



Obligations to enable the HRA to adopt this final bond resolution (the "Resolution") on this date.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, as follows:

1. Proposal for Issuance of Obligations. For the purpose of providing funds to finance the acquisition, construction and equipping of an approximately 50-unit rental housing facility with parking and related amenities to be located at 2700 University Avenue and directly adjacent to the Westgate station of the Green Line in the City (the "Project") there is hereby authorized the issuance, sale and delivery of the Obligations in an aggregate principal amount not to exceed \$9,000,000, the proceeds of which, together with funds provided by the Series 2015B Obligors, shall be used to finance the Project. The proceeds of the Obligations will be disbursed pursuant to a Master Disbursing Agreement among the HRA, the Borrower, the Trustee, the Senior Lender, and First American Title Insurance Company, and other parties as necessary (the "Disbursing Agent") (the "Disbursing Agreement"). To ensure compliance with certain rental and occupancy restrictions imposed by the Act and Section 142(d) of the Code and to ensure compliance with certain restrictions imposed by the HRA, the HRA Officials are also hereby authorized and directed to execute and deliver one or more Regulatory Agreements, dated as of or after May 1, 2015, among the HRA, the Series 2015B Obligors, the Trustee and/or the Senior Lender (collectively, the "Regulatory Agreement"). The Obligations will be subject to one or more intercreditor agreements among the HRA and other lenders for the Project (collectively, the "Intercreditor Agreement"). The Obligations will be subject to a Bond Compliance Agreement between the HRA, the Borrower and 2700 University FC GP, LLC (the "Bond Compliance Agreement"). The Obligations shall be special, limited obligations of the HRA payable solely from the funds pledged thereto. The Obligations are not to be payable from nor charged upon any funds of the HRA or the City other than the revenues pledged to their payment, nor is the HRA or the City subject to any liability thereon; no holders of the Obligations shall ever have the right to compel any exercise of the taxing power of the HRA or the City to pay any of the principal of, premium, if any, or interest on the Obligations; the Obligations shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the HRA, or the City, and each Obligation shall recite that the Obligations, including interest thereon, are payable solely from the revenues pledged to the payment thereof and that no Obligation shall constitute a debt of the HRA or the City within the meaning of any constitutional or statutory limitation. The Obligations shall contain a recital that they are issued pursuant to the Act and such recital shall be conclusive evidence of the validity and regularity of the issuance thereof.

2. Series 2015A Note Structure. Pursuant to a Loan Agreement, to be dated on or after May 1, 2015, the HRA will loan the proceeds of the Series 2015A Note to the Borrower to finance a portion of the Project (the "Series 2015A Loan Agreement"). The payments to be made by the Borrower under the Series 2015A Loan Agreement are fixed so as to produce revenue sufficient to pay the principal of, premium, if any, and interest on the Series 2015A Note when due. When executed, the right, title and interest of the HRA in, to and under, among other things, the Series 2015A Loan Agreement (except as therein provided) will be assigned to the Senior Lender pursuant to an Assignment of Loan Agreement dated on or after May 1, 2015, between the HRA and the Senior Lender (the "Loan Assignment Agreement"). It is further proposed that the Borrower will execute a Combination Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Financing Statement, dated as of or after May 1, 2015, as security for payment of the Series 2015A Note (the "Series 2015A Mortgage") in favor of the Senior Lender or in favor of the HRA and assigned to the Senior Lender pursuant to an Assignment of Combination Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Financing Statement dated on or after May 1, 2015 (the "Mortgage Assignment"). The Series 2015A Note will be further secured by one or more guaranty agreements including a Guaranty executed by David Flaherty and Flaherty & Collins Construction, Inc. in favor of the Senior Lender (the "Senior Guaranty"). The Series 2015A Note will be further secured by various security agreements including without limitation a Replacement Reserve and Security Agreement by and between the Borrower and the Senior Lender, dated on or after May 1, 2015 (the "Replacement Reserve Security Agreement"), and an Operating Reserve and Security Agreement by and between the Borrower and the Senior Lender, dated on or after May 1, 2015 (the "Operating Reserve Security Agreement"). The Series 2015A Note shall be in the principal amount, shall bear interest at a variable rate, shall be numbered, shall be dated, shall mature, shall be subject to redemption prior to maturity, and shall be in such form and have such other details and provisions as may be set forth therein, as executed in accordance with Sections 7 and 11.

3. Series 2015B Bonds Structure. Pursuant to a Loan Agreement, to be dated on or after May 1, 2015, between the HRA and the Series 2015B Obligor (the "Series 2015B Loan Agreement") the HRA will loan the proceeds of the Series 2015B Bonds to the Borrower to finance a portion of the Project. The payments to be made by the Series 2015B Obligor under the Series 2015B Loan Agreement are fixed so as to produce revenue sufficient to pay the principal of, premium, if any, and interest on the Series 2015B Bonds when due. When executed, the right, title and interest of the HRA in, to and under, among other things, the Series 2015B Loan Agreement (except as therein provided) will be assigned to the Trustee pursuant to the Series 2015B Indenture between the HRA and the Trustee. The Series 2015B Bonds will be further secured by one or more guaranty agreements including a Guaranty Agreement, dated as of or after May 1, 2015, executed by David Flaherty and Flaherty & Collins Construction, Inc. in favor of the Trustee (the "Series 2015B Guaranty"). The Series 2015B Bonds will be further secured by a Collateral Assignment of Tax Increment Revenue Note dated on or after May 1, 2015 from the Borrower to the Trustee (the "TIF Assignment") granting a security interest in the Taxable Tax Increment Note, Series 2015 dated on after May 1, 2015 (The "TIF Note") from the HRA to the Borrower. The Series 2015B Bonds will be paid and secured on a basis subordinate to the Series 2015A Bonds pursuant to one or more Subordination and Intercreditor Agreements, dated as of or after May 1, 2015, among the Senior Lender, the Series 2015B Obligor, the HRA and the Trustee (collectively, the "Subordination Agreement"). The Series 2015B Bonds will be purchased by the Underwriter pursuant to a Bond Purchase Agreement among the HRA, the Underwriter and the Series 2015B Obligor (the "Bond Purchase Agreement"). The Series 2015B Bonds shall be in denominations of at least \$100,000 in such principal amounts, shall bear interest at the rates, shall be numbered, shall be dated, shall mature, shall be subject to redemption prior to maturity, and shall be in such form and have such other details and provisions as may be prescribed in the Series 2015B Indenture, as executed in accordance with Sections 7 and 11; provided that the average coupon on the Series 2015B Bond shall not exceed 7.00% per annum. The Series 2015B Bonds will be offered pursuant to a Official Statement to beneficial owners each of whom is either (a) a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the "1933 Act"), that purchases for its own account or for the account of a qualified institutional buyer, or (b) an "accredited investor" as defined in Regulation D promulgated under the 1933 Act, that purchases for its own account and without registration under state or other securities laws, pursuant to an exemption for such issuance.

4. Additional Provisions Relating to Series 2015A Note.

(a) Registration of Transfer. The HRA will cause to be kept at the office of the Executive Director of the HRA a Note Register in which, subject to such reasonable regulations as it may prescribe, the HRA shall provide for the registration of transfers of ownership of the Series 2015A Note. The Series 2015A Note shall be initially registered in the name of the Senior Lender and shall be transferable, subject to the provisions herein and in the Series 2015A Note, upon the Note Register by the Senior Lender in person or by its agent duly authorized in writing, upon surrender of the Series 2015A Note together with a written instrument of transfer satisfactory to the Executive Director of the HRA, duly executed by the Senior Lender or its duly authorized agent. The following form of assignment shall be sufficient for said purpose.

For value received \_\_\_\_\_ hereby sells, assigns and transfers unto \_\_\_\_\_ the within Note of the HRA, and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer said Note on the books of said HRA with full power of substitution in the premises. The undersigned certifies that the transfer is made in accordance with the provisions of Section 4(d) of the Resolution authorizing the issuance of the Note.

Dated:

Registered Owner

Upon such transfer the Executive Director of the HRA shall note the date of registration and the name and address of the new holder thereof in the Note Register, and in the registration blank appearing on the Series 2015A Note.

(b) Mutilated, Lost or Destroyed Series 2015A Note. In case a Series 2015A Note issued hereunder shall become mutilated or be destroyed or lost, the HRA shall, if not then prohibited by law, cause to be executed and delivered, a new Series 2015A Note, of like outstanding principal amount, number and tenor in exchange and substitution for and upon cancellation of such mutilated Series 2015A Note, or in lieu of and in

substitution for such Series 2015A Note destroyed or lost, upon the Senior Lender paying the reasonable expenses and charges of the HRA in connection therewith, and in the case of a Series 2015A Note destroyed or lost, the filing with the HRA of evidence satisfactory to the HRA with indemnity satisfactory to it. If the mutilated, destroyed or lost Series 2015A Note has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Series 2015A Note, prior to payment.

(c) Ownership of Series 2015A Note. The HRA may deem and treat the person in whose name the Series 2015A Note are last registered in the Note Register and by notation on the Series 2015A Note, whether or not such Series 2015A Note shall be overdue, as the absolute owner of such Series 2015A Note, for the purpose of receiving payment of or on account of the principal thereof, redemption price or interest and for all other purposes whatsoever, and the HRA shall not be affected by any notice to the contrary.

(d) Limitation on Series 2015A Note Transfers. The Series 2015A Note will be issued to either (a) a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act, that purchases for its own account or for the account of a qualified institutional buyer, or (b) an "accredited investor" as defined in Regulation D promulgated under the 1933 Act, that purchases for its own account and without registration under state or other securities laws, pursuant to an exemption for such issuance. The Series 2015A Note may not be assigned or transferred in whole or part, nor may a participation interest in the Series 2015A Note be given pursuant to any participation agreement, except to another "qualified institutional buyer" or "accredited investor" in accordance with an applicable exemption from such registration requirements and with full and accurate disclosure of all material facts to the prospective purchaser(s) or transferee(s).

5. Issuance of Replacement Series 2015A Note. Subject to the provisions of 4(d), the HRA shall, at the request and expense of the Senior Lender or the Subordinate Lender, as the case may be, issue a new Series 2015A Note, in aggregate outstanding principal amount equal to that of such Series 2015A Note, and of like tenor except as to number, principal amount, and the amount of the periodic installments payable thereunder, and registered in the name of the Senior Lender, or such transferee as may be designated by the Senior Lender or the Subordinate Lender, as applicable.

6. Findings. It is hereby found, determined and declared that:

(a) the Project furthers the policies of the Act;

(b) the Project promotes the public welfare by providing necessary multifamily rental housing, so that adequate multifamily rental housing facilities are available to residents of the City at a reasonable cost;

(c) the Act authorizes the acquisition, construction and installation of the facilities and equipment to be financed by the Obligations, the issuance and sale of the Obligations, the execution and delivery by the HRA of the Bond Purchase Agreement, the Series 2015A Loan Agreement, the Series 2015B Loan Agreement, the Series 2015B Indenture, the Loan Assignment Agreement, the Mortgage Assignment, the Regulatory Agreement; the consent to the TIF Assignment; the Bond Compliance Agreement and such other documents as Bond Counsel considers appropriate in connection with the issuance of the Obligations (collectively, the "Financing Documents"), the performance of all covenants and agreements of the HRA contained in the Financing Documents, and the performance of all other acts and things required under the constitution and laws of the State of Minnesota to make the Financing Documents and Obligations valid and binding obligations of the HRA in accordance with their terms;

(d) it is desirable that the Series 2015B Bonds be issued by the HRA upon the terms set forth in the Series 2015B Indenture and that the Series 2015A Note be issued by the HRA upon the terms set forth herein and in the Series 2015A Loan Agreement;

(e) the payments under the Series 2015A Loan Agreement are fixed to produce revenue sufficient to provide for the prompt payment of principal of, premium, if any, and interest on the Series 2015A Note when due, and the Series 2015A Loan Agreement also provides that the Borrower is required to pay all expenses of the operation and maintenance of the facilities to be financed by the Obligations, including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and any taxes and special assessments levied upon or with respect to the premises of said facilities and payable during the term of the Series 2015A Loan Agreement;

(f) the payments under the Series 2015B Loan Agreement are fixed to produce revenue sufficient to provide for the prompt payment of principal of, premium, if any, and interest on the Series 2015B Bonds when due, and the Series 2015B Loan Agreement and the Series 2015B Indenture also provide that

the Series 2015B Obligors are required to pay all expenses of the operation and maintenance of the facilities to be financed by the Obligations, including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and any taxes and special assessments levied upon or with respect to the premises of said facilities and payable during the term of the Series 2015B Loan Agreement and the Series 2015B Indenture;

(g) as provided therein and in the Series 2015A Loan Agreement, the Series 2015B Loan Agreement, and the Series 2015B Indenture, the Obligations are not to be payable from or charged upon any funds other than the revenue pledged to the payment thereof; neither the HRA nor the City is subject to any liability thereon; no holder of any Obligation shall ever have the right to compel any exercise by the HRA or the City of any taxing powers to pay any of the Obligations or the interest or premium thereon, or to enforce payment thereof against any property of the HRA or the City, except the interests of the HRA in the Series 2015A Loan Agreement which have been assigned to the Senior Lender under the Loan Agreement Assignment, the interests of the HRA in the Series 2015B Loan Agreement which have been assigned to the Trustee under the Series 2015B Indenture; the Obligations shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the HRA except the interests of the HRA in the Series 2015A Loan Agreement which have been assigned to the Senior Lender under the Loan Agreement Assignment, except the interests of the HRA in the Series 2015B Loan Agreement which have been assigned to the Trustee under the Series 2015B Indenture; the Obligations shall recite that the Obligations do not constitute or give rise to a pecuniary liability or moral obligation of the HRA, the City, the State of Minnesota or any political subdivision, and that the Obligations, including interest thereon, are payable solely from the revenues pledged to the payment thereof; and the Obligations shall not constitute a debt of the HRA or the City within the meaning of any constitutional or statutory limitation.

7. Approval of Forms; Execution. Subject to the approval of the Saint Paul City Attorney, and the provisions of Sections 11 and 12 hereof, the forms of the Financing Documents and exhibits thereto and all other documents listed in Sections 1, 2 and 3 hereof are approved substantially in the forms prepared for consideration by the Board. Subject to the provisions of Section 11 hereof, the Financing Documents to which the HRA is a party, in substantially the forms submitted, are authorized and directed to be executed in the name and on behalf of the HRA by the Chair or Commissioner and Executive Director of the HRA and by the Director, Office of Financial Services of the City; provided that the Bond Purchase Agreement may be executed on behalf of the HRA solely by the Executive Director of the HRA. Subject to the provisions of Section 11 hereof, the Series 2015B Bonds are to be executed in the name of and on behalf of the HRA by the Chair or Commissioner, Executive Director and by the Director, Office of Financial Services of the City, and are to be delivered to the Trustee for authentication and delivery to the Underwriter or the Purchaser. Subject to the provisions of Section 11 hereof, the Series 2015A Note is to be executed in the name of and on behalf of the HRA by the Chair or Commissioner, Executive Director and by the Director, Office of Financial Services of the City, and are to be delivered to the Senior Lender. Any other HRA documents and certificates necessary to the transaction described above may be executed by one or more appropriate officers of the HRA, including but not limited to the Executive Director. Copies of all of the documents necessary to the transaction herein described shall be delivered, filed and recorded as provided herein and in the Series 2015A Loan Agreement, the Series 2015B Loan Agreement and the Series 2015B Indenture.

8. Official Statement. The HRA hereby consents to the preparation and distribution of the Official Statement for the Series 2015B Bonds; provided that it is understood that the HRA has relied upon the Series 2015B Obligors and the Underwriter and legal counsel retained by them to assure the accuracy and completeness of the information set forth in the Official Statement and that therefore the HRA has not made, and will not make, any representations or warranties with respect to the information contained therein, except under the heading "The Issuer""ABSENCE OF MATERIAL LITIGATION-The Issuer" but only as it relates to the Issuer.

9. Issuance. The HRA shall proceed forthwith to issue the Obligations, in the forms and upon the terms set forth in the Series 2015B Indenture and this Resolution, if and to the extent the HRA officers determine to proceed with the Project which determination shall be deemed made upon execution of the Financing Documents by the HRA officers. The Obligations shall be payable or prepayable at such time or times, shall bear interest at such rates and shall be subject to such other terms and conditions as set forth therein which the Underwriter, the Senior Lender, the Borrower, the Series 2015B Obligors and the HRA shall

agree to, which agreement shall be deemed to have been made upon execution and delivery of the Obligations by the HRA officers. The HRA officers are authorized and directed to execute and deliver the Obligations as prescribed in the Series 2015B Indenture and this Resolution.

10. Records and Certificates. The Officials and other officers of the HRA are authorized and directed to prepare and furnish to the Underwriter certified copies of all proceedings and records of the HRA and the City relating to the Obligations, and such other affidavits and certificates as may be required to show the facts relating to the legality of the Obligations 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 HRA as to the truth of all statements contained therein.

11. Changes in Forms Approved; Absent and Disabled Officers. The approval hereby given to the various documents referred to above includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the Saint Paul City Attorney to the HRA, the appropriate HRA staff person or by the officers authorized herein to execute or accept, as the case may be, said documents prior to their execution; and said officers or staff members are hereby authorized to approve said changes on behalf of the HRA. The execution of any instrument by the appropriate officer or officers of the HRA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any member of the Board or any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the Saint Paul City Attorney, may act in their behalf.

12. Future Amendments. The authority to approve, execute and deliver future amendments to Financing Documents entered into by the HRA in connection with the issuance of the Obligations and consents required under the financing documents is hereby delegated to the Executive Director and Director, Office of Financial Services, subject to the following conditions: (a) such amendments or consents do not require the consent of the respective holders of the Obligations or such consent has been obtained; (b) such amendments or consents do not materially adversely affect the interests of the HRA; (c) such amendments or consents do not contravene or violate any policy of the HRA; and (d) such amendments or consents are acceptable in form and substance to the counsel retained by the HRA 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 Executive Director and Director, Office of Financial Services shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Executive Director or Director, Office of Financial Services, any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the HRA or the City of Saint Paul authorized to act in their place and stead.

13. Indemnification by Borrower and Series 2015B Obligors. It is understood and agreed that the Borrower and the Series 2015B Obligors shall indemnify the HRA against all liabilities, losses, damages, costs and expenses (including attorney's fees and expenses incurred by the HRA) arising with respect to the Project or the Obligations, as provided for and agreed to by and between the Borrower and the Series 2015B Obligors and the HRA in the Loan Agreements.

14. Headings; Terms. Paragraph headings in this Resolution are for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof. Capitalized terms used but not defined herein shall have the meanings given them in the Series 2015A Loan Agreement, the Series 2015B Loan Agreement and the Series 2015B Indenture.