

Lender's Counsels: Gray, Plant, Moody
Bond Counsel: Leonard, Street and Deinard
Borrower: Achieve Language Academy Building Company
Borrower's Counsel: Borenstein and McVeigh Law Office, LLC

Conduit Financing:

The notes will be a conduit financing of the Authority and will not constitute or give rise to a liability of the Authority, the City of Saint Paul or the State of Minnesota or a charge against their general credit or taxing powers. The lender will not have the right to demand payment on the notes out of any funds to be raised from taxation or from any revenue sources other than those expressly pledged to payment of the notes pursuant to the funding agreement. The Port Authority's role in this loan is that of Issuer only. The lender will complete its own credit analysis and loan approval.

The Port Authority will receive fees in the amount of 1/8th of a point (\$6,950.00) at closing and 1/8th of a point on the outstanding balance, annually, for the life of the notes.

The Port Authority was asked to issue these notes because the City of Saint Paul did not have any "Bank Qualification" authority remaining for 2013. The Port Authority has not used its \$10,000,000 of authority (which may be used only for governmental and nonprofit financings).

Workforce Implications:

N/A

Policy Exceptions:

None.

Disclosure:

The Port Authority Commissioners by SEC rules are obligated to disclose any risks or facts you may be aware of that would affect the probability of repayment on these notes.

Recommendation:

We recommend authorization to issue approximately \$5,560,000 of conduit, bank-qualified tax-exempt notes for the Achieve Language Academy Building Company.

PMK:ca

Attach.