Property; take or release other or additional security; modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable under the Note; and otherwise modify this Security Instrument, the Note, or any other Loan Document.
- (b) Any forbearance by Lender in exercising any right or remedy under the Note, this Security Instrument, or any other Loan Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any other right or remedy. The acceptance by Lender of payment of all or any part of the Indebtedness after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments on account of the Indebtedness or to exercise any remedies for any failure to make prompt payment. Enforcement by Lender of any security for the Indebtedness shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right available to Lender. Lender's receipt of any awards or proceeds under Sections 19 and 20 shall not operate to cure or waive any Event of Default.

25. LOAN CHARGES.

If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in any Loan Document, whether considered separately or together with other charges levied in connection with any other Loan Document, violates that law, and Borrower is entitled to the benefit of that law, that charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the principal of the Indebtedness. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness which constitutes interest,

as well as all other charges levied in connection with the Indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of the Note.

26. WAIVER OF STATUTE OF LIMITATIONS.

Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Security Instrument or to any action brought to enforce any Loan Document.

27. WAIVER OF MARSHALLING.

Notwithstanding the existence of any other security interests in the Mortgaged Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Security Instrument, the Note, any other Loan Document or applicable law. Lender shall have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies. Borrower and any party who now or in the future acquires a security interest in the Mortgaged Property and who has actual or constructive notice of this Security Instrument waives any and all right to require the marshalling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or that any of the Mortgaged Property be sold in parcels or as an entirety in connection with the exercise of any of the remedies permitted by applicable law or provided in this Security Instrument.

28. FURTHER ASSURANCES.

Borrower shall execute, acknowledge, and deliver, at its sole cost and expense, all further acts, deeds, conveyances, assignments, estoppel certificates, financing statements, transfers and assurances as Lender may require from time to time in order to better assure, grant, and convey to Lender the rights intended to be granted, now or in the future, to Lender under this Security Instrument and the Loan Documents.

29. ESTOPPEL CERTIFICATE.

Within 10 days after a request from Lender, Borrower shall deliver to Lender a written statement, signed and acknowledged by Borrower, certifying to Lender or any person designated by Lender, as of the date of such statement, (i) that the Loan Documents are unmodified and in full force and effect (or, if there have been modifications, that the Loan Documents are in full force and effect as modified and setting forth such modifications); (ii) the unpaid principal balance of the Note; (iii) the date to which interest under the Note has been paid; (iv) that Borrower is not in default in paying the Indebtedness or in performing or observing any of the covenants or agreements contained in this Security Instrument or any of the other Loan Documents (or, if the Borrower is in default, describing such default in reasonable detail); (v) whether or not there are then existing any setoffs or defenses known to Borrower against the enforcement of any right or remedy of Lender under the Loan Documents; and (vi) any additional facts requested by Lender.

30. GOVERNING LAW; CONSENT TO JURISDICTION AND VENUE.

- (a) This Security Instrument, and any Loan Document which does not itself expressly identify the law that is to apply to it, shall be governed by the laws of the State of North Dakota (the "**Property Jurisdiction**").
- (b) Borrower agrees that any controversy arising under or in relation to the Note, this Security Instrument, or any other Loan Document shall be litigated exclusively in the jurisdiction of the courts of Burleigh County, State of North Dakota. The state courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to the Note, any security for the Indebtedness, or any other Loan Document. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

31. NOTICE.

- (a) All notices, demands and other communications ("**notice**") under or concerning this Security Instrument shall be in writing. Each notice shall be addressed to the intended recipient at its address set forth in this Security Instrument, and shall be deemed given on the earliest to occur of (1) the date when the notice is received by the addressee; (2) the first Business Day after the notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next Business Day delivery; or (3) the third Business Day after the notice is deposited in the United States mail with postage prepaid, certified mail, return receipt requested. As used in this Section 31, the term "Business Day" means any day other than a Saturday, a Sunday or any other day on which Lender is not open for business.
- (b) Any party to this Security Instrument may change the address to which notices intended for it are to be directed by means of notice given to the other party in accordance with this Section 31. Each party agrees that it will not refuse or reject delivery of any notice given in accordance with this Section 31, that it will acknowledge, in writing, the receipt of any notice upon request by the other party and that any notice rejected or refused by it shall be deemed for purposes of this Section 31 to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service.
- (c) Any notice under the Note and any other Loan Document which does not specify how notices are to be given shall be given in accordance with this Section 31.

32. SALE OF NOTE; CHANGE IN SERVICER.

The Note or a partial interest in the Note (together with this Security Instrument and the other Loan Documents) may be sold one or more times without prior notice to Borrower. A sale may result in a change of the Loan Servicer. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given notice of the change.

33. SINGLE ASSET BORROWER.

Until the Indebtedness is paid in full, unless approved by Lender, Borrower (a) shall not acquire any real or personal property other than the Mortgaged Property and personal property related to the operation and maintenance of the Mortgaged Property; (b) shall not operate any business other than the management and operation of the Mortgaged Property; and (c) shall not maintain its assets in a way difficult to segregate and identify.

34. SUCCESSORS AND ASSIGNS BOUND.

This Security Instrument shall bind, and the rights granted by this Security Instrument shall inure to, the respective successors and assigns of Lender and Borrower. However, a Transfer not permitted by Section 21 shall be an Event of Default.

35. JOINT AND SEVERAL LIABILITY.

If more than one person or entity signs this Security Instrument as Borrower, the obligations of such persons and entities shall be joint and several.

36. RELATIONSHIP OF PARTIES; NO THIRD PARTY BENEFICIARY.

- (a) The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Security Instrument shall create any other relationship between Lender and Borrower.
- (b) No creditor of any party to this Security Instrument and no other person shall be a third party beneficiary of this Security Instrument or any other Loan Document. Without limiting the generality of the preceding sentence, (1) any arrangement (a "**Servicing Arrangement**") between the Lender and any Loan Servicer for loss sharing or interim advancement of funds shall constitute a contractual obligation of such Loan Servicer that is independent of the obligation of Borrower for the payment of the Indebtedness, (2) Borrower

shall not be a third party beneficiary of any Servicing Arrangement, and (3) no payment by the Loan Servicer under any Servicing Arrangement will reduce the amount of the Indebtedness.

37. SEVERABILITY; AMENDMENTS.

The invalidity or unenforceability of any provision of this Security Instrument shall not affect the validity or enforceability of any other provision, and all other provisions shall remain in full force and effect. This Security Instrument contains the entire agreement among the parties as to the rights granted and the obligations assumed in this Security Instrument. This Security Instrument may not be amended or modified except by a writing signed by the party against whom enforcement is sought.

38. CONSTRUCTION.

The captions and headings of the sections of this Security Instrument are for convenience only and shall be disregarded in construing this Security Instrument. Any reference in this Security Instrument to an "Exhibit" or a "Section" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit attached to this Security Instrument or to a Section of this Security Instrument. All Exhibits attached to or referred to in this Security Instrument are incorporated by reference into this Security Instrument. Any reference in this Security Instrument to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time. Use of the singular in this Agreement includes the plural and use of the plural includes the singular. As used in this Security Instrument, the term "including" means "including, but not limited to."

39. LOAN SERVICING.

All actions regarding the servicing of the loan evidenced by the Note, including the collection of payments, the giving and receipt of notice, inspections of the Mortgaged Property, inspections of books and records, and the granting of consents and approvals, may be taken by the Loan Servicer unless Borrower receives notice to the contrary. If Borrower receives conflicting notices regarding the identity of the Loan Servicer or any other subject, any such notice from Lender shall govern.

40. DISCLOSURE OF INFORMATION.

Lender may furnish information regarding Borrower or the Mortgaged Property to third parties with an existing or prospective interest in the servicing, enforcement, evaluation, performance, purchase or securitization of the Indebtedness, including trustees, master servicers, special servicers, rating agencies, and organizations maintaining databases on the underwriting and performance of multifamily mortgage loans. Borrower irrevocably waives any and all rights it may have under applicable law to prohibit such disclosure, including any right of privacy.

41. NO CHANGE IN FACTS OR CIRCUMSTANCES.

All information in the application for the loan submitted to Lender (the "**Loan Application**") and in all financial statements, rent rolls, reports, certificates and other documents submitted in connection with the Loan Application are complete and accurate in all material respects. There has been no material adverse change in any fact or circumstance that would make any such information incomplete or inaccurate.

42. SUBROGATION.

If, and to the extent that, the proceeds of the loan evidenced by the Note are used to pay, satisfy or discharge any obligation of Borrower for the payment of money that is secured by a pre-existing mortgage, deed of trust or other lien encumbering the Mortgaged Property (a "**Prior Lien**"), such loan proceeds shall be deemed to have been advanced by Lender at Borrower's request, and Lender shall automatically, and without further action on its part, be subrogated to the rights, including lien priority, of the owner or holder of the obligation secured by the Prior Lien, whether or not the Prior Lien is released.

43. ACCELERATION; REMEDIES.

At any time during the existence of an Event of Default, Lender prior to acceleration shall mail notice of the Event of Default to Borrower as prescribed by applicable law. If the Event of Default is not cured on or before the date

specified in the notice, Lender, at Lender's option, may declare the Indebtedness to be immediately due and payable without further demand and may foreclose this Security Instrument by judicial proceeding, and may invoke any other remedies permitted by applicable law or provided herein. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including attorneys' fees (unless prohibited by N.D.C.C. § 28-26-04), costs of documentary evidence, abstracts and title reports.

44. RELEASE.

Upon payment of the Indebtedness, Lender shall discharge this Security Instrument. Borrower shall pay Lender's reasonable costs incurred in discharging this Security Instrument.

45. ATTORNEYS' FEES.

As used herein, "attorneys' fees" shall mean reasonable attorneys' fees actually incurred by Lender, but only to the extent allowed by North Dakota law.

46. WAIVER OF TRIAL BY JURY.

BORROWER (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS SECURITY INSTRUMENT THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

PURSUANT TO NORTH DAKOTA CENTURY CODE SECTION 32-19-06.1, BORROWER IS HEREBY PUT ON NOTICE THAT LENDER MAY HAVE THE RIGHT TO PROCEED TO OBTAIN AND COLLECT A DEFICIENCY JUDGMENT, TOGETHER WITH FORECLOSURE OF THE MORTGAGED PROPERTY UNDER APPLICABLE LAWS.

Signature pages follow.

Remainder of this page intentionally left blank.

IN WITNESS WHEREOF, Borrower has signed and delivered this Security Instrument or has caused this Security Instrument to be signed and delivered by its duly authorized representatives this _____ day of _____, **20**_____.

BORROWER: Devils Lake Job Development Authority

By: Jim Moe
Its: President

ACKNOWLEDGEMENT

State of North Dakota
County of _____

The foregoing Security Instrument was acknowledged before me this _____ day of _____, **20**_____ by Jim Moe, President of Devils Lake Jobs Development Authority, a North Dakota local government nonprofit corporation, on behalf of the corporation.

(Seal)

Notary Public

My Commission Expires: _____

BORROWER: Devils Lake Job Development Authority

By: **Spencer Halvorson**
Its: **City Administrator/Auditor**

ACKNOWLEDGEMENT

State of North Dakota
County of _____

The foregoing Security Instrument was acknowledged before me this _____ day of _____, **20** by **Spencer Halvorson, City Administrator, Auditor** of **Devils Lake Job Development Authority**, a **North Dakota** local government nonprofit corporation, on behalf of the corporation.

(Seal)

Notary Public
My Commission Expires: _____

US \$480,000

Loan Date: July 7, 2025

Instrument Number: HIFS-24-0700

Maturity Date: November 7, 2026

FOR VALUE RECEIVED, the undersigned **Devils Lake Job Development Authority** a **Local Government Nonprofit Corporation**, organized and existing under the laws of **North Dakota**, (“**Borrower**”) promises to pay to the order of the Industrial Commission acting in its capacity as the North Dakota Housing Finance Agency, a state agency organized and existing under the laws of North Dakota, (“**Lender**”) the principal sum of **four hundred and eighty thousand and 00/100** Dollars (**US \$480,000**), or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance, calculated as described in the “Interest Computation” paragraph below. Interest shall be calculated from the date of each advance until repayment of each advance.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this promissory note (“Note”). Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Note shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Note shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Note. In addition to defined terms found elsewhere in this Note, as used in this Note, the following definitions shall apply:

Business Day. Any day other than a Saturday, Sunday or any other day on which Lender is not open for business.

Debt Service Amounts. Amounts payable under this Note, the Security Instrument or any other Loan Document.

Disbursement Date. The date(s) of disbursement of Loan proceeds hereunder.

Payment. Payment **due date will be contingent on sale of the completed single family dwelling to a subsequent homeowner** and made in connection with the settlement of the sale of the single-family dwelling’s calculated net proceeds.

Indebtedness. The principal of, interest on, or any other amounts due at any time under, this Note, the Security Instrument or any other Loan Document including late charges, default interest, and advances to protect the security of the Security Instrument under Section 12 of the Security Instrument.

Interest Rate. A rate of **0** percent (**0.00%**) per annum based on a year of 365 days.

Lender. The entity identified as “Lender” in the first paragraph of this Note and its successors and assigns, or any subsequent holder of this Note.

Loan. See “Indebtedness”.

Loan Term. **Sixteen (16)** months.

Maturity Date. November 07, 2026, or any earlier date on which the unpaid principal balance of this Note becomes due and payable by acceleration or otherwise.

Property Jurisdiction. The jurisdiction in which the Land is located.

Net Proceeds. The net amount remaining in settlement of the sale of completed single family dwelling calculated by total sales price, minus full repayment of primary debt, total developer fee not to exceed **15 percent** of the total development costs, and reasonable closing costs.

Security Instrument. A mortgage(s) executed between Borrower and Lender dated on July 7, 2025

Use of Proceeds The construction and equipping of four (4) single family dwellings located at 1301 16th Street SE, Devils Lake, ND; 1305 16th Street SE, Devils Lake, ND; 1300 16th Street SE, Devils Lake ND; and 1302 16th Street SE, Devils Lake ND.

Event of Default and other capitalized terms used but not defined in this Note shall have the meanings given to such terms in the Security Instrument.

1. **Address for Payment.** All payments due under this Note shall be payable at 2624 Vermont Ave, PO Box 1535, Bismarck, ND 58502, or such other place as may be designated by written notice to Borrower from or on behalf of Lender.
2. **Payment.** Borrower will pay this loan upon the sale of the single-family dwelling constructed with the proceeds of the loan.
3. **Payment of Principal.** Principal shall be paid as follows:

One Hundred Percent (100%) of Net Proceeds at sale of completed home. Net proceeds is determined by calculating the total sales price, minus full repayment of primary debt, total developer fee not to exceed **15 percent** of the total development costs and closing costs.

4. **Application of Payments.** If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, Lender may apply that payment to amounts then due and payable in any manner and in any order determined by Lender, in Lender's discretion. Borrower agrees that neither Lender's acceptance of a payment from Borrower in an amount that is less than all amounts then due and payable nor Lender's application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.
5. **Security.** The Indebtedness is secured, among other things, by the Security Instrument, and reference is made to the Security Instrument for other rights of Lender concerning the collateral for the Indebtedness.
6. **Line of Credit.** This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Borrower agrees to be liable for all sums either (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of the Borrower's deposit accounts held by a financial institution. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on the Note or by Borrower's internal records, including daily computer printouts.

7. **Acceleration.** If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, and all other amounts payable under this Note and any other Loan Document shall at once become due and payable, at the option of Lender, without any prior notice to Borrower. Lender may exercise this option to accelerate regardless of any prior forbearance.
8. **Late Charge.** If any monthly installment due hereunder is not received by Lender on or before the 10th day of each month or if any other amount payable under this Note or under the Security Instrument or any other Loan Document is not received by Lender within 10 days after the date such amount is due, counting from and including the date such amount is due, Borrower shall pay to Lender, immediately and without demand by Lender, a late charge equal to five percent (5.00%) of such monthly installment or other amount due. Borrower acknowledges that its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Loan and that it is extremely difficult and impractical to determine those additional expenses. Borrower agrees that the late charge payable pursuant to this Paragraph represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Note, of the additional expenses Lender will incur by reason of such late payment. The late charge is payable in addition to, and not in lieu of, any interest payable at the Interest Rate.
9. **Voluntary and Involuntary Prepayments.**
- (a) Borrower may voluntarily prepay all or a portion of the unpaid principal balance of this Note at any time provided:
- (i) Borrower gives Lender at least 30 days (if given via U.S. Postal Service) or 20 days (if given via facsimile, email or overnight courier), but not more than 60 days, prior written notice of Borrower's intention to make a prepayment ("**Prepayment Notice**"). The Prepayment Notice shall be given in writing (via facsimile, email, U.S. Postal Service or overnight courier) and addressed to Lender. The Prepayment Notice shall include, at a minimum, the Business Day upon which Borrower intends to make the prepayment (the "Intended Prepayment Date").
- (ii) Lender can charge up to 30 days' interest on the amount of principal to be prepaid if Borrower does not provide Lender with satisfactory notice of intent to prepay. Any prepayment shall be made by paying (A) the amount of principal being prepaid, (B) all accrued interest, and (C) all other sums due Lender at the time of such prepayment.
- (b) Upon Lender's exercise of any right of acceleration under this Note, Borrower shall pay to Lender the entire unpaid principal balance of this Note outstanding at the time of the acceleration, and all accrued interest and all other sums due Lender under this Note and the other Loan Documents.
- (c) Any prepayment of less than the entire unpaid principal balance of this Note shall not extend or postpone the due date of any subsequent monthly installments or change the amount of such installments, unless Lender agrees otherwise in writing.
10. **Costs and Expenses.** Borrower shall pay on demand all expenses and costs, including fees and out-of-pocket expenses of attorneys (except when prohibited by N.D.C.C. § 28-26-04) and expert witnesses and costs of investigation, incurred by Lender as a result of any default under this Note or in connection with efforts to collect any amount due under this Note, or to enforce the provisions of any of the other Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy

proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding) or judicial or non-judicial foreclosure proceeding, but only to the extent permitted by North Dakota law.

11. **Forbearance.** Any forbearance by Lender in exercising any right or remedy under this Note, the Security Instrument, or any other Loan Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by Lender of any security for Borrower's obligations under this Note shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right or remedy available to Lender.
12. **Waivers.** Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace, and diligence in collecting the Indebtedness are waived by Borrower and all endorsers and guarantors of this Note and all other third party obligors.
13. **Loan Charges.** Borrower agrees to pay an effective rate of interest equal to the sum of the Interest Rate provided for in this Note and any additional rate of interest resulting from any other charges of interest or in the nature of interest paid or to be paid in connection with the loan evidenced by this Note and any other fees or amounts to be paid by Borrower pursuant to any of the other Loan Documents. Neither this Note nor any of the other Loan Documents shall be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate greater than the maximum interest rate permitted to be charged under applicable law. If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower in connection with the Loan is interpreted so that any interest or other charge provided for in any Loan Document, whether considered separately or together with other charges provided for in any other Loan Document, violates that law, and Borrower is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the unpaid principal balance of this Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness that constitutes interest, as well as all other charges made in connection with the Indebtedness that constitute interest, shall be deemed to be allocated and spread ratably over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of the Note.
14. **Commercial Purpose.** Borrower represents that the Indebtedness is being incurred by Borrower solely for the purpose of carrying on a business or commercial enterprise, and not for personal, family or household purposes.
15. **Counting of Days.** Except where otherwise specifically provided, any reference in this Note to a period of "days" means calendar days, not Business Days.
16. **Governing Law.** This Note shall be governed by the laws of Burleigh County, State of North Dakota.
17. **Captions.** The captions of the paragraphs of this Note are for convenience only and shall be disregarded in construing this Note.

18. **Notices.** All notices, demands and other communications required or permitted to be given by Lender to Borrower pursuant to this Note shall be given in accordance with Section 31 of the Security Instrument.

19. **Consent to Jurisdiction and Venue.** Borrower agrees that any controversy arising under or in relation to this Note shall be litigated exclusively in the jurisdiction of Burleigh County, State of North Dakota. The state courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Note. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

WAIVER OF TRIAL BY JURY. BORROWER (A) AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS NOTE THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

PURSUANT TO NORTH DAKOTA CENTURY CODE SECTION 32-19-06.1, BORROWER IS HEREBY PUT ON NOTICE THAT LENDER MAY HAVE THE RIGHT TO PROCEED TO OBTAIN AND COLLECT A DEFICIENCY JUDGMENT, TOGETHER WITH FORECLOSURE OF THE MORTGAGED PROPERTY UNDER APPLICABLE LAWS.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

Signed and delivered this _____, day of July, 2025.

BORROWER: _____

By: Jim Moe
Its: President

BORROWER: _____

By: Spencer Halvorson
Its: City Administrator/Auditor

To: Devils Lake Jobs Development Authority

From: Spencer Halvorson, City Administrator/Auditor

Date: July 07, 2025

Re: Promissory Note with Beyond Shelter, Inc – Region III Affordable Housing Line of Credit – 195,865 @ 2% Interest

Late last week, I was called by Dan Madler with Beyond Shelter, Inc. They are nonprofit developers of affordable housing. They've alerted staff that they have \$195,865.00 available to assist with affordable housing in Region III, of which Devils Lake is the largest community.

Such funds would be an unsecured \$195,865.00 loan at two (2) percent interest to the Devils Lake JDA, with no prepayment penalties, which will be used to assist in financing the construction of the homes.

This promissory note would put the following lenders/organizations in the following position in terms of order to be paid back:

- 1) ND Housing Finance Agency (up to max \$480,000)
- 2) Beyond Shelter, Inc (\$195,865 @ 2%)
- 3) City of Devils Lake (up to \$1.8M @ 4%)

Utilizing this funding would reduce the money necessary to borrow at 4% interest from the City of Devils Lake, with close to \$200,000 being at the lower interest rate of 2%.

The City Attorney has reviewed the included promissory note

PROMISSORY NOTE

Beyond Shelter, Inc. Region III Development Loan

\$195,865.00

Effective as of: July ____, 2025

Devils Lake, North Dakota

Maturity Date: December 31, 2026

In the amount and manner hereinafter specified, for value received, the **Devils Lake Jobs Development Authority**, a local government nonprofit corporation, organized and existing under the laws of North Dakota (the “Borrower”), at 423 6th Street NE, Devils Lake, North Dakota 58301, hereby promises to pay to the order of **Beyond Shelter, Inc.**, a North Dakota nonprofit corporation (the “Lender”), at 1393 25th Avenue South, Fargo, North Dakota 58103, or at such other location as Lender may direct, in lawful money of the United States of America, the principal sum of One Hundred Ninety-Five Thousand Eight Hundred Sixty-Five and 00/100 Dollars (\$195,865.00) (the “Loan”), or so much thereof as may be advanced and be outstanding from time to time, in the manner and at the times specified in this Promissory Note (“Note”), together with interest on the unpaid principal balance outstanding thereon at the rate set forth below.

The Loan is considered primary debt and the Loan proceeds are to be used for the **Devils Lake Single Family Housing Incentive Fund Pilot Program** (the “Development”), which involves the construction and equipping of four (4) single family dwellings at **1301 16th Street SE, Devils Lake, ND; 1305 16th Street SE, Devils Lake, ND; 1300 16th Street SE, Devils Lake, ND; and 1302 16th Street SE, Devils Lake, ND.**

The Loan rate of interest accruing hereunder shall be Two percent (2.00%) per annum, compounding annually. Interest hereunder shall be computed on the basis of actual days elapsed in a year of 365 days.

The aggregate amount of loan proceeds plus accrued interest outstanding will be due and payable in full on the Maturity Date.

Borrower shall have the right to fully or partially prepay this Note at any time without penalty. Any partial prepayment shall be applied first to any unpaid, accrued interest with the balance, if any, applied to installments of principal in the inverse order of maturity.

Except as otherwise provided in this Note, Borrower and all sureties, endorsers, and guarantors of this Note hereby (a) waive demand, presentment for payment, notice of nonpayment, protest, notice of protest, and all other notice, filing suit and diligence in collecting this Note or in enforcing any of the security rights or in proceeding against any of the Premises; (b) agree to any substitution, exchange, addition, or release of any party or person primarily or secondarily liable hereon; (c) agree that Lender shall not be required first to institute any suit, or to exhaust its remedies against Borrower or any other person or party in order to enforce payment of this Note; and (d) consent to any extension, rearrangement, renewal, or postponement of time or payment of this Note and to any other indulgence with respect hereto without notice, consent, or consideration to any of them.

Whenever used in this Note, the words “Borrower” and “Lender” shall be deemed to include Borrower and Lender named in the opening paragraph of this Note and their respective successors and assigns.

The obligations of Borrower hereunder may not be assigned by Borrower without the written consent thereto by Lender.

This Note shall be governed by and construed in accordance with the laws of the State of North Dakota.

Lender acknowledges that the Development will receive additional financing loans from the North Dakota Industrial Commission acting in its capacity as the North Dakota Housing Finance Agency with loan proceeds coming from the Housing Incentive Fund – Single Family and a line of credit from the City of Devils Lake, North Dakota.

/THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK./

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed by its authorized representative effective as of the date first above written.

DEVILS LAKE JOBS DEVELOPMENT AUTHORITY

By: _____
Name: Jim Moe
Title: President

By: _____
Name: Spencer Halvorson
Title: City Administrator/Auditor

STATE OF NORTH DAKOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of July, 2025, by Jim Moe, the President of the Devils Lake Jobs Development Authority, on behalf of said organization.

Notary Public

STATE OF NORTH DAKOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of July, 2025, by Spencer Halvorson, the City Administrator/Auditor of the Devils Lake Jobs Development Authority, on behalf of said organization.

Notary Public

**MEETING MINUTES OF THE CITY COMMISSION
OF THE CITY OF DEVILS LAKE, ND
JUNE 16, 2025**

The regular meeting of the Devils Lake City Commission was held on June 16, 2025 with the following members present: President Moe and Commissioners Hach, Pierce, Knowski, and Uhlenkamp.

MEETING ITEMS

- 1) Call to Order
- 2) Approval of Minutes – June 02, 2025

Commissioner Pierce made a motion to approve the minutes of the June 2, 2025 City Commission meeting. Commissioner Uhlenkamp seconded the motion, and the motion was approved unanimously.

AWARDS AND PROCLAMATIONS

PUBLIC HEARINGS – 5:30 PM

BID OPENINGS – 5:30 PM

VISITORS OR DELEGATIONS

- 1) Lake Region Heritage Center – Lisa Crosby

Lisa Crosby with the Lake Region Heritage Center provided an update on the events that the Heritage Center had held within the last quarter. She mentioned that Macaroni Days is this weekend at the Heritage Center and that they are trying to get an antique tractor show downtown. Lisa is requesting Quarter 3 funding for the Heritage Center. Commissioner Hach made a motion to approve quarter 3 funding. Commissioner Knowski seconded the motion, and the motion was approved unanimously on a roll call vote.

- 2) Midstate Volunteer Program

Brenda Bergsrud provided an update on the shelter. She mentioned that last year they had a total bed count of 3,285 and the capacity is 12 beds and 9.5 were filled for 365 days in 2024. It was mentioned that they could increase to 15, but that would be up to the City Commission and require greater financial support. Their numbers are consistently increasing. She mentioned that they need support and supplies for the urinalysis tests and breathalyzers, along with helping individuals find other resources. They have also had to find more funding for the food, as they are not getting as much from the Hope Center. Commissioner Knowski asked where they are currently getting their food. Brenda mentioned that sometimes they end up purchasing it

themselves or they also have restaurants donate anything extra they have at the end of the night. Commissioner Knowski made a motion to approve the funding for the shelter. Commissioner Uhlenkamp seconded the motion. Commissioner Pierce asked if the building would still pass inspection if they moved to 15 beds. Brenda mentioned that she believed it would, and the Fire Chief asked her to stop by the station so they could look at it. The motion was approved unanimously on a roll call vote.

COMMISSION PORTFOLIOS

Commissioner Knowski – The City Engineer said that the Utility Department has the CCR Report completed and out there. They are not quite done with hydrant flushing, but they are getting close. There are still two (2) open positions within this department.

Commissioner Hach – The City Engineer said that there will be normal recycling until the end of the month for the Sanitation Department. If individuals do not want to keep their recycling bins, they can place them out with their normal pickup, and they will be grabbed. They can also keep their bins if they would like and if they miss the pickup, they can take them up to the recycling center. President Moe communicated that there is a retirement party for Rodney at Roosevelt Park tomorrow from 11-1. He added that the Engineering Department had a meeting with the contractor on the mill & overlay project and that it will be starting this week. He also mentioned that work is continuing on the project on College Dr.

The Building Official said that he started property assessments last week for the year. He is working on residential properties that are located south of highway 2 and east of highway 20. He mentioned that he has had a few appointments scheduled for people who are letting him inside the home. He said it is pretty standard that people do not want to let someone into their home. If someone would like to make an appointment, they can give the City Office a call or go to our website.

Commissioner Uhlenkamp – The City Engineer said that we had budgeted for aerial mosquito spraying prior to the 4th of July. We have done it a few different ways in the past – we have looked at counts and have sprayed or we have looked at counts and spraying was unjustified, so we did not spray. This is a contact spray, so if the mosquito is not out and flying the spray will not be effective. The Street Department has been out at least twice this year to do ground spraying. Commissioner Pierce made a motion to increase ground spraying, as of now, depending on what is found out at the Special Meeting on June 25th. Commissioner Knowski seconded the motion, and the motion was approved unanimously.

Commissioner Uhlenkamp communicated that there was a library board meeting last Tuesday and Maddie has given her notice to resign as she will be moving to Fargo for family reasons. There is a special meeting on Wednesday to go over the Library Director position and get that posted as soon as possible.

Commissioner Pierce – The Fire Chief said the total for fill the boot was \$5,569.36. They hosted a regional live fire training and that went well. The 4th of July parade will start at 10am – if the

weather does not cooperate, they will not be rescheduling it. The firework show will start at dusk – if this get rained out, it will be moved to July 5th. They had three interviews this week for their open position.

Commissioner Pierce mentioned that Ramsey County Zoning approved the first step of the comprehensive plan. He sat in on the homeless coalition meetings for informational purposes. He also wanted to talk about the 31:8 Bravery Backpack Program – he received a letter from the administrative assistant, and it states that this program helps children who have experienced trauma. They collect multiple different items and put them into backpacks and give them to the children. He mentioned that he is working with a couple of organizations in town so that we can be a part of it. He communicated that we are going to need a drop-off location, and he thought that City Offices might be a good drop-off location. He mentioned that the LEC received a letter from two anonymous staff members addressed to the LEC board about everything that is going on. He read the letter to the City Commission. There will be an LEC meeting on Wednesday and Commissioner Pierce has another meeting with the staff on the planning of the jail.

President Moe – The Police Chief said they have been trying to get a police department for at least a decade, if not longer. He said that he also talked to the lady from 31:8 Backpack Program, and the Police Department is going to look into that. He mentioned that Bradin Welsh, their newest officer, was sworn in today. He also said that he will be attending the Chief of Police conference in Grand Forks next week.

The City Administrator mentioned that the legislative report from the league of cities is attached. The special meeting is next week on June 25th at noon for the general fund, sales tax proposal, and public safety. Commissioner Pierce asked when the next Public Safety meeting will be.

The City Attorney said that he had spoken to the City Administrator about the abstracts to the properties that have been transferred to the JDA. He will review them as soon as possible.

President Moe wanted to congratulate Dr. Doug Darling with LRSC, Donna Fuchs with NDHP, & Rodney Ivesdal with the City of Devils Lake and Lake Region Corporation on their retirement.

OLD BUSINESS

- 1) Update on Sales Tax Initiative and Police Department Relocation Strategy

The City Administrator mentioned that the open houses for the Sales Tax proposal are July 8th and July 10th from 11am-1pm and again from 4pm-6:30pm at the Fire Hall. Absentee ballots are available at the City Offices or on the city's website.

CONSENT AGENDA

NEW BUSINESS

- 1) Liquor License Renewals for July 1, 2025

Commissioner Hach made a motion to approve the liquor license renewals for July 1, 2025. Commissioner Uhlenkamp seconded the motion, and the motion was approved unanimously.

2) Appointments to Renaissance Zone Authority

Commissioner Knowski made a motion to approve the appointments to the Renaissance Zone authority. Commissioner Pierce seconded the motion, and the motion was approved unanimously.

3) Budget Amendment 25-05 – Vacuum Excavator

Commissioner Knowski made a motion to approve budget amendment 25-05 – Vacuum Excavator. Commissioner Pierce seconded the motion, and the motion was approved unanimously on a roll call vote.

CITIZEN COMMENT

INFORMATIONAL ITEMS

1) May 2025 Financial Report

LIST OF BILLS

Commissioner Pierce made a motion to approve the list of bills as submitted. Commissioner Uhlenkamp seconded the motion, and the motion was approved unanimously on a roll call vote.

SPENCER HALVORSON
CITY ADMINISTRATOR/AUDITOR

JIM MOE
PRESIDENT OF CITY COMMISSION

**MEETING MINUTES OF THE CITY COMMISSION
OF THE CITY OF DEVILS LAKE, ND
JUNE 25, 2025**

The special meeting of the Devils Lake City Commission was held on June 25, 2025 with the following members present: President Moe and Commissioners Hach, Pierce, Knowski, and Uhlenkamp.

MEETING ITEMS

1) City Elected Official Public Information

The City Administrator mentioned that on the city's, each Commissioner has their name, a couple have a photo, city issued email address, and portfolios. President Moe mentioned that he is fine with the information that is currently posted, and the rest of the Commission was in agreement.

2) State Blanket Bond

The City Administrator mentioned that this recurs every June. Commissioner Uhlenkamp made a motion to approve the resolution. Commissioner Knowski seconded the motion, and the motion was approved unanimously on a roll call vote.

3) Mosquito Spraying Strategy

The City Engineer mentioned that the Street Department has been out when the weather allows. Mosquito counts right now are not out of the ordinary. They are going to continue spraying when the weather allows up to the 4th of July weekend. After this, they are going to go back to as needed.

4) Cemetery Work Change Order – Project 250102 – Mill & Overlay o Original Townsite

5) The City Engineer mentioned that he does not have any paperwork put together for this yet. He mentioned that there was significant frost heave damage throughout the winter/spring this year on the main road entering the cemetery. The main access road to the Cemetery had significant frost boiling this spring. A change order will be provided at a future Commission meeting.

6) General Fund Budget Review & Discussion

The City Administrator reviewed the general fund revenue, pass-through funds, and expenses.
The City Assessor reviewed mill levies, property taxes, and cap calculations.

SPENCER HALVORSON
CITY ADMINISTRATOR/AUDITOR

JIM MOE
PRESIDENT OF CITY COMMISSION

Agenda Item: Designate Official Town Newspaper

Submitted By: Spencer Halvorson, City Administrator/Auditor

Staff Recommended Action: Designate the *Devils Lake Journal* as the official town newspaper

Per NDCC 40-01-09, the governing body of the City is to designate the City's official newspaper every year.

The City's long-term official newspaper has been the *Devils Lake Journal*.

To: Devils Lake City Commission

From: Spencer Halvorson, City Administrator/Auditor

Date: July 03, 2025

Re: Appointment of Election Officials for July 22, 2025 Special Election

North Dakota Century Code requires that the City appoint 1 Inspector, 2 Judges, and 2 Clerks for each polling location for the City's special election on July 22, 2025. The appointments must be made not less than 10 days prior to the election (NDCC 40-12-02(4)). All election officials must be qualified electors and eligible to vote in the election being administered. Hence, it is required that the city exhaust all reasonable means to have election officials reside within City limits.

It is requested that the City Commission appoint the following officials to serve in the following capacities for the administration of the special election. All the individuals listed below live within city limits and have previous election administration experience in either school district or county ran elections.

Inspector – Dick Olson

Judge – Sandy Hallaway

Judge – Joyce Carter

Clerk – Nancy Lundon

Clerk – Sheri Olson

SOLID WASTE DISPOSAL AND MANAGEMENT AGREEMENT

This Agreement is made and entered into this ____ day of _____, _____, by and between the City of Grand Forks, North Dakota, a municipal corporation, and City of Devils Lake, a political subdivision existing under the laws of the State of North Dakota.

WHEREAS, the City of Grand Forks owns and operates a sanitary landfill for the purpose of depositing, dumping, and disposing of solid waste, garbage, trash, and refuse;

WHEREAS, City of Devils Lake is in need of access to and the use of a sanitary landfill facility;

THEREFORE, for and in consideration of the mutual covenants contained herein, it is hereby agreed by and between the parties, and each of them, their and each of their successors, as follows:

I.

The City of Grand Forks will provide authorization, permission, and access to City of Devils Lake for the deposit, dumping, and disposal of solid waste, garbage trash, and refuse in the City's Sanitary Landfill Facility, under the conditions and restrictions contained herein.

II.

The term of this Agreement shall commence on January 1, 2025, and continue for a period of ten (10) years, expiring on December 31, 2034. However, the City of Grand Forks reserves the right to terminate, cancel, and discontinue this Agreement at any time prior to the expiration of said term, at its sole election, after having provided written notice one (1) year prior to the date of termination to City of Devils Lake.

III.

Upon expiration of the term of this Agreement, or the termination, cancellation, or discontinuance, City of Devils Lake shall no longer dispose or allow to be disposed such solid waste, garbage, trash, or refuse, in or on any property owned by the City of Grand Forks, including, but not limited to, the Sanitary Landfill described herein above.

IV.

The City of Grand Forks shall be paid the prevailing rate per ton of solid waste, refuse, garbage, or trash at the time of delivery to the landfill. City of Devils Lake hereby represents and guarantees that all such fees due hereunder shall be paid, whether directly incurred by City of Devils Lake's employees and/or agents or those persons designated and authorized by City of Devils Lake to make use of such access privileges granted hereunder.

V.

City of Devils Lake may authorize and grant such private haulers as may be reasonably necessary, such license and authorization for access and privileges granted hereunder. No hauler, whether public or private, shall be allowed access or privileges contained hereunder, without first having obtained approval from the governing body for City of Devils Lake in which such solid waste, garbage, trash, and refuse originates.

VI.

The governing body for City of Devils Lake after granting any such license and/or authorization, shall provide to the City of Grand Forks, a listing of all haulers granted such licenses and authorization. The governing body shall additionally identify and list all vehicles to be allowed access and privileges hereunder. In addition, the governing

body shall identify the names of such persons in charge of any private hauling, as well as their principal business address.

VII.

All private haulers authorized access and use of the facilities hereunder shall, upon request, file with the City of Grand Forks, proof of liability insurance in the minimum amounts of \$250,000.00/\$500,000.00.

VIII.

All haulers, whether public or private, authorized access and/or use of the facilities hereunder shall remain in complete accord with all applicable statutes, ordinances, rules, and regulations, whether under the jurisdiction of the State of North Dakota, and whether now in effect or hereafter adopted.

IX.

All haulers, whether public or private, shall acquire, prior to transporting or dumping any solid waste, garbage, trash, or refuse, all permits and/or licenses required under any and all applicable statutes, ordinances, rules, or regulations existing in the State of North Dakota.

X.

All hauling, maintenance, transportation, handling, and/or dumping of solid waste, garbage, trash, and/or refuse shall be completed in a safe and sanitary manner in order to protect and preserve air, water, and land resources; to protect the public health; to protect and prevent environmental pollution and public nuisances.

XI.

All access to the landfill and handling, depositing, and dumping of solid waste, garbage, trash, and refuse shall only occur under the direction of employees or agents of

the City of Grand Forks, and then, only at such reasonable times as the landfill facility is open for operation, and then under such direction and conditions as may be given by employees or agents of the City of Grand Forks.

XII.

The Director of Public Works for the City of Grand Forks, and/or the Solid Waste Manager, shall have the power for direction and order of the operation of the landfill and such decision, direction, or order shall be final with regard to the manner and method of dumping and operations of said landfill.

XIII.

City of Devils LakeND shall provide evidence of an implemented recycling program to the City of Grand Forks. Such evidence shall be provided in the form of any and all contracts or agreements with private recycling contractors, a city-wide program with resident participation, city ordinances, or other means of evidencing the promotion of a recycling program, complete with documentation necessary for the City of Grand Forks to make a determination that said program exists.

XIV.

The City of Grand Forks reserves the right to adopt such rules or regulations as may be reasonably necessary in the operation of the landfill and the implementation of this Agreement, all of which is to be determined to be in the best interest, needs, or service of the City of Grand Forks.

XV.

All haulers, whether public or private, shall only transport, handle, and/or dispose of such solid waste, garbage, refuse, and/or trash as allowed by law. All other solid waste, refuse materials, garbage, chemicals, trash, and/or other waste not otherwise

permitted by law shall not be deposited or dumped in the sanitary landfill described herein.

XVI.

City of Devils Lake agrees to indemnify and hold harmless the City of Grand Forks, its employees, agents, officers, or representatives from and against any and all claims, demands, actions, causes of action, suits, and all other liabilities on account of or growing out of personal or property injuries, damages, or loss arising out of the acts, operations, or use contemplated hereunder by City of Devils Lake or those authorized haulers provided access and use of the landfill facilities hereunder.

XVII.

It is further agreed that neither City of Devils Lake nor the haulers receiving access or privileges hereunder shall be considered as employees of the City of Grand Forks. However, City of Devils Lake and/or haulers are, for all purposes, independent contractors, and in no manner shall they be considered servants, agents, employees, or controlled contractors of the City of Grand Forks, and as such, the City of Grand Forks assumes no liability for, or arising out of the acts, conduct, or work of City of Devils Lake, and City of Devils Lake's servants, agents, employees, contractors, or authorized haulers.

XVIII.

Except as provided herein, this Agreement shall not be modified, unless in writing.

CITY OF GRAND FORKS, ND

By: _____
Brandon Bochenski, Mayor

ATTEST:

Maureen Storstad, Finance Director

CITY OF DEVILS LAKE

By: _____
Mayor

ATTEST:

City Auditor



Project Information			
Project:	City Project 250102 – SI 82-25, SI 83-25 & SI 84-25 Mill & Overlay		
Location:	SI 82-25 – Janna Pl NE, Lynn Pl NE and Cherry Pl NE SI 83-25 – 2 nd Ave NE, 3 rd Ave NE, 4 th Ave NE, 6 th Ave NE, 7 th Ave NE, 9 th Ave NE, 2 nd St NE, 3 rd St NE and 11 th St NE SI 84-25 – 13 th Ave NE and 6 th St NE		
Contractor:	Strata Corporation		
Date:	7/1/25	Change Order #:	1

Change Order Description

The main entrance road to the Devils Lake Cemetery (see attached map) experienced significant frost heave damage throughout the winter/spring of 2025. This roadway is approximately 550' in length and 18' wide and runs from 14th Ave NE to near the Cemetery shop. Approximately 285' of this area will require full depth replacement (8" CL-5, 4.5" HMA) with the remaining portion consisting of a 2" overlay. The additional quantities will be added to the Contract at the contract unit price agreed to with the Contractor.

Due to the additional work, this Change Order adds three (3) days to the Contract completion date for a new completion date of September 30th, 2025.

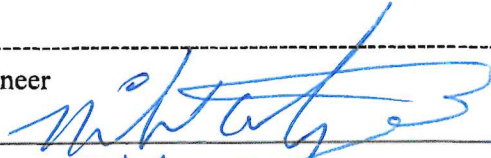
Change Order Summary – 1						
Increased Quantities						
Spec	Code	Item Description	Quantity	Unit	Unit Price	Extended Price
203	0113	Common Excavation – Waste	127	CY	\$18.00	\$2,286.00
302	0120	Aggregate Base Course CL 5	238	TON	\$27.50	\$6,545.00
401	0050	Tack Coat	55	GAL	\$4.00	\$220.00
411	0118	Milling Pavement Surface – 4 Inch	570	SY	\$4.50	\$2,565.00
430	0043	Superpave FAA 43	202	TON	\$78.50	\$15,857.00
430	5803	PG 58S-28 Asphalt Cement	12	TON	\$550.00	\$6,600.00
709	0100	Geosynthetic Material Type G	570	SY	\$2.75	\$1,567.50
Total:						\$35,640.50
Change Order Net Increase/Decrease:						\$35,640.50
Contract Price Prior to Change Order:						\$1,021,098.10
Total Contract Price:						\$1,056,738.60

The above changes are approved:

Engineer

By

Date



7/3/2025

The above changes are approved:

Prime Contractor

By

Date

 Robert A. MAETENS
7/3/2025

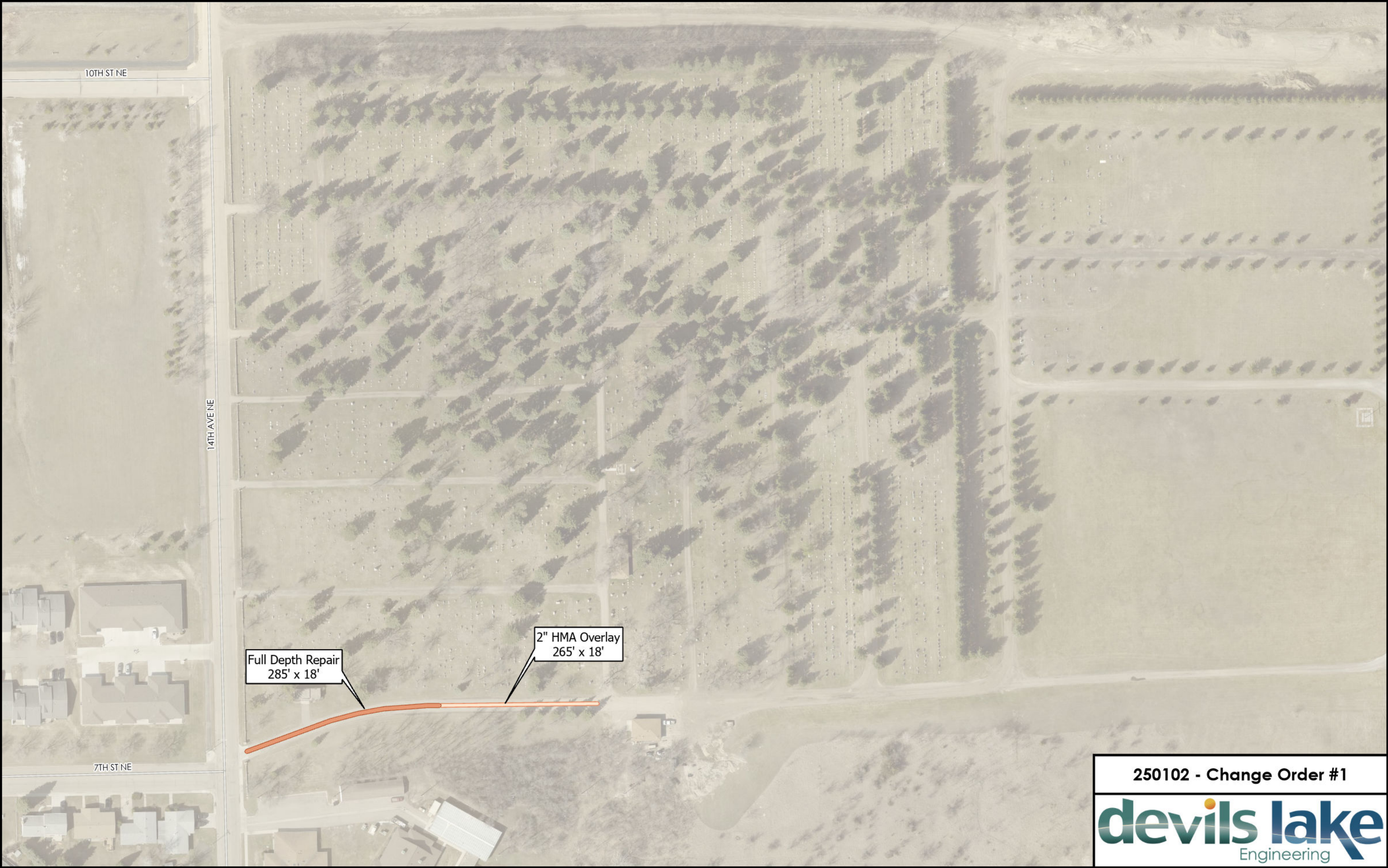
You are directed to make the changes described above in the subject contract.

City of Devils Lake, Owner

By

Jim Moe, President of City Commission

Date



Date: 7/2/2025
 To: President Moe and City Commissioners
 From: Michael Grafsgaard, City Engineer
 Re: City Project 250102 - SI 82-25, SI 83-25, SI 84-25
 Contract Cost: \$1,056,738.60

devils lake
 Engineering

I hereby certify the work listed below has been completed and inspected and has been done in conformity with the plans and specifications for the above mentioned project. All work was completed by Strata Corporation, PO Box 13500, Grand Forks ND 58208.

Estimate 1

SI 82-25 - Lynn, Cherry, Janna - 4537-000-56600

							QUANTITIES		AMOUNT	
SPEC	CODE	ITEM DESCRIPTION	Quantity	Unit	Unit Price	Bid Amount	Current	Total to Date	Current	Total to Date
103	0100	CONTRACT BOND	0.05	L SUM	\$ 6,100.00	\$ 305.00	0.00	0.00	\$ -	\$ -
203	0113	COMMON EXCAVATION - WASTE	0	CY	\$ 18.00	\$ -	0.00	0.00	\$ -	\$ -
302	0120	AGGREGATE BASE COURSE CL 5	0	TON	\$ 27.50	\$ -	0.00	0.00	\$ -	\$ -
401	0050	TACK COAT	116	GAL	\$ 4.00	\$ 464.00	0.00	0.00	\$ -	\$ -
411	0105	MILLING PAVEMENT SURFACE	2,315	SY	\$ 1.90	\$ 4,398.50	2318.00	2318.00	\$ 4,404.20	\$ 4,404.20
411	0118	MILLING PAVEMENT SURFACE - 4 INCH	0	SY	\$ 4.50	\$ -	0.00	0.00	\$ -	\$ -
430	0043	SUPERPAVE FAA 43	257	TON	\$ 78.50	\$ 20,174.50	263.64	263.64	\$ 20,695.74	\$ 20,695.74
430	5803	PG 58S-28 ASPHALT CEMENT	15	TON	\$ 550.00	\$ 8,250.00	14.87	14.87	\$ 8,178.50	\$ 8,178.50
702	0100	MOBILIZATION	0.05	L SUM	\$ 58,500.00	\$ 2,925.00	0.05	0.05	\$ 2,925.00	\$ 2,925.00
704	0001	TRAFFIC CONTROL	0.05	L SUM	\$ 15,000.00	\$ 750.00	0.05	0.05	\$ 750.00	\$ 750.00
706	0600	CONTRACTOR'S LABORATORY	0.05	EA	\$ 3,500.00	\$ 175.00	0.05	0.05	\$ 175.00	\$ 175.00
708	1540	INLET PROTECTION-SPECIAL	0	EA	\$ 200.00	\$ -	0.00	0.00	\$ -	\$ -
709	0100	GEOSYNTHETIC MATERIAL TYPE G	0	SY	\$ 2.75	\$ -	0.00	0.00	\$ -	\$ -
722	6140	ADJUST GATE VALVE BOX	8	EA	\$ 375.00	\$ 3,000.00	6.00	6.00	\$ 2,250.00	\$ 2,250.00
722	6200	ADJUST MANHOLE	3	EA	\$ 425.00	\$ 1,275.00	3.00	3.00	\$ 1,275.00	\$ 1,275.00
722	6240	ADJUST UTILITY APPURTENANCE	0	EA	\$ 400.00	\$ -	0.00	0.00	\$ -	\$ -
Total Current Amount:									\$40,653.44	
Total Bid Amount:										\$40,653.44

SI 83-25 - Miscellaneous Avenues - 4538-000-56600

							QUANTITIES		AMOUNT	
SPEC	CODE	ITEM DESCRIPTION	Quantity	Unit	Unit Price	Bid Amount	Current	Total to Date	Current	Total to Date
103	0100	CONTRACT BOND	0.65	L SUM	\$ 6,100.00	\$ 3,965.00	0.00	0.00	\$ -	\$ -
203	0113	COMMON EXCAVATION - WASTE	1,251	CY	\$ 18.00	\$ 22,518.00	0.00	0.00	\$ -	\$ -
302	0120	AGGREGATE BASE COURSE CL 5	2,345	TON	\$ 27.50	\$ 64,487.50	0.00	0.00	\$ -	\$ -
401	0050	TACK COAT	1,688	GAL	\$ 4.00	\$ 6,752.00	0.00	0.00	\$ -	\$ -
411	0105	MILLING PAVEMENT SURFACE	26,255	SY	\$ 1.90	\$ 49,884.50	5624.00	5624.00	\$ 10,685.60	\$ 10,685.60
411	0118	MILLING PAVEMENT SURFACE - 4 INCH	3,752	SY	\$ 4.50	\$ 16,884.00	0.00	0.00	\$ -	\$ -
430	0043	SUPERPAVE FAA 43	3,959	TON	\$ 78.50	\$ 310,781.50	693.46	693.46	\$ 54,436.61	\$ 54,436.61
430	5803	PG 58S-28 ASPHALT CEMENT	238	TON	\$ 550.00	\$ 130,900.00	39.11	39.11	\$ 21,510.50	\$ 21,510.50
702	0100	MOBILIZATION	0.65	L SUM	\$ 58,500.00	\$ 38,025.00	0.33	0.33	\$ 19,305.00	\$ 19,305.00
704	0001	TRAFFIC CONTROL	0.65	L SUM	\$ 15,000.00	\$ 9,750.00	0.33	0.33	\$ 4,950.00	\$ 4,950.00
706	0600	CONTRACTOR'S LABORATORY	0.65	EA	\$ 3,500.00	\$ 2,275.00	0.33	0.33	\$ 1,155.00	\$ 1,155.00
708	1540	INLET PROTECTION-SPECIAL	22	EA	\$ 200.00	\$ 4,400.00	0.00	0.00	\$ -	\$ -
709	0100	GEOSYNTHETIC MATERIAL TYPE G	3,752	SY	\$ 2.75	\$ 10,318.00	0.00	0.00	\$ -	\$ -
722	6140	ADJUST GATE VALVE BOX	12	EA	\$ 375.00	\$ 4,500.00	1.00	1.00	\$ 375.00	\$ 375.00
722	6200	ADJUST MANHOLE	11	EA	\$ 425.00	\$ 4,675.00	0.00	0.00	\$ -	\$ -
722	6240	ADJUST UTILITY APPURTENANCE	1	EA	\$ 400.00	\$ 400.00	0.00	0.00	\$ -	\$ -
Total Current Amount:									\$112,417.71	
Total Bid Amount:										\$112,417.71

							QUANTITIES		AMOUNT	
SPEC	CODE	ITEM DESCRIPTION	Quantity	Unit	Unit Price	Bid Amount	Current	Total to Date	Current	Total to Date
103	0100	CONTRACT BOND	0.30	L SUM	\$ 6,100.00	\$ 1,830.00	0.00	0.00	\$ -	\$ -
203	0113	COMMON EXCAVATION - WASTE	818	CY	\$ 18.00	\$ 14,724.00	0.00	0.00	\$ -	\$ -
302	0120	AGGREGATE BASE COURSE CL 5	1,534	TON	\$ 27.50	\$ 42,185.00	0.00	0.00	\$ -	\$ -
401	0050	TACK COAT	659	GAL	\$ 4.00	\$ 2,636.00	0.00	0.00	\$ -	\$ -
411	0105	MILLING PAVEMENT SURFACE	8,274	SY	\$ 1.90	\$ 15,720.60	0.00	0.00	\$ -	\$ -
411	0118	MILLING PAVEMENT SURFACE - 4 INCH	2,454	SY	\$ 4.50	\$ 11,043.00	0.00	0.00	\$ -	\$ -
430	0043	SUPERPAVE FAA 43	1,601	TON	\$ 78.50	\$ 125,678.50	0.00	0.00	\$ -	\$ -
430	5803	PG 58S-28 ASPHALT CEMENT	96	TON	\$ 550.00	\$ 52,800.00	0.00	0.00	\$ -	\$ -
702	0100	MOBILIZATION	0.30	L SUM	\$ 58,500.00	\$ 17,550.00	0.00	0.00	\$ -	\$ -
704	0001	TRAFFIC CONTROL	0.30	L SUM	\$ 15,000.00	\$ 4,500.00	0.00	0.00	\$ -	\$ -
706	0600	CONTRACTOR'S LABORATORY	0.30	EA	\$ 3,500.00	\$ 1,050.00	0.00	0.00	\$ -	\$ -
708	1540	INLET PROTECTION-SPECIAL	0	EA	\$ 200.00	\$ -	0.00	0.00	\$ -	\$ -
709	0100	GEOSYNTHETIC MATERIAL TYPE G	2,454	SY	\$ 2.75	\$ 6,748.50	0.00	0.00	\$ -	\$ -
722	6140	ADJUST GATE VALVE BOX	3	EA	\$ 375.00	\$ 1,125.00	0.00	0.00	\$ -	\$ -
722	6200	ADJUST MANHOLE	3	EA	\$ 425.00	\$ 1,275.00	0.00	0.00	\$ -	\$ -
722	6240	ADJUST UTILITY APPURTENANCE	0	EA	\$ 400.00	\$ -	0.00	0.00	\$ -	\$ -
Total Current Amount:									\$0.00	
Total Bid Amount:							\$298,865.60			\$0.00

Change Order 1 - Devils Lake Cemetery - 2033-000-44990

							QUANTITIES		AMOUNT	
SPEC	CODE	ITEM DESCRIPTION	Quantity	Unit	Unit Price	Bid Amount	Current	Total to Date	Current	Total to Date
203	0113	COMMON EXCAVATION - WASTE	127	CY	\$ 18.00	\$ 2,286.00	0.00	0.00	\$ -	\$ -
302	0120	AGGREGATE BASE COURSE CL 5	238	TON	\$ 27.50	\$ 6,545.00	0.00	0.00	\$ -	\$ -
401	0050	TACK COAT	55	GAL	\$ 4.00	\$ 220.00	0.00	0.00	\$ -	\$ -
411	0118	MILLING PAVEMENT SURFACE - 4 INCH	570	SY	\$ 4.50	\$ 2,565.00	0.00	0.00	\$ -	\$ -
430	0043	SUPERPAVE FAA 43	202	TON	\$ 78.50	\$ 15,857.00	0.00	0.00	\$ -	\$ -
430	5803	PG 58S-28 ASPHALT CEMENT	12	TON	\$ 550.00	\$ 6,600.00	0.00	0.00	\$ -	\$ -
709	0100	GEOSYNTHETIC MATERIAL TYPE G	570	SY	\$ 2.75	\$ 1,567.50	0.00	0.00	\$ -	\$ -
Total Current Amount:									\$0.00	
Total Bid Amount:							\$35,640.50			\$0.00
TOTAL CONTRACT							\$1,056,738.60			

Total Work completed: \$153,071.15
 Retainage @ 4%: \$6,122.85
 Previous Payments: \$0.00
 Total Due This Estimate: \$146,948.30

Date: 7/2/2025
To: President Moe and City Commissioners
From: Michael Grafsgaard, City Engineer
Re: City Project 250104 - Downtown District Alleys and Parking Lots
Contract Cost: \$292,050.35

MEG

devils lake
Engineering

I hereby certify the work listed below has been completed and inspected and has been done in conformity with the plans and specifications for the above mentioned project. All work was completed by Strata Corporation, PO Box 13500, Grand Forks ND 58208.

Estimate 1

Downtown Parking Lots - 4540-000-56600

							QUANTITIES		AMOUNT	
SPEC	CODE	ITEM DESCRIPTION	Quantity	Unit	Unit Price	Bid Amount	Current	Total to Date	Current	Total to Date
103	0100	CONTRACT BOND	0.30	L SUM	\$ 1,725.00	\$ 517.50	0.00	0.00	\$ -	\$ -
401	0050	TACK COAT	200	GAL	\$ 4.25	\$ 850.00	0.00	0.00	\$ -	\$ -
411	0105	MILLING PAVEMENT SURFACE	4,010	SY	\$ 5.65	\$ 22,656.50	1608.00	1608.00	\$ 9,085.20	\$ 9,085.20
430	0043	SUPERPAVE FAA 43	446	TON	\$ 116.00	\$ 51,736.00	283.75	283.75	\$ 32,915.00	\$ 32,915.00
430	5803	PG 58S-28 ASPHALT CEMENT	27	TON	\$ 550.00	\$ 14,850.00	15.60	15.60	\$ 8,580.00	\$ 8,580.00
702	0100	MOBILIZATION	0.3	L SUM	\$ 29,500.00	\$ 8,850.00	0.15	0.15	\$ 4,425.00	\$ 4,425.00
704	0001	TRAFFIC CONTROL	0.3	L SUM	\$ 8,500.00	\$ 2,550.00	0.15	0.15	\$ 1,275.00	\$ 1,275.00
722	6200	ADJUST MANHOLE	0	EA	\$ 600.00	\$ -	0.00	0.00	\$ -	\$ -
722	6240	ADJUST UTILITY APPURTENANCE	0	EA	\$ 500.00	\$ -	0.00	0.00	\$ -	\$ -
Total Current Amount:									\$56,280.20	
Total Bid Amount:										\$56,280.20

Downtown District Alleys - 4540-000-56600

							QUANTITIES		AMOUNT	
SPEC	CODE	ITEM DESCRIPTION	Quantity	Unit	Unit Price	Bid Amount	Current	Total to Date	Current	Total to Date
103	0100	CONTRACT BOND	0.70	L SUM	\$ 1,725.00	\$ 1,207.50	0.00	0.00	\$ -	\$ -
401	0050	TACK COAT	371	GAL	\$ 4.25	\$ 1,576.75	0.00	0.00	\$ -	\$ -
411	0105	MILLING PAVEMENT SURFACE	6,234	SY	\$ 5.65	\$ 35,222.10	407.00	407.00	\$ 2,299.55	\$ 2,299.55
430	0043	SUPERPAVE FAA 43	824	TON	\$ 116.00	\$ 95,584.00	72.62	72.62	\$ 8,423.92	\$ 8,423.92
430	5803	PG 58S-28 ASPHALT CEMENT	49	TON	\$ 550.00	\$ 26,950.00	3.99	3.99	\$ 2,194.50	\$ 2,194.50
702	0100	MOBILIZATION	0.7	L SUM	\$ 29,500.00	\$ 20,650.00	0.18	0.18	\$ 5,310.00	\$ 5,310.00
704	0001	TRAFFIC CONTROL	0.7	L SUM	\$ 8,500.00	\$ 5,950.00	0.18	0.18	\$ 1,530.00	\$ 1,530.00
722	6200	ADJUST MANHOLE	4	EA	\$ 600.00	\$ 2,400.00	2.00	2.00	\$ 1,200.00	\$ 1,200.00
722	6240	ADJUST UTILITY APPURTENANCE	1	EA	\$ 500.00	\$ 500.00	0.00	0.00	\$ -	\$ -
Total Current Amount:									\$20,957.97	
Total Bid Amount:										\$20,957.97

Total Work completed: \$77,238.17
Retainage @ 4%: \$3,089.53
Previous Payments: \$0.00
Total Due This Estimate: \$74,148.64

TAX COLLECTIONS				
Through 50% of Year				
	2023	2024	2025	YTD % Change
State Aid (City Only)	\$ 235,770	\$ 240,158	\$ 242,556.85	1.00%
Sales Tax (City Only)	\$ 1,858,296	\$ 2,047,596	\$ 2,033,559.50	-0.69%
Highway Tax	\$ 179,771	\$ 174,191	\$ 177,051.65	1.64%
Occupancy Tax	\$ 47,848	\$ 61,452	\$ 41,391.17	-32.64%
Restaurant Tax	\$ 159,149	\$ 181,524	\$ 165,585.70	-8.78%
TOTAL:	\$ 2,480,833.80	\$ 2,704,921.10	\$ 2,660,144.87	-1.66%

TAX COLLECTION % OF BUDGET			
Through 50% of Year			
	2025	BUDGET	% OF BUDGET
State Aid (City Only)	\$ 242,556.85	\$ 491,790	49%
Sales Tax (City Only)	\$ 2,033,559.50	\$ 4,312,000	47%
Highway Tax	\$ 177,051.65	\$ 354,800	50%
Occupancy Tax	\$ 41,391.17	\$ 139,975	30%
Restaurant Tax	\$ 165,585.70	\$ 378,650	44%
TOTAL:	\$ 2,660,145	\$ 5,677,215	47%

UTILITY COLLECTIONS				
Through 50% of Year				
	2023	2024	2025	YTD % Change
Water Collections	\$ 556,119	\$ 568,199	\$ 583,840	2.75%
Sewer Collections	\$ 453,810	\$ 514,319	\$ 515,309	0.19%
Sanitation Collections	\$ 809,973	\$ 875,443	\$ 907,929	3.71%
: Special Pickups	\$ 37,399	\$ 45,341	\$ 44,587	-1.66%
: Landfill/Outside Tipping	\$ 37,046	\$ 41,227	\$ 41,804	1.40%
: Roll-off Rental	\$ 64,108	\$ 91,108	\$ 85,827	-5.80%
TOTAL:	\$ 1,958,455	\$ 2,135,637	\$ 2,179,295	2.04%

UTILITY % OF BUDGET			
Through 50% of Year			
	2025	BUDGET	% OF BUDGET
Water Collections	\$ 583,840	\$ 1,220,000	48%
Sewer Collections	\$ 515,309	\$ 1,000,000	52%
Sanitation Collections	\$ 907,929	\$ 1,858,000	49%
: Special Pickups	\$ 44,587	\$ 96,000	46%
: Landfill/Outside Tipping	\$ 41,804	\$ 85,000	49%
: Roll-off Rental	\$ 85,827	\$ 198,450	43%
TOTAL:	\$ 2,007,078	\$ 4,078,000	49%

LIST OF BILLS FOR THE CITY OF DEVILS LAKE
7-Jul-25

VENDOR	AMOUNT DUE
---------------	-------------------

AIRPORT

Benson County Farmer's Press	\$42.25
Butler Machinery	\$60.12
Capital One-Walmart	\$273.81
Dakota Implement-Napa	\$482.62
Dominic Eritano	\$377.36
HE Everson	\$96.79
Leevers	\$46.77
Mead & Hunt	\$5,054.05
Midcontinent Communications	\$112.45
Newby' Ace Hardware	\$250.92
NDTC	\$319.50
Nutrien Ag Solutions	\$344.25

CITY

Advanced Business Methods	\$2,148.67
Advanced Engineering & Enviromental Services	\$791.00
Allison Johnke	\$150.00
Amazon	\$916.61
Andrew Johnson	\$216.00
Apex Equipment	\$2,756.00
AT & T	\$1,628.59
Baker & Taylor	\$1,177.73
Balco Uniform	\$9,657.00
Bergseth Bros	\$17.05
Blackstone Publishing	\$231.70
Boy Scouts	\$500.00
Capital One-Walmart	\$406.91
Caselle	\$1,740.00

LIST OF BILLS FOR THE CITY OF DEVILS LAKE
7-Jul-25

VENDOR	AMOUNT DUE
CivicPlus	\$2,663.43
CNH Industrial Accounts-High Plains Equipment	\$360.32
Comprise Technologies	\$1,000.00
Creative Impressions	\$107.96
Dakota Implement	\$2,101.79
Darin Rixen	\$68.22
Devils Lake Animal Clinic	\$124.14
Devils Lake Park Board	\$39,527.75
Devils Lake Public Schools	\$250.00
Devils lake Regional Airport	\$30,000.00
DL Chamber of Commerce/Tourism	\$27,314.89
Double Z Broadcasting	\$650.00
DQE	\$4,614.91
Es Opco USA, LLC -Veseris	\$2,096.25
Flexible Pipe Tool Company	\$182.55
General Traffic Controls	\$5,363.00
Grand Forks Fraternal Order of Police	\$258.00
Guy Callender	\$540.00
HACH	\$265.52
Hampton Inn & Suites	\$495.00
Harold's Auto Marine & Electric Motor	\$339.50
Hauck Sales & Services	\$3,500.00
Hawkins	\$80.00
Ihry Insurance	\$51,193.00
Interstate Billing Service-Ironhide Equipment	\$1,641.53
Interstate Power Systems	\$2,713.99
JB Vending	\$128.50
Joanne Grad	\$150.00
Joe & Bros Mow for Dough	\$150.00
Keller's Briteway	\$85.00
Klemetsrud's Plumbing	\$1,214.58

LIST OF BILLS FOR THE CITY OF DEVILS LAKE
7-Jul-25

VENDOR	AMOUNT DUE
Lake Region Corporation	\$9,094.26
Lake Region Law Enforcement Center	\$10,864.42
Lakeshore Learning Materials	\$321.96
Lamotte's Paint & Glass	\$1,096.38
Lexipol	\$9,803.25
Mac's Hardware	\$1,366.67
Main Street Designs	\$14,672.98
Mark's Greenhouse	\$284.99
Mid-Land Excavating	\$4,950.00
MDU	\$25.82
Motorola Solutions	\$6,238.00
ND Association of Assessing Officers	\$225.00
ND Chiefs of Police Association	\$501.95
ND Dept of Enviromental Quaity	\$637.50
ND Dept of Transportation	\$123,011.39
ND Firefighter's Association	\$48.15
ND Fraternal Order of Police	\$1,161.00
ND Weed Control Association	\$285.00
Newby's Ace Hardware	\$601.77
Nodak Electric	\$10,635.95
North Dakota League of Cities	\$4,809.00
NDTC	\$186.56
Nutrien Ag Solutions	\$2,088.98
Ottertail Power	\$20,611.20
Overdrive	\$1,000.00
Pomp's Tire Service	\$1,166.42
Prairie Truck & Tractor Repair	\$482.85
Quill	\$444.65
Razor Tracking	\$150.00
Reslock Printing	\$241.35
Rey Hennen	373.72

LIST OF BILLS FOR THE CITY OF DEVILS LAKE
7-Jul-25

VENDOR	AMOUNT DUE
Running Supply	\$697.68
Sanitation Products	\$2,837.34
Senior Meals & Services	\$141.00
Service Tire	\$1,437.42
Sherry Kurtz	\$63.21
Sign Solutions	\$360.25
State of ND Chemistry Lab	\$107.78
Strata Corporation	\$221,096.94
Sun Electric	\$7,900.00
Tanya Weiler	\$1,250.00
The Golden Rule-Gerrell's	\$40.98
TSC	\$494.88
Usable Life	\$462.90
USA Blue Book	\$182.43
Utility Logic	\$26,961.25
Vestis-Aramark	\$960.76
Western Asphalt Products	\$2,994.08
Xpress Bill Pay	\$668.27
TOTAL LIST OF BILLS	\$705,016.32