

the HRA of tax-exempt revenue bonds in one or more series and taxable revenue bonds in one or more series to be issued to finance the Project; and

WHEREAS, on December 6, 2017, the City Council adopted a preliminary resolution which constitutes a reimbursement resolution and an official intent to reimburse expenditures with respect to the Project from the proceeds of tax-exempt revenue bonds in accordance with the provisions of Treasury Regulations, Section 1.150-2; and

WHEREAS, on December 13, 2017, the HRA adopted RES 17-2038 which gave approval to the issuance of the Bonds for the Project. This resolution amends, supplements and restates such resolution to revise the maximum aggregate principal amount of tax-exempt revenue bonds to not greater than the lesser of \$39,250,000 or 51% of the Borrower's basis in the Project and amend the financing structure for the Bonds; and

WHEREAS, the proceeds derived from the sale of the Multifamily Housing Revenue Bonds (Legends at Berry Senior Apartments Project), Series 2018A, in one or more series (the "Series A Bonds"), will be loaned by the HRA to the Borrower pursuant to the terms of a Loan Agreement, dated on or after June 1, 2018 (the "Series A Loan Agreement"), between the HRA and the Borrower, whereby the HRA will apply the proceeds derived from the sale of the Bonds to fund a loan to the Borrower; and

WHEREAS, the proceeds derived from the sale of the Multifamily Housing Revenue Bonds (Legends at Berry Senior Apartments Project), Series 2018B, in one or more series (the "Series B Bonds" and, together with the Series A Bonds, the "Bonds") will be loaned by the HRA to the Borrower pursuant to the terms of a Loan Agreement, dated on or after June 1, 2018 (the "Series B Loan Agreement" and, together with the Series A Loan Agreement, the "Loan Agreements"), between the HRA and the Borrower, whereby the HRA will apply the proceeds derived from the sale of the Series B Bonds to fund a loan to the Borrower; and

WHEREAS, the HRA will assign its interest in the Series A Loan Agreement to U.S. Bank National Association (the "Series A Trustee") pursuant to an Indenture of Trust, dated on or after June 1, 2018, by and among the HRA and the Series A Trustee (the "Series A Indenture"); and

WHEREAS, the HRA will assign its interest in the Series B Loan Agreement to U.S. Bank National Association (the "Series B Trustee" and together with the Series A Trustee the "Trustees") pursuant to an Indenture of Trust, dated on or after June 1, 2018, by and among the HRA and the Series B Trustee (the "Series B Indenture" and, together with the Series A Indenture, the "Indentures"); and

WHEREAS, the Bonds and the interest on the Bonds: (i) shall be payable solely from the revenues pledged therefor under the Loan Agreements and the Indentures or other security documents described therein; (ii) shall not constitute a debt of the City or the HRA within the meaning of any constitutional or statutory limitation; (iii) shall not constitute nor give rise to a pecuniary liability of the City or the HRA or a charge against its general credit or taxing powers; (iv) shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City or the HRA other than the HRA's interest in the Loan Agreements; and (v) shall not constitute a general or moral obligation of the City or the HRA; and

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

1. The HRA acknowledges, finds, determines, and declares that the issuance of the Bonds is authorized by the Act and is consistent with the purposes of the Act and that the issuance of the Bonds, and the other actions of the HRA under the Indentures, the Loan Agreements, and this resolution constitute a public purpose and are in the interests of the HRA. The Project constitutes a "qualified residential rental project" within the meaning of Section 142(d) of the Code, and a "multifamily housing development" authorized by the Act, and furthers the purposes of the Act. In authorizing the issuance of the Bonds for the financing of

the Project and the related costs, the HRA's purpose is and the effect thereof will be to promote the public welfare of the City and its residents by providing multifamily housing developments for low or moderate income residents of the City and otherwise furthering the purposes and policies of the Act.

2. The preparation of the Housing Program is hereby ratified, confirmed, and approved. The Housing Program is hereby adopted, ratified, and approved in all respects provided that it is hereby amended to authorize the issuance by the HRA of tax-exempt revenue bonds in one or more series and taxable revenue bonds in one or more series to be issued to finance the Project in an amount not to exceed \$42,000,000, of which the maximum aggregate principal amount of tax-exempt revenue bonds shall not exceed the lesser of \$39,250,000 or 51% of the Borrower's basis in the Project. The Executive Director of the HRA is hereby authorized to do all other things and take all other actions as may be necessary or appropriate to carry out the Housing Program in accordance with the Act and any other applicable laws and regulations.

3. For the purposes set forth above, there is hereby authorized the issuance, sale, and delivery of the Bonds in one or more series in a maximum aggregate principal amount not to exceed \$42,000,000, of which the maximum aggregate principal amount of tax-exempt revenue Bonds shall not exceed the lesser of \$39,250,000 or 51% of the Borrower's basis in the Project. The Bonds shall bear interest at the rates, shall be designated, shall be numbered, shall be dated, shall mature, shall be in the aggregate principal amount, shall be subject to redemption prior to maturity, shall be in such form, and shall have such other terms, details, and provisions as are prescribed therein or in the Indentures, in substantially the forms now on file with the Executive Director of the HRA, with necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of the Bonds, the stated maturity of the Bonds, the interest rate or rates on the Bonds and the terms of redemption of the Bonds) as are approved as evidenced by the execution thereof as provided in Section 9; provided that the average coupon on the Bonds shall not exceed 4.50% per annum. The HRA hereby authorizes the Bonds to be issued, in whole or in part, as "tax-exempt bonds," the interest on which is excluded from gross income for federal and State of Minnesota income tax purposes; provided that, if necessary, a portion of the authorized amount of the Bonds may, alternatively, be issued as taxable obligations. The HRA hereby authorizes Kennedy & Graven, Chartered, as bond counsel, to prepare, execute, and deliver its approving legal opinions with respect to the Bonds.

The HRA hereby authorizes the issuance of the Bonds in minimum denominations of \$5,000 subject to obtaining a rating in the A or higher category, otherwise the Bonds will be issued in minimum denominations of \$100,000.

All of the provisions of the 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 Bonds shall be substantially in the form in the Indentures or otherwise on file with the Executive Director of the HRA, which form is hereby approved, with such necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of the Bonds, the stated maturities of the Bonds, the interest rates on the Bonds and the terms of redemption of the Bonds) as the Chair or Commissioner, Executive Director and the Director, Office of Financial Services of the City (collectively, the "Authorized Officials"), in their discretion, shall determine. The execution of the Bonds with the manual or facsimile signatures of the Authorized Officials and the delivery of the Bonds by the HRA shall be conclusive evidence of such determination. The Board of Commissioners hereby authorizes and directs the Authorized Officials to execute the Indentures, and to deliver the Indentures to the Trustees, and hereby authorizes and directs the execution of the Bonds in accordance with the terms of the Indentures, and hereby provides that the Indentures shall provide the terms and conditions, covenants, rights, obligations, duties, and agreements of the owners of the Bonds, the HRA, and the Trustees as set forth therein. The Paying Agent and the Bond Registrar for the Bonds shall be the Trustees or other appropriate entity appointed by the Borrower.

4. The Bonds shall be special, limited revenue obligations of the HRA payable solely from the revenues provided by the Borrower pursuant to the Loan Agreements, and other funds pledged pursuant to

the Indentures; the HRA does not pledge its general credit or taxing powers or any funds of the City or the HRA to the payment of the Bonds.

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, or any officer, agent or employee of the HRA in that person's individual capacity, and neither the Board nor any officer or employee executing the Bonds shall be personally liable on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

5. The Bonds will be purchased by Dougherty & Company LLC (the "Underwriter") pursuant to the Bond Purchase Agreement, dated on or after the date this resolution is approved, among the Underwriter, the HRA, and the Borrower (the "Bond Purchase Agreement"). In accordance with the policy of the HRA, if the Bonds are not rated in the A or higher category, the initial purchaser will be required to execute and deliver an investor letter to the HRA, confirming that the initial purchaser of the Bonds 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.

6. The Borrower shall apply the proceeds of the Loan made pursuant to the terms and conditions of the Loan Agreements to the payment of a portion of the capital costs of the Project and related costs. The Loan repayments to be made by the Borrower under the Loan Agreements are to be fixed so as to produce revenues sufficient to pay the principal of, premium, if any, and interest on the Bonds when due.

7. 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 Project will be subject to a Regulatory Agreement, dated as of or after June 1, 2018 (the "Regulatory Agreement"), among the HRA, the Borrower, and the Trustees.

8. To ensure compliance with certain requirements imposed by the City and the HRA, the Project will be subject to a Bond Compliance Agreement dated as of or after June 1, 2018 (the "Bond Compliance Agreement") between the HRA and the Borrower.

9. The Authorized Officials are hereby authorized and directed to execute and deliver the Indentures, the Loan Agreements, Bonds, the Bond Purchase Agreement, the Regulatory Agreement, the Bond Compliance Agreement, the Development Agreement (as defined below) and any consents and such other documents as are necessary or appropriate in connection with the issuance, sale, and delivery of the Bonds, including without limitation various certificates of the HRA, the Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038, a certificate as to arbitrage and rebate, and similar documents (collectively, the "Financing Documents"); provided that the Bond Purchase Agreement may be executed on behalf of the HRA solely by the Executive Director of the HRA.

The approval hereby given to the Financing Documents 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 as determined by the parties thereto 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.

10. The HRA has not participated in the preparation of any Official Statements, relating to the offer and sale of the Bonds (collectively, with respect to one or more offering documents for the Bonds, the "Official Statement"), and has made no independent investigation with respect to the information contained therein, including the appendices thereto, and the HRA assumes no responsibility for the sufficiency, accuracy, or completeness of such information. Subject to the foregoing, the HRA hereby consents to the distribution and the use by the Underwriter of the Official Statement in connection with the offer and sale of the Bonds. The Official Statement is the sole material consented to by the HRA for use in connection with the offer and sale of the Bonds.

11. Except as otherwise provided in this resolution, all rights, powers, and privileges conferred and duties and liabilities imposed upon the HRA or the Board by the provisions of this resolution or of the aforementioned documents shall be exercised or performed by the HRA or by such members of the Board, 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 provision, covenant or agreement contained in the aforementioned documents, the Bonds, or in any other document relating to the Bonds, and no obligation therein or herein imposed upon the HRA or the breach thereof, shall constitute or give rise to a general or moral obligation of the City or the HRA or any pecuniary liability of the City or the HRA or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants, and representations set forth in such documents, the HRA has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Loan Agreements which are to be applied to the payment of the Bonds, as provided therein.

Except as otherwise expressly provided herein, 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 HRA, any holder of the 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 HRA, and any holder from time to time of the Bonds issued under the provisions of this resolution.

12. In case any one or more of the provisions of this resolution, other than the provisions contained in Sections 4, 11 or 15, or of the aforementioned documents, or of the 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 Bonds, but this resolution, the aforementioned documents, and the Bonds shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

13. The 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 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 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.

14. The officers of the HRA, bond counsel, other attorneys, engineers, and other agents or employees of the HRA are hereby authorized to do all acts and things required of them by or in connection with this resolution, the aforementioned documents, and the Bonds, for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Bonds, the aforementioned documents, and this resolution. If for any reason any of the Authorized Officials is unable to execute and deliver the documents referred to in this Resolution, such documents may be executed by any member of the Board or any officer of the HRA delegated the duties of any such Authorized Officials with the same force and

effect as if such documents were executed and delivered by such Authorized Officials.

15. The Borrower shall pay the administrative fee of the HRA as provided in the Loan Agreements. The Borrower will also pay, or, upon demand, reimburse the HRA for payment of, any and all costs incurred by the HRA in connection with the Project and the issuance of the Bonds, whether or not the Bonds are issued, including any costs for attorneys' fees. The Borrower 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 Bonds, as provided for and agreed to by the Borrower in the Loan Agreements.

16. The authority to approve, execute and deliver future amendments to the Financing Documents herein authorized entered into by the HRA in connection with the issuance of the Bonds and any consents required under the Financing Documents is hereby delegated to the Executive Director of the HRA, subject to the following conditions: (a) such amendments or consents do not require the consent of the holder of the Bonds 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 shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Executive Director, any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the HRA or the City authorized to act in his/her place and stead.

17. The HRA has established a governmental program of acquiring purpose investments for qualified residential rental projects. The governmental program is one in which the following requirements of §1.148-1(b) of the federal regulations relating to tax-exempt obligations shall be met:

- (a) the program involves the origination or acquisition of purpose investments;
- (b) at least 95% of the cost of the purpose investments acquired under the program represents one or more loans to a substantial number of persons representing the general public, states or political subdivisions, 501(c)(3) organizations, persons who provide housing and related facilities, or any combination of the foregoing;
- (c) at least 95% of the receipts from the purpose investments are used to pay principal, interest, or redemption prices on issues that financed the program, to pay or reimburse administrative costs of those issues or of the program, to pay or reimburse anticipated future losses directly related to the program, to finance additional purpose investments for the same general purposes of the program, or to redeem and retire governmental obligations at the next earliest possible date of redemption;
- (d) the program documents prohibit any obligor on a purpose investment financed by the program or any related party to that obligor from purchasing Bonds of an issue that finances the program in an amount related to the amount of the purpose investment acquired from that obligor; and
- (e) the HRA shall not waive the right to treat the investment as a program investment.

18. Capitalized terms used but not defined herein shall have the meanings given them in the Financing Documents.

19. RES 17-2038, adopted by the Board of Commissioners on December 13, 2017, is supplemented but not superseded by this Resolution.

20. In accordance with Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the "TIF Act") and particularly Sections 469.176, Subd. 4j, 469.176, Subd. 4k, and 469.1763, Subd. 2(d), the HRA finds that it is necessary and desirable and in accordance with the public purposes of the TIF Act to provide up to \$600,000 of the balance in TIF account for the Snelling University Tax Increment Financing District which was generated by sales proceeds from the Penfield project, which funds are allocated to public improvements directly related to the Project which is an affordable housing project that meets the requirements of Minnesota Statutes, Section 469.1763, Subd. 2(d) (the "TIF Assistance"). The HRA hereby approves the Budget Amendment attached to the staff report (the "Financial Analysis"). The HRA will provide the TIF Assistance pursuant to a Development and Loan Agreement with the Borrower (the "Development Agreement"), and any related documents, which is hereby approved in substantially the form on file with the Executive Director of the HRA, and as further provided in Sections 9 and 16 hereof.

21. This Resolution shall be in full force and effect from and after its approval.