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Title: Resolution Authorizing the Execution of Certain Documents relating to the Merger of District Cooling St. Paul, Inc. into District Energy St. Paul, Inc., District 17, Ward 2

Sponsors: Dave Thune

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Date	Ver.	Action By	Action	Result
9/9/2015	1	Housing & Redevelopment Authority	Adopted	Pass

Resolution Authorizing the Execution of Certain Documents relating to the Merger of District Cooling St. Paul, Inc. into District Energy St. Paul, Inc., District 17, Ward 2

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "Authority") previously issued the following bonds and loaned the proceeds thereof to District Cooling St. Paul, Inc. ("District Cooling") or District Energy St. Paul, Inc. ("District Energy"), as applicable:

A. District Cooling Revenue Bonds, Series 2013A (501(c)(3)), in the original aggregate principal amount of \$15,365,000 (the "2013A Cooling Bonds"), pursuant to a Bond Indenture of Trust, dated as of October 1, 2013 (the "2013A/B Cooling Bond Indenture"), between the Authority and U.S. Bank National Association (the "Bond Trustee"), the proceeds of which were loaned to District Cooling pursuant to a Loan Agreement, dated as of October 1, 2013 (the "2013A/B Cooling Loan Agreement"), between District Cooling and the Authority;

B. District Cooling Revenue Refunding Bonds, Series 2013B (Non-AMT), in the original aggregate principal amount of \$4,810,000 (the "2013B Cooling Bonds"), pursuant to the 2013A/B Cooling Bond Indenture, the proceeds of which were loaned to District Cooling pursuant to the 2013A/B Cooling Loan Agreement;

C. District Cooling Revenue Bonds, Series 2013C (501(c)(3)), in the original aggregate principal amount of \$4,770,000 (the "Series 2013C Cooling Bonds"), pursuant to a Loan Agreement, dated October 21, 2013 (the "2013C Cooling Loan Agreement"), between the Authority and District Cooling, the proceeds of which were loaned to District Cooling and the Authority's right, title and interest in the 2013C Cooling Loan Agreement were pledged by the Authority to the purchaser thereof under the terms of a Pledge Agreement, dated October 21, 2013 (the "2013C Cooling Pledge Agreement");

D. District Heating Revenue Bonds, Series 2013A (501(c)(3)), in the original aggregate principal amount of \$18,640,000 (the "Series 2013A Heating Bonds"), pursuant to a Bond Indenture of Trust, dated as of October 1, 2013 (the "2013A/B Heating Bond Indenture"), between the Authority and

the Trustee, the proceeds of which were loaned to District Energy pursuant to a Loan Agreement, dated as of October 1, 2013 (the “2013A/B Heating Loan Agreement”) between District Energy and the Authority;

E. District Heating Revenue Refunding Bonds, Series 2013B (Non-AMT), in the original aggregate principal amount of \$3,690,000 (the “Series 2013B Bonds”), pursuant to the 2013A/B Heating Bond Indenture, the proceeds of which were loaned to District Energy pursuant to the 2013A/B Heating Loan Agreement;

F. District Heating Revenue Bonds, Series 2013C (501(c)(3)), in the original aggregate principal amount of \$5,230,000 (the “Series 2013C Heating Bonds”), pursuant to a Loan Agreement, dated October 21, 2013 (the “2013C Heating Loan Agreement”), between District Energy and the Authority, the proceeds of which were loaned to District Energy and the Authority’s right, title and interest in the 2013C Heating Loan Agreement were pledged by the Authority to the purchaser thereof pursuant to a Pledge Agreement, dated October 21, 2013 (the “2013C Heating Pledge Agreement”); and

WHEREAS, the Series 2013A Cooling Bonds, the Series 2013B Cooling Bonds, the Series 2013C Cooling Bonds, the Series 2013A Heating Bonds, the Series 2013B Heating Bonds, and the Series 2013C Heating Bonds are referred to herein collectively as the “Tax-Exempt Series 2013 Bonds”)

WHEREAS, the Authority, District Cooling, District Energy, and the Bond Trustee have also entered into Tax Exemption Agreements, dated as of October 1, 2013 (each a “Tax Exemption Agreement” and, together, the “Tax Exemption Agreements”, with respect to the Tax-Exempt Series 2013 Bonds;

WHEREAS, the 2013A/B Cooling Loan Agreement, the 2013A/B Heating Loan Agreement, the 2013A/B Cooling Bond Indenture, the 2013A/B Heating Bond Indenture, the 2013C Cooling Loan Agreement, the 2013C Cooling Pledge Agreement, the 2013C Heating Loan Agreement, the 2013C Heating Pledge Agreement, the Tax Exemption Agreements, and any other documents to which the Authority is a party with respect to the Tax-Exempt Series 2013 Bonds are hereinafter defined as the “Authority Documents”; and

WHEREAS, District Energy has previously notified the City of Saint Paul, Minnesota (the “City”), and the Authority of the intent of District Energy and District Cooling to merge (the “Merger”) in order to better fulfill their respective missions and enhance their ability to service the City and to create one united non-profit St. Paul community-based corporation that will provide district cooling, district heating, and related energy services for the benefit of the City and its residents; and

WHEREAS, the Merger will be accomplished under the provisions of a Plan of Merger for the Merger of District Cooling St. Paul, Inc. into District Energy St. Paul, Inc., dated June 12, 2015;

WHEREAS, as a result of the Merger, District Energy will assume all of the liabilities and obligations of District Cooling outstanding at the time of the Merger; and

WHEREAS, in connection with the Merger, District Energy will join District Cooling as an obligated group member under the Master Trust Indenture, dated as of October 1, 2013, as amended and supplemented (the “Cooling Master Indenture”), between District Cooling and U.S. Bank National Association (the “Master Trustee”), and become jointly and severally liable on the outstanding debt of District Cooling; and

WHEREAS, upon District Energy becoming an obligated group member under the Cooling Master Indenture, District Cooling will withdraw from such obligated group, leaving District Energy as the sole obligated party with respect to such indebtedness; and

WHEREAS, District Energy and the Master Trustee have also previously entered into a Master Trust

Indenture, dated as of October 1, 2013, as amended or supplemented (the "Heating Master Indenture"); and

WHEREAS, upon completion of the Merger, District Energy desires to amend, restate, transfer, and assign the obligations of District Energy under the Heating Master Indenture and the Cooling Master Indenture into one consolidated amended and restated master trust indenture, dated on or after October 1, 2015 (the "Amended and Restated Master Indenture") to govern the obligations of District Energy with respect to the obligations issued by District Energy to secure indebtedness such as the Tax-Exempt Series 2013 Bonds and any future obligations of District Energy; and

WHEREAS, the resolution of the Authority authorizing issuance of the Tax-Exempt Series 2013 Bonds also authorized the Executive Director to execute and deliver any necessary future amendments to the Authority Documents provided that such amendments or supplements, among other items, do not require the consent of any holders of the Tax-Exempt Series 2013 Bonds; and

WHEREAS, the consent of the holder of the Series 2013C Cooling Bonds and the Series 2013C Heating Bonds is required under the terms of the Series 2013C Cooling Loan Agreement and the Series 2013C Heating Loan Agreement for the Merger and District Energy is in the process of obtaining such consent; and

WHEREAS, District Energy is also asking for the holders of the Master Notes issued under the Cooling Master Indenture and the Heating Master Indenture to acknowledge in writing that such holders accept replacement and substitution of the obligations previously issued under the Cooling Master Indenture and the Heating Master Indenture, respectively with new amended and restated obligations issued under the Amended and Restated Master Indenture and acknowledge the Amended and Restated Master Indenture will govern the issuance of obligations by District Energy after the Merger; and

WHEREAS, in connection with the Merger and the assumption and assignment of the District Cooling obligations and documents to District Energy, District Energy and U.S. Bank National Association, as Bond Trustee and Master Trustee, have requested that the Authority execute and deliver such documents, instruments, and certificates as may be necessary for the Authority with respect to the amendment of the Authority Documents in order to properly document the Merger.

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

1. The Executive Director of the Authority, the Chair or any Commissioner of the Authority, and the Director of the Office of Financial Services or their proper designees, (collectively, the "Authorized Officials") are hereby directed and authorized to execute and deliver on behalf of the Authority any document, instrument, or certificate requested by District Energy, District Cooling, the Bond Trustee, or the Master Trustee in order to properly document (i) the Merger and the assumption by District Energy of the obligations of District Cooling under the Authority Documents to which District Cooling is a party and (ii) also to effectuate the execution and delivery of the Amended and Restated Master Indenture and the delivery of any replacement obligations as security for the Tax-Exempt Series 2013 Bonds.

2. In the event that if for any reason either of the Authorized Officials is unable to carry out the execution of any of the Authority Documents or other acts provided herein, amendments to the Authority Documents may be executed and such actions may be taken by any official or employee of the Authority delegated the duties of any such Authorized Official with the same force and effect as if such Authority Documents were executed and delivered by such Authorized Official.

3. This resolution shall be in full force and effect from and after its passage.