

**RESOLUTION OF THE PORT AUTHORITY
OF THE CITY OF SAINT PAUL**

[District Energy St. Paul]

WHEREAS, the Port Authority of the City of Saint Paul (the "Port Authority") is duly organized and existing under the Constitution and laws of the State of Minnesota; and

WHEREAS, under the Minnesota Municipal Industrial Development Act, Minnesota Statutes, Sections 469.152-469.1655, as amended (the "Act"), the Port Authority, is authorized to issue revenue bonds to finance or refinance, in whole or in part, the costs of the acquisition, construction, improvement, or extension of revenue producing enterprises, whether or not operated for profit; and

WHEREAS, District Energy St. Paul, Inc., a Minnesota nonprofit corporation (the "Borrower"), has represented to the Port Authority that it is proposing to finance a "Project" to: (i) finance improvements to its heating and cooling distribution system and its heating and cooling plants located in the City of Saint Paul, Minnesota (the "City"); and (ii) pay a portion of the costs of issuing the Series 2017 Bonds (as defined below) (the "Project"); and

WHEREAS, the Borrower has requested that the Port Authority issue revenue bonds, in multiple series, to be designated (i) District Energy Revenue Bonds, Series 2017-3 (501(c)(3)) (the "Series 2017-3 Bonds"); (ii) District Energy Revenue Bonds, Series 2017-4 (AMT) (the "Series 2017-4"); and (iii) District Energy Revenue Bonds, Series 2017-5 (Taxable) (the "Series 2017-5 Bonds" and, collectively with the Series 2017-3 Bonds and the Series 2017-4 Bonds, the "Series 2017 Bonds") and loan the proceeds derived from the sale of the Series 2017 Bonds to the Borrower, pursuant to a Loan Agreement, dated on or after November 1, 2017, between the Port Authority and the Borrower (the "Loan Agreement") to finance the Project; and

WHEREAS, the Series 2017 Bonds are proposed to be issued under the terms of this resolution and a Bond Indenture of Trust, dated on or after November 1, 2017 (the "Bond Indenture"), between the Port Authority and U.S. Bank National Association, as bond trustee (the "Bond Trustee"); and

WHEREAS, the payment obligations of the Borrower under the Loan Agreement and the Bond Indenture will be secured by an obligation of the Borrower issued under the terms of a supplement to an Amended and Restated Master Trust Indenture, dated as of November 1, 2015 (as amended and supplemented from time to time, the "Master Indenture"), between the Borrower, as obligated group representative, and U.S. Bank National Association, as master trustee (the "Master Trustee"); and

WHEREAS, under the terms of the Master Indenture, the Borrower has pledged its gross revenues to secure any obligations issued under the Master Indenture and the Borrower has also granted a mortgage on its heating and cooling plants to the Master Trustee as security for all obligations issued under the Master Indenture; and

WHEREAS, the revenue bonds proposed to be issued by the Port Authority to finance the Project and the related costs will constitute revenue obligations secured solely by: (i) the revenues derived from the Loan Agreement (which includes the revenues pledged under the obligation(s) issued by the Borrower under the Master Indenture); (ii) other revenues pledged to or otherwise received by the Borrower, except for those revenues necessary for ordinary operational expenses

and required under Minnesota law; and (iii) other security provided or arranged by the Borrower; and

WHEREAS, the Series 2017 Bonds will be sold to and/or placed by Piper Jaffray & Co. (the "Underwriter") pursuant to one or more Bond Purchase Contract (the "Bond Purchase Contract"); and

WHEREAS, under the terms of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the revenue bonds may not be issued as tax-exempt bonds unless the Board of Commissioners of the Port Authority approves the revenue bonds after a public hearing following publication of a notice published in accordance with the requirements of Section 147(f) of the Code and Treasury Regulations, Section 5f.103-2; and

WHEREAS, following the publication of a notice (the "Public Notice") of a public hearing in the Legal Ledger, the official newspaper of the Port Authority, on September 11, 2017, and in the Pioneer Press, a newspaper of general circulation in the City, on September 7, 2017, at least 14 days before the regularly-scheduled meeting of the Board of Commissioners of the Port Authority on September 26, 2017, the Board of Commissioners conducted a public hearing at which a reasonable opportunity was provided for interested individuals to express their views on the proposal by the Borrower to undertake and finance the Project and the proposed issuance of the Series 2017 Bonds; and

WHEREAS, the Public Notice included a general description of the Project, the maximum aggregate face amount of the Series 2017 Bonds to be issued with respect to the Project, the identity of the initial owner, operator, or manager of the Project (the Borrower), the location of the Project by street address, and a statement that a draft copy of the proposed application to DEED, together with all attachments and exhibits, would be available for inspection at the offices of the Port Authority.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. For the purposes set forth above, there is hereby authorized the issuance, sale, and delivery of the Series 2017 Bonds in an original aggregate principal amount not to exceed \$25,000,000. If the Series 2017 Bonds are issued in more than one series of tax-exempt or taxable bonds, the separate series shall be separately designated as set forth above or in such other manner as is deemed appropriate by the Chair of the Port Authority (or any Commissioner), and the President of the Port Authority (collectively, the "Port Authority Officials"), in their discretion. The Series 2017 Bonds shall be issued under the terms of this resolution and the Bond Indenture. The Series 2017 Bonds shall bear interest at variable or fixed rates established by the terms of the Bond Indenture; provided that the combined net interest cost on the Series 2017 Bonds shall not exceed 5.75%. The Series 2017 Bonds shall be designated, shall be numbered, shall be dated, shall mature, shall be subject to redemption or tender prior to maturity, shall be in such form, and shall have such other terms, details, and provisions as are prescribed in the Bond Indenture and Bond Purchase Contract, in the form now on file with the Port Authority, with the amendments referenced herein. The Port Authority hereby authorizes the Series 2017 Bonds to be issued as "tax-exempt bonds," the interest on which is excluded from gross income for federal and State of Minnesota income tax purposes, or as taxable bonds.

All of the provisions of the Series 2017 Bonds, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Series 2017 Bonds shall be substantially in the forms in the Bond Indenture on file with the Port Authority, which forms are hereby approved, with such necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of each series of

Series 2017 Bonds, the stated maturities of each series of Series 2017 Bonds, the principal amount of Bonds maturing on each maturity date, the interest rates on the Series 2017 Bonds, and the terms of redemption of the Series 2017 Bonds) as the Port Authority Officials, in their discretion, shall determine. The execution of the Series 2017 Bonds with the manual or facsimile signatures of the Port Authority Officials and the delivery of the Series 2017 Bonds by the Port Authority shall be conclusive evidence of such determination.

2. The Series 2017 Bonds shall be special limited obligations of the Port Authority payable solely from the revenues provided by the Borrower pursuant to the Loan Agreement and from the revenues and security pledged, assigned, and granted pursuant to the following documents: (i) one or more obligations issued by the Borrower under the terms of the Master Indenture as amended by one or more supplemental indentures thereto; and (ii) mortgages previously granted by the Borrower to the Master Trustee as such are amended in connection with the issuance of the Series 2017 Bonds (as amended, collectively, the "Mortgages"). The proceeds of the Series 2017-3 Bonds and Series 2017-4 Bonds will be subject to the provisions of a Tax Exemption Agreement, dated as of or after November 1, 2017 (the "Tax Exemption Agreement"), between and the Bond Trustee and the Borrower with an Endorsement of the Tax Exemption Agreement to be executed and delivered by the Port Authority Officials (the "Tax Endorsement").

All of the provisions of the Bond Indenture, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Bond Indenture shall be substantially in the form on file with the Port Authority, which is hereby approved, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Port Authority Officials, in their discretion, shall determine, and the execution thereof by the Port Authority Officials shall be conclusive evidence of such determination.

3. The loan repayments to be made by the Borrower under the Loan Agreement are fixed to produce revenues sufficient to provide for the prompt payment of principal of, premium, if any, and interest on the Series 2017 Bonds issued under this resolution when due, and the Loan Agreement also provides that the Borrower is required to pay all expenses of the operation and maintenance of the Project, including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all lawfully imposed taxes and special assessments levied upon or with respect to the Project and payable during the term of the Loan Agreement.

4. As provided in the Loan Agreement, the Series 2017 Bonds shall not be payable from or charged upon any funds other than the revenue pledged to their payment, nor shall the Port Authority or the City be subject to any liability thereon, except as otherwise provided in this paragraph. No holder of the Series 2017 Bonds shall ever have the right to compel any exercise by the Port Authority or the City of any taxing powers to pay the Series 2017 Bonds or the interest or premium thereon, or to enforce payment thereof against any property of the Port Authority or the City except the interests of the Port Authority in the Loan Agreement and the revenues and assets thereunder, which will be assigned to the Bond Trustee under the terms of the Bond Indenture. The Series 2017 Bonds shall recite that the Series 2017 Bonds are issued pursuant to the Act, and that the Series 2017 Bonds, including interest and premium, if any, thereon, are payable solely from the revenues and assets pledged to the payment thereof, and the Series 2017 Bonds shall not constitute a debt of the Port Authority or the City within the meaning of any constitutional or statutory limitations.

5. The Board of Commissioners of the Port Authority hereby authorizes the Port Authority Officials to execute and deliver the Bond Indenture, the Loan Agreement, the Tax

Endorsement, Bond Purchase Contract and any other documents required by the Underwriter in connection with the issuance of the Series 2017 Bonds (collectively, the "Financing Documents"). The Port Authority Officials are also authorized and directed to execute and deliver the Series 2017 Bonds in accordance with the terms of the Master Indenture, the Bond Indenture, the Bond Purchase Contract shall provide the terms and conditions, covenants, rights, obligations, duties, and agreements of the owners of the Series 2017 Bonds, the Port Authority, the Underwriter, and the Bond Trustee as set forth therein. All of the provisions of the Financing Documents to which the Port Authority is a party, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Financing Documents to which the Port Authority is a party shall be substantially in the forms on file with the Port Authority which are hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the Port Authority Officials, in their discretion, shall determine, and the execution of the Financing Documents to which the Port Authority is a party by the Port Authority Officials shall be conclusive evidence of such determination.

6. The Port Authority Officials and other officers, employees, and agents of the Port Authority are hereby authorized to execute and deliver, on behalf of the Port Authority, the Financing Documents to which it is a party and such other documents as are necessary or appropriate in connection with the issuance, sale, and delivery of the Series 2017 Bonds, including various certificates of the Port Authority, the information Return for Tax-Exempt Private Activity Bond Issues, Form 8038, a certificate as to arbitrage and rebate, and similar documents. The Port Authority hereby approves the execution and delivery by the Bond Trustee of the Bond Indenture and all other instruments, certificates, and documents prepared in conjunction with the issuance of the Series 2017 Bonds that require execution by the Bond Trustee. The Bond Trustee is hereby appointed as Bond Registrar and paying agent with respect to the Series 2017 Bonds. The Port Authority hereby authorizes Barnes & Thornburg LLP, as bond counsel to the Borrower, to prepare, execute, and deliver its approving legal opinion with respect to the Series 2017 Bonds.

7. The Port Authority has not participated in the preparation of the Preliminary Official Statement or the Official Statement relating to the offer and sale of the Series 2017 Bonds (collectively, the "Official Statement"), and has made no independent investigation with respect to the information contained therein (other than with respect to information provided under the captions "THE ISSUER" and "ABSENCE OF LITIGATION - The Issuer," as it relates to the Port Authority), including the appendices thereto, and the Port Authority assumes no responsibility for the sufficiency, accuracy, or completeness of such information. Subject to the foregoing, the Port Authority hereby consents to the distribution and the use by the Underwriter of the Official Statement in connection with the offer and sale of the Series 2017 Bonds. The Official Statement is the sole material consented to by the Port Authority for use in connection with the offer and sale of the Series 2017 Bonds.

8. Except as otherwise provided in this resolution, all rights, powers, and privileges conferred and duties and liabilities imposed upon the Port Authority or the Board of Commissioners by the provisions of this resolution or of the aforementioned documents shall be exercised or performed by the Port Authority or by such members of the Board of Commissioners, or such officers, board, body, or agency thereof as may be required or authorized by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation, or agreement herein contained or contained in the aforementioned documents shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the Board of Commissioner of the Port Authority, or any officer, agent, or employee of the Port Authority in that person's individual capacity, and neither the Board of Commissioners of the Port Authority nor any officer or employee executing the Series 2017

Bonds shall be liable personally on the Series 2017 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

No provision, covenant, or agreement contained in the aforementioned documents, the Series 2017 Bonds or in any other document relating to the Series 2017 Bonds, and no obligation therein or herein imposed upon the Port Authority or the breach thereof, shall constitute or give rise to any pecuniary liability of the Port Authority or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants, and representations set forth in such documents, the Port Authority has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Loan Agreement which are to be applied to the payment of the Series 2017 Bonds, as provided therein and in the Bond Indenture.

9. Except as herein otherwise expressly provided, nothing in this resolution or in the aforementioned documents expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the Port Authority or any holder of the Series 2017 Bonds issued under the provisions of this resolution, any right, remedy, or claim, legal or equitable, under and by reason of this resolution or any provisions hereof, this resolution, the aforementioned documents and all of their provisions being intended to be and being for the sole and exclusive benefit of the Port Authority and any holder from time to time of the Series 2017 Bonds issued under the provisions of this resolution.

10. In case any one or more of the provisions of this resolution, other than the provisions contained in Section 8 hereof, or of the aforementioned documents, or of the Series 2017 Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution, or of the aforementioned documents, or of the Series 2017 Bonds, but this resolution, the aforementioned documents, and the Series 2017 Bonds shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

11. The Series 2017 Bonds, when executed and delivered, shall contain a recital that they are issued pursuant to the Act, and such recital shall be conclusive evidence of the validity of the Series 2017 Bonds and the regularity of the issuance thereof, and that all acts, conditions, and things required by the laws of the State of Minnesota relating to the adoption of this resolution, to the issuance of the Series 2017 Bonds, and to the execution of the aforementioned documents to happen, exist, and be performed precedent to the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.

12. The officers of the Port Authority, Briggs and Morgan, Professional Association (as Issuer's Counsel"), other attorneys, engineers, and other agents or employees of the Port Authority and Barnes & Thornburg LLP as bond counsel are hereby authorized to do all acts and things required of them by or in connection with this resolution, the aforementioned documents, and the Series 2017 Bonds for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Series 2017 Bonds, the aforementioned documents, and this resolution. In the event that for any reason any of the Port Authority Officials is unable to carry out the execution of any of the documents or other acts provided herein, such documents may be executed and such actions may be taken by any official or employee of the Port Authority or the City delegated the duties of any such Port Authority Official with the same force and effect as if such documents were executed and delivered by such Port Authority Official.

13. The Borrower has agreed and it is hereby determined that any and all costs incurred by the Port Authority in connection with the financing of the Project will be paid by the Borrower, including the costs and expenses of Issuer's Counsel and the Port Authority's initial and ongoing annual issuance fees for the Series 2017 Bonds. It is understood and agreed that the Borrower shall indemnify, defend and hold harmless the Port Authority against all liabilities,

losses, damages, costs and expenses (including reasonable attorney's fees and expenses incurred by the Port Authority) arising with respect to the Project or the Series 2017 Bonds, as provided for and agreed to by and between the Borrower and the Port Authority in the Loan Agreement.

14. The authority to approve, execute and deliver future amendments to Financing Documents entered into by the Port Authority in connection with the issuance of the Series 2017 Bonds and consents required under the Financing Documents is hereby delegated to the Port Authority Officials, subject to the following conditions: (a) such amendments or consents do not require the consent of the respective holders of the Series 2017 Bonds or such consent has been obtained; (b) such amendments or consents do not materially adversely affect the interests of the Port Authority; (c) such amendments or consents do not contravene or violate any policy of the Port Authority, and (d) such amendments or consents are acceptable in form and substance to the counsel retained by the Port Authority to review such amendments. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Port Authority Officials shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof.

15. This Resolution shall be in full force and effect from and after its passage.

Adopted: October 24, 2017

PORT AUTHORITY OF THE CITY OF
SAINT PAUL

By _____
Its _____

ATTEST

By _____
Its _____