

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

WHEREAS:

1. By Resolution No. 4506, adopted July 22, 2014 (the "2014 Resolution"), the Port Authority of the City of Saint Paul (the "Port Authority") authorized the issuance of its tax-exempt revenue obligations in an aggregate principal amount not to exceed \$4,350,000 to fund a loan to Open Cities Health Center, Inc., a Minnesota nonprofit and 501(c)(3) corporation ("Open Cities") to be used to: (a) refund the outstanding principal amount of the Health Care Revenue Bonds, Series 2001A (Model Cities Health Center, Inc. Project) (the "Prior Bonds") issued by the Housing and Redevelopment Authority of the City of Saint Paul (the "HRA"), and thereby to refinance debt against property located at 409 North Dunlap Street (the "Project"); and (b) pay certain costs of issuance. At the time of adoption of the 2014 Resolution, Open Cities expected the obligations to be issued as a note to be privately placed with Sunrise Banks.

2. Whereas, the Port Authority has not yet issued any obligations pursuant to the 2014 Resolution, and Open Cities has requested that the Port Authority issue health care facility revenue bonds pursuant to a public sale, rather than a privately-placed note.

3. This Resolution is being adopted to reflect to the new structure of the sale of the obligations and replaces the 2014 Resolution in its entirety.

4. Open Cities has requested that the Port Authority (a) issue its Health Care Facility Revenue Refunding Bonds (Open Cities Health Center Project), Series 2015A (the "Series A Bonds"), and Taxable Health Care Facility Revenue Bonds (Open Cities Health Center Project), Series 2015B, (the "Series B Bonds" and, together with the Series A Bonds, the "Bonds") in an aggregate principal amount not to exceed \$4,350,000 and (b) loan the proceeds of the Bonds to Open Cities for to refund the Prior Bonds and thereby refinance the Project.

5. The Bonds will be issued pursuant to, and secured by, an Indenture of Trust (the "Indenture") between the Port Authority and U.S. Bank National Association, as trustee (the "Trustee"). Proceeds of the Bonds will be loaned to Open Cities pursuant to the terms of a Loan Agreement (the "Loan Agreement") between the Port Authority and Open Cities, pursuant to which Open Cities will agree to make payments sufficient to pay in full when due the principal of, premium, if any, and interest on the Bonds, and to pay certain expenses of the Port Authority. Open Cities' obligations under the Loan Agreement will be secured by a mortgage made by Open Cities in favor of the Trustee (the "Mortgage"). In addition, the Indenture, the Loan Agreement, the Mortgage and related documents will contain provisions relating to the maintenance and operation of

the Project, indemnification, insurance and other agreements and covenants which are required or permitted by the Act and which the Port Authority, Open Cities and the Trustee deem necessary or desirable for the financing of the Project.

6. The Port Authority has been advised by Open Cities that the economic feasibility of operating the Project would be significantly reduced without the proposed revenue bond financing.

7. The Port Authority desires to: promote the general welfare of City of Saint Paul and the east metro community; enhance the image and reputation of City of Saint Paul and east metro community; advance efforts to provide non-profit services within the metro area and east metro community.

8. The Port Authority's Credit Committee has given its approval to the issuance of the Bonds.

9. Pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and pursuant to a notice published by the Port Authority not fewer than 15 days prior to the public hearing, a public hearing was held on July 22, 2014, regarding the issuance of the Bonds, at which public hearing all persons were given an opportunity to speak.

10. The Bonds and the interest thereon shall be payable solely from the revenue pledged therefor and the Bonds shall not constitute indebtedness of the Port Authority within the meaning of any constitutional or statutory debt limitation, nor shall the Bonds constitute nor give rise to a pecuniary liability of the Port Authority or the City of Saint Paul or a charge against their general credit or taxing powers, nor shall the Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Port Authority or the City of Saint Paul, other than revenues from the Project pledged to the payment of the Bonds.

11. It is intended that interest on the Bonds be excluded from gross income of the holders thereof for federal income tax purposes and that the Bonds be designated as "bank qualified" for purposes of Section 265 of the Code.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL, AS FOLLOWS:

General Authorization

A. On the basis of information provided by Open Cities to the Port Authority it appears, and the Port Authority hereby finds, that: the Project constitutes properties, used or useful in connection with one or more revenue producing enterprises engaged in any business within the meaning of the Minnesota Statutes, Sections 469.152 to 469.1561 (the "Act"); the Project furthers the purposes stated in the Act; and it is in the best

interests of the port district and the people of the City of Saint Paul, Minnesota, to assist Open Cities in refinancing the Project.

B. For the purpose of refinancing the Project and paying certain costs of issuance, the Port Authority hereby authorizes the issuance, sale and delivery of the Bonds in an aggregate principal amount not to exceed \$4,350,000. The Bonds shall be in such principal amount, bear interest at such rates, mature on such dates, and be subject to prepayment prior to maturity, and have such other terms as shall be set forth in the Indenture and approved by the President and the Chief Financial Officer of the Port Authority.

C. Neither the Bonds, nor the interest thereon, shall constitute indebtedness of the Port Authority or the City of Saint Paul within the meaning of any constitutional or statutory debt limitation; nor shall the Bonds constitute or give rise to a pecuniary liability of the Port Authority or the City of Saint Paul or a charge against their general credit or taxing powers, nor shall the Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Port Authority or the City of Saint Paul other than revenues from the Project pledged to the payment of the Bonds, and neither the full faith and credit nor the general taxing powers of the Port Authority or the City of Saint Paul is pledged to the payment of the Bonds or interest thereon.

D. The President and Chief Financial Officer of the Port Authority are authorized to review and approve all documents in connection with the sale, issuance and delivery of the Bonds, including without limitation, the following:

1. the Loan Agreement;
2. the Indenture;
3. the form of the Bonds;
4. a Bond Purchase Agreement, between the Port Authority, Open Cities and Northland Securities (the "Underwriter") (the "Bond Purchase Agreement"); and
5. a Preliminary Official Statement and a final Official Statement to be used in marketing the Bonds (the "Official Statement").

The Loan Agreement, Indenture, Bonds and the Bond Purchase Agreement, together with any other documents, certificates or instruments necessary or convenient in connection with the issuance of the Bonds and to be executed by the Port Authority, are hereinafter referred to as the "Bond Documents."

E. It is hereby found, determined and declared that:

1. It is desirable that the Bonds be issued by the Port Authority upon the general terms set forth in the Bond Documents, as applicable;

2. Under the provisions of and as provided in the Bond Documents, the Bonds are not to be payable from or a charge upon any funds other than the revenues pledged to the payment thereof; no holder of the Bonds shall ever have the right to compel any exercise by the Port Authority or the City of Saint Paul of its taxing powers to pay the Bonds or the interest or premium thereon, or to enforce payment thereof against any property of the Port Authority or the City of Saint Paul except the interests of the Port Authority which have been pledged to the payment thereof by the Bond Documents; the Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Port Authority or the City of Saint Paul except the interests of the Port Authority which have been pledged to the payment thereof by the Bond Documents; the Bonds shall recite that they are payable, including interest thereon, solely from the revenues pledged to the payment thereof; and the Bonds shall not constitute a debt of the Port Authority or the City of Saint Paul within the meaning of any constitutional or statutory limitation.

F. Upon approval of the Bond Documents and exhibits by the President and Chief Financial Officer, the President and Chief Financial Officer of the Port Authority, or such other officer as may be appropriate in the absence of either the President and Chief Financial Officer, are hereby authorized to execute the Bond Documents in the forms approved, and any other documents and certificates which in the opinion of Port Authority management and Bond Counsel are necessary to the transaction herein described. The execution of any instrument by the appropriate officer or officers of the Port Authority herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. The execution of any documents necessary for the transaction herein described by individuals who were at the time of execution thereof the authorized officers of the Port Authority shall bind the Port Authority, notwithstanding that such individuals or any of them has ceased to hold such office or offices prior to the authentication and delivery of the Bonds. Copies of all of the documents necessary to the transaction described shall be delivered, filed and recorded as provided herein and in the Indenture, Loan Agreement, and the Mortgage. The Port Authority has not participated in the preparation of the Official Statement and expresses no opinion with respect to the accuracy or adequacy thereof.

G. The President and other officers of the Port Authority are authorized and directed to prepare and furnish to the Trustee and Bond Counsel certified copies of proceedings and records of the Port Authority relating to the issuance of the Bonds and other transactions herein contemplated, and such other affidavits and certificates as may be required to show the facts relating to the legality of the Bonds and the other transactions herein contemplated as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies,

certificates and affidavits, including any heretofore furnished, shall constitute representations of the Port Authority as to the truth of all statements contained therein.

H. Approval by the President and Chief Financial Officer of the Bond Documents referred to above includes approval of, among other things:

1. the final principal amount of the Bonds, provided that such principal amount shall not exceed \$4,350,000;
2. the interest rate or rates to be borne by the Bonds, provided that the net interest cost shall not exceed 12% per annum;
3. the establishment of the maturity and prepayment provisions to be applicable to the Bonds provided that the final maturity of the Bonds shall not be later than December 31, 2032; and
4. such related instruments as may be required to satisfy the conditions of the Underwriter.

I. The Port Authority hereby consents to the distribution of the Official Statement, as such Official Statement is finalized with the participation of Port Authority management and Bond Counsel.

The Bonds

J. As conditions to the issuance and delivery of the Bonds, there shall be filed with the Trustee (except to the extent waived by the Port Authority) the following items:

1. an executed copy of each of the following documents:
 - (a) the Loan Agreement;
 - (b) the Indenture;
 - (b) the Mortgage;
2. an opinion of counsel for Open Cities as prescribed by the Underwriter and Bond Counsel;
3. the opinion of Bond Counsel as to the validity of the Bonds and the tax-exempt status of interest on the Series A Bonds;
4. such other documents and opinions as Bond Counsel may reasonably require for purposes of rendering its opinion described above or that the Underwriter may reasonably require for closing.

K. The Bonds shall be issued as fully registered bonds as provided in the Indenture.

L. The Bonds will be issued without being registered under state or other securities laws, pursuant to an exemption for such issuance; and accordingly the Bonds may not be assigned or transferred in whole or in part, nor may a participation interest in the Bonds be given pursuant to any participation agreement, except as an exempt security or as an exempt transaction.

Miscellaneous

M. 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 Bonds and the other transactions herein contemplated, is hereby delegated to the President of the Port Authority, provided that: (a) such amendments do not require the consent of the Trustee or if required, such consent has been obtained; (b) such amendments do not materially adversely affect the interests of the Port Authority as the issuer of the Bonds; (c) such amendments do not contravene or violate any policy of the Port Authority; and (d) the Port Authority has received an opinion of Bond Counsel that such changes do not adversely affect the tax-exempt status of interest on the Series A Note and are authorized under the Indenture. The execution of any instrument by the President of the Port Authority shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof.

N. No covenant, stipulation, obligation or agreement contained herein or in the Bond Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member of the Board of Commissioners of the Port Authority, or any officer, agent or employee of the Port Authority in that persons individual capacity, and neither the Board of Commissioners nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

O. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions contained herein invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or paragraphs contained in this Resolution shall not affect the remaining portions of this Resolution or any part thereof.

P. The Port Authority does not reasonably anticipate that it will issue tax-exempt obligations (other than private activity bonds which are not “qualified 501(c)(3) bonds” within the meaning of Section 145 of the Code) in an amount exceeding \$10,000,000, and accordingly, the Port Authority expects to be a “qualified small issuer” in 2015 within the meaning of Section 265(b)(3)(C) of the Code. The Port Authority has been advised that the Series 2015A Bond, when issued, will be a “qualified 501(c)(3) bond.” Accordingly, the Port Authority hereby designates the Series 2015A Bond, when issued, as a “qualified tax-exempt obligation” for purposes of Section 265(b) of the Code.

Q. The actions of Port Authority management in causing the publication of the notice of public hearing, and in communicating with the City of Saint Paul and the Housing and Redevelopment Authority of the City of Saint Paul as needed with respect to the issuance of the Bonds, are hereby ratified and confirmed. Port Authority management is further authorized to take such other action as might be required to obtain any other approvals required for the issuance of the Bonds.

Adopted: February 24, 2015

PORT AUTHORITY OF THE CITY
OF SAINT PAUL

By _____
Its Chair

ATTEST:

By _____
Its Secretary