

CITY OF DICKINSON, NORTH DAKOTA  
\$1,000,000 SALES TAX REVENUE BOND, SERIES 2025B (DW)  
\$1,000,000 SALES TAX REVENUE BOND, SERIES 2025C (CW)  
SIMS STREET IMPROVEMENTS

**CLOSING AND NON-ARBITRAGE CERTIFICATE**

The undersigned hereby certify that of the date hereof, they are the duly elected or appointed, qualified and acting President of the Board of City Commissioners (the "Commission") and City Administrator of the City of Dickinson, North Dakota (the "City"), and as such officials they are familiar with the City's properties, affairs and records, and hereby further certify as follows:

1. A. The City is a legally constituted body politic and corporate of the State of North Dakota organized and operating pursuant to Title 40 of the North Dakota Century Code (the "N.D.C.C."). The persons listed below constitute the duly elected, appointed, qualified and acting members of the Commission and the officers of the City.

<b>Name</b>	<b>Office</b>	<b>Term Expires</b>
Scott Decker	President	June 2028
Dr. Robert Baer	Vice President	June 2026
Jason Fridrich	Commissioner	June 2026
Russ Murphy	Commissioner	June 2028
Joe Ridl	Commissioner	June 2028
Dustin Dassinger	City Administrator	Appointed
Linda Carlson	Deputy City Administrator	Appointed
Katie Greenwood	Deputy Finance Director	Appointed
Christina M. Wenko	City Attorney	Appointed

- B. All of the officers of the City have been duly elected or appointed and qualified for their respective offices, and all of said officers are now, or were on the date the Resolution was adopted, in lawful incumbency of their respective offices.
- C. The City was incorporated on May 30, 1919. Its population is estimated at 22,500. The official newspaper of the City is *The Dickinson Press* published in Dickinson, North Dakota, on Tuesday through Sunday of each week.
- D. Regular meetings of the Commission are held at the City Hall located at 38 1<sup>st</sup> Street West, on the first and third Tuesday of each month.
- E. The City's federal tax identification number is: 45-6002055.
- F. On May 22, 1990 voters approved a home rule charter and also approved a one percent sales tax. The sales tax contained a five year sunset. On April 12, 1994 voters authorized continuation of the one percent sales tax and removed the sunset provision.

2. This Certificate is given with regard to the issuance of the City's \$1,000,000 Sales Tax Revenue Bond, Series 2025B (DW) and \$1,000,000 Sales Tax Revenue Bond, Series 2025C (CW) (together, the "Bonds"). The Bonds are issued for the purpose of replacement of cast-iron watermains with PVC piping, increasing storm sewer capacity, and replacement of related pavement along Sims Street (the "Project"). All regular or special meetings of the Council held in conjunction with the Bonds were open to the public and were conducted with prior notice to the public in compliance with N.D.C.C. Sections 44-04-19 and 44-04-20. All formal actions relative to the adoption of the Resolution were taken in an open meeting of the Council, and all deliberations of the Council which resulted in formal action were taken in meetings open to the public.
3. Pursuant to law and the Bond Resolution adopted November 4, 2025 (the "Resolution"), there has been duly prepared and executed on behalf of the District, the Bonds, maturing serially as to principal installments according to the amortization schedules prepared by the North Dakota Public Finance Authority ("NDPFA"), on or before September 1, 2045. The Bonds have been executed on behalf of the District with the manual signatures of the undersigned President and City Administrator and authenticated by the manual signature of the authorized representative of the Registrar. The District has authorized delivery and due performance of the Bonds by all necessary action and execution, and the Bonds as executed and delivered are in the forms approved by the Resolution. The Bonds have been sold to the NDPFA.
4. Pursuant to the Resolution, the President and City Administrator certify they have signed and executed the Loan Agreement between the City and the NDPFA dated as of the closing date (the "Loan Agreement").
5. There is no litigation pending or, to the knowledge of the undersigned, threatened, to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for the issuance of the Bonds or the validity and binding legal obligation thereof, or any substantive or procedural debt limit restrictions, or to prevent the execution, registration, certification or delivery thereof, or to amend, cancel or revoke any proceedings taken incidental to the Bonds and the levy, collection, receipt or pledge of the GPT Revenues and the Pledged Sales Tax, or in any way contesting the corporate existence, boundaries or powers of the City or the right of its officers to their respective offices.
6. The representations and warranties of the City contained in the Resolution and the Loan Agreement are true and correct in all material respects as of the date hereof. The Resolution and the Loan Agreement remain in full force and effect and have not been amended, supplemented, modified, repealed or revoked in any respect, from the date of adoption to and including the date hereof.
7. All outstanding obligations of the City, including the Bonds, are within all applicable state constitutional and statutory debt limitations of the City. No event of default under the Resolution or Loan Agreement and no event that, with the giving of notice or lapse of time or both, would become an event of default under the Resolution or Loan Agreement has occurred and is continuing.

8. The City is not in violation of any provision of its Home Rule Charter or Ordinances, and to the best of the City's knowledge, the City is not in violation of any provision of or in default under any indenture, mortgage, deed of trust, indebtedness, agreement, instrument, judgment, decree, order, statute, rule or regulation to which it is a party or by which any of its property is bound, other than violations and defaults which would have no material adverse effect on the transaction contemplated by the Bond, Resolution and Loan Agreement.
9. The execution and delivery of the Resolution and Loan Agreement, and the carrying out of the terms thereof, do not and will not result in a violation of any provision of or in a default under the N.D.C.C. or the Home Rule Charter of the City, or any amendments thereto, or any indenture, resolution, mortgage, deed of trust, or other agreement to which the City is a party or by which it or any of its property is bound.
10. All elections, notifications, certifications, hearings and all other actions required to be taken by or on behalf of the City have been given, made, held or otherwise performed as required by the City's Home Rule Charter, Ordinances and N.D.C.C. Chapters 40-35 and 40-05.1 for the levy and collection of the Pledged Sales Tax authorized by the Resolution for the payment of the annual principal installments and interest when due on the Bonds.
11. The certifications contained in this paragraph 11 are being executed and delivered pursuant to Section 103(c) of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (together, the "Code"). The undersigned officers of the City responsible directly or by delegation for the issuance and delivery of this Certificate certify the following facts and reasonable expectations of the City as to future events regarding the Bonds:
  - (a) The Bonds are being issued pursuant to the Resolution to finance the cost of the Project and pay the costs of issuance of the Bonds. The weighted average maturity of the Bonds does not exceed 120% of the average reasonably expected economic life of the Project. The City expects that the public use of the Project will continue for the life of the Bonds.
  - (b) The Bonds will be sold to the NDPFA at par. There will be no accrued interest and no capitalized interest on the Bonds. The Bonds are structured as a draw-down loan up to a maximum principal amount of \$2,000,000. The date of which aggregate draws on the Bonds exceeded the lesser of \$100,000 or 5% of the issue was the date hereof.
  - (c) Proceeds of the Bonds are expected to be allocated to expenditures for Project costs immediately upon receipt and are not expected to be invested during any applicable temporary periods. The proceeds of the Bonds to be received by the City are expected to be fully expended to pay Project costs on or before December 31, 2025.
  - (d) Sales tax collections will be deposited in the Fund as required by and defined in the Resolution and will be used to pay the principal of and interest on the Bonds. The Issuer reasonably expects that there will be no other funds that will be so used. Any money deposited in the Fund will be used primarily to achieve a proper matching of revenues with principal and interest payments on the Bonds and the Fund will be depleted once each year, except for a reasonable carryover, not to exceed the greater of: (i) earnings on the Fund for the immediately preceding bond year, or (ii) 1/12 of the principal and interest payments on the Bonds for the

immediately preceding bond year. If the aggregate amount on deposit in the Fund ever exceeds the sum of (i) the lesser of 5% of the sale proceeds of the Bonds or \$100,000, plus (ii) amounts to be paid out for principal and interest on the Bonds within 13 months, then, to the extent necessary to prevent the Bonds from becoming “arbitrage bonds” pursuant to Section 148(a) of the Code, and any regulations promulgated or proposed thereunder, the excess over such sum will be either used to prepay the Bonds or invested at a yield not exceeding the yield on the Bonds.

(e) Any income derived from the investment of money received from the sale of the Bonds will be used to pay costs of the Project or interest on the Bonds within one year after the date of their receipt.

(f) Certain proceeds of the Bonds are subject to the rebate requirement under Code Section 148(f)(4)(D). Moneys in the Bond Fund are not subject to the rebate requirement under the bona fide debt service fund exception found in Treasury Regulations Section 1.148-3(k). Moneys in the Construction Account will be exempt from the rebate requirement if the moneys are expended within certain time periods listed below:

- (i) 6 months – Treasury Regulations Section 1.148-7(c);
- (ii) 18 months – Treasury Regulations Section 1.148-7(d); or
- (iii) 24 months – Treasury Regulations Section 1.148-7(e).

In addition, two exceptions from the spend-down requirements are available; a de minimis exception of the lesser of 3 percent of the issue price of the Bond or \$250,000 and an exception for reasonable retainage. Moneys in the Reserve Fund are subject to the rebate requirement.

(g) To the best of the undersigned’s knowledge, information, and belief, the expectations and recitals of the City herein contained are true and reasonable. The undersigned knows of no other material facts or circumstances that would cause the Bonds to be declared to be an “arbitrage bond” pursuant to Section 148(a) of the Code.

(h) The City has not been notified of any listing of it by the Internal Revenue Service as a City whose non-arbitrage certificate may not be relied upon.

(i) The proceeds of the Bonds do not exceed the amount necessary for the purposes described in (a) above.

(j) The yield on the Bonds and any obligations purchased with “proceeds” of the Bonds, including “sinking fund proceeds” will be calculated at that yield which, when used in computing the present worth of all payments of principal and interest to be paid on the Bonds produces an amount equal to the issue price pursuant to the Code.

(k) No other tax-exempt obligations are being sold by the City at substantially the same time as the Bonds, sold pursuant to the same plan of financing and which are reasonably expected to be paid from substantially the same source of funds as the Bonds.

(l) By the Resolution, the City has taken all necessary action to have the Bonds registered within the meaning of Section 149(a) of the Code.

(m) The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(n) The City shall timely file a federal information return with respect to the Bonds as required by Section 149(e) of the Code.

(o) To the best of the undersigned’s knowledge, information, and belief, the expectations and recitals of the City herein contained are true and reasonable. The undersigned knows of no other material facts or circumstances that would cause the Bonds to be declared to be an “arbitrage bond” pursuant to Section 148(a) of the Code.

(p) Pledged Sales Tax will be deposited in the Reserve Fund until the amount therein equals the reserve requirement, which is defined as the total amount of \$125,400 which qualifies as a reasonably required Reserve Fund under federal tax laws and regulations (lessor of 10% of the principal amount of the issue, 125% of the average annual debt service on the issue, or maximum annual debt service on the issue). The Reserve Fund must be funded in the amount of \$25,080 per year for the first five years commencing with the date of the first principal payment on the Bonds. The Reserve Fund requirement is based upon total draws of \$2,000,000. In the event that the City draws less than \$2,000,000, the Reserve Fund requirement shall be adjusted downward. Amounts therein will be used to function as a reasonably required reserve fund for the Bonds and as such will qualify for investment at an unrestricted yield under Treasury Regulations Section 1.148-2(f)(2).

12. The certifications contained in this paragraph 12 are being executed and delivered to establish that the Project financed with the proceeds of the Bonds will not be used in such manner so as to cause the Bonds to become “private activity bonds” as defined in Section 141 of the Code. A Bond is a private activity bond if it meets (i) the Private Business Use Test and the Private Security or Payment Test; or (ii) the Private Loan Financing Test.

(a) The City covenants that the Bonds does not meet the Private Business Use Test because no more than 10% of the proceeds of the Bonds will be used directly or indirectly in a trade or business carried on by any person other than a governmental unit, unless such use is as a member of the general public; and the Bonds does not meet the Private Security or Payment Test because the payment of no more than 10% of the principal or 10% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or payments in respect of property used or to be used for a Private Business Use or to be derived from payments, whether or not to the City, in respect of property or borrowed money used or to be used for a Private Business Use.

(b) The City covenants that the Bonds does not meet the Private Loan Financing Test because less than 5% of the proceeds of the Bonds will be used, directly or indirectly, to

make or finance a loan (other than loans constituting nonpurpose investments or special assessments) to persons other than state or local governmental units.

(c) The City will not enter into any lease or management contract with respect to the Project financed with the proceeds of the Bonds and will not give any private business any special legal entitlement for the use of the Project being financed with the proceeds of the Bonds.

(d) The City covenants that less than 5% of the proceeds of the Bonds will be used directly or indirectly to acquire nongovernmental output property.

13. The Paying Agent is ordered and directed to authenticate the aggregate principal amount of the Bonds issued pursuant to the Resolution in fully registered form. The Paying Agent is further ordered and directed to deliver the Bonds to the NDPFA.

14. The City acknowledges receipt from the NDPFA of the initial advance on the Bonds.

Dated: \_\_\_\_\_, 2025.

**CITY OF DICKINSON, NORTH DAKOTA**

**Attest:**

\_\_\_\_\_  
President, Board of City Commissioners

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City Administrator