

**RESOLUTION
of the
CITY OF MINNEAPOLIS**

By Quincy

Relating to the tax increment financing of public improvements related to the Ivy Tower multifamily housing and hotel development located in the Ivy Tower Tax Increment Financing District; authorizing the issuance of Tax Increment Revenue Refunding Bonds (Ivy Tower Project), Series 2015; and providing the form, terms, pledge of revenues, and findings, covenants, and directions relating to the issuance of such obligations.

Resolved by The City Council of The City of Minneapolis:

SECTION 1. BACKGROUND

1.01. The Redevelopment Plan, the TIF District, the Redevelopment Project, and the TIF Plan. Pursuant to Resolution No. 2001R-516, adopted by the City Council of the City of Minneapolis (the “City”) on December 14, 2001, and approved by the Mayor of the City on December 20, 2001, the City approved the Ivy Tower Redevelopment Plan (the “Redevelopment Plan”) and established the Ivy Tower Tax Increment Financing District (the “TIF District”) under authority granted by Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “Tax Increment Act”), within the Ivy Tower Redevelopment Project Area (the “Redevelopment Project”), and adopted the Ivy Tower Tax Increment Financing Plan (the “TIF Plan”) for the purpose of financing certain improvements within the TIF District and the Redevelopment Project. Pursuant to Resolution No. 2001-2553M, adopted by the Board of Commissioners of the Minneapolis Community Development Agency (the “Agency”), the Agency approved the adoption of the Redevelopment Plan, the creation of the Redevelopment Project, the creation of the TIF District, and the adoption of the TIF Plan.

1.02. The Project. In order to provide for the redevelopment of the Redevelopment Project and the TIF District and, specifically, to provide for the renovation and restoration of the Ivy Tower Building, an historic building located in the TIF District at 1115 Second Avenue South in downtown Minneapolis, Minnesota, the Agency entered into a Contract for Private Redevelopment, dated March 27, 2002, between the Agency and Ivy Tower Minneapolis, LLC, a Minnesota limited liability company, and its assignees (the “Redeveloper”), as amended by the Amendment of Contract for Private Redevelopment, dated October 11, 2002, the Second Amendment of Contract for Private Development, dated February 27, 2004, the Third Amendment of Contract for Private Development, dated August 31, 2004, the Fourth Amendment of Contract for Private Development, dated November 23, 2004, and the Fifth Amendment of Contract for Private Development, dated February 22, 2005 (collectively, the “Redevelopment Contract”). Pursuant to Resolution No. 2004R-431, adopted by the City on October 8, 2004, the City Council of the City adopted Modification No. 1 to the Redevelopment Plan and Modification No. 1 to the Tax Increment Plan, which modified the private improvements authorized under the Redevelopment Plan and the TIF Plan from an office development to an owner-occupied housing and hotel development (the “Project”). Pursuant to Resolution No. 2005R-266, adopted on May 13, 2015, the City Council of the City adopted Modification No. 2 to the Tax Increment Plan, which

modified the TIF District budget and increased the bonded indebtedness that the City may incur with respect to the Project. The Project is comprised, in part, of: (i) ninety-one (91) units of new construction, owner-occupied condominium housing (with 20% of the units designated as affordable, in accordance with the City's affordable housing policy) in a twenty-six (26) story building located adjacent to the Ivy Tower and oriented generally on the corner of Eleventh Street and Second Avenue (the "Housing Improvements"); (ii) a hotel with one hundred thirty-six (136) rooms in twenty (20) stories situated in and behind the Ivy Tower; (iii) an underground garage with space to park approximately one hundred seventy-five (175) vehicles; and (iv) a limited amount of supportive commercial lease space.

1.03. Transfer of the TIF District and the Redevelopment Project to the City. Pursuant to Resolution No. 2003R-625, adopted by the City Council of the City on December 29, 2003, and Resolution No. 2003-2863M, adopted by the Board of Commissioners of the Agency on December 29, 2003, the duties of administering all programs, projects, and districts administered by the Agency, including the Redevelopment Plan, the Redevelopment Project, the TIF District, the TIF Plan, the Redevelopment Contract, and the Project were transferred to the City, effective January 1, 2004.

1.04. The Series 2005 Bonds and the Series 2005 Note. On May 13, 2005, the City Council of City adopted Resolution No. 2005R-267 (the "Series 2005 Bond Resolution"), which provided for the issuance and sale of its tax increment revenue bonds to finance public redevelopment improvements related to the Project. In accordance with the terms of the Series 2005 Bond Resolution and an Indenture of Trust, dated as of December 1, 2005 (the "Series 2005 Indenture"), between the City and U.S. Bank National Association (the "Prior Trustee"), the City issued its Tax Increment Revenue Bonds (Ivy Tower Project), Series 2005 (the "Series 2005 Bonds"), in the principal amount of \$4,935,000, dated December 20, 2005, payable solely from tax increment revenues generated from the Housing Improvements and other funds which are part of certain property granted to the Prior Trustee pursuant to the Series 2005 Indenture. On May 13, 2005, the City Council of City adopted Resolution No. 2005R-268 (the "Pay-Go Note Resolution"), which provided for the issuance and sale of its tax increment limited revenue note to finance the Project, consisting generally of defraying certain public redevelopment costs incurred by the Redeveloper within and for the benefit of the Project. In accordance with the terms of the Pay-Go Note Resolution, the City issued its Taxable Tax Increment Limited Revenue Note (Ivy Tower) (the "Series 2005 Pay-Go Note"), in the original stated principal amount of \$2,951,400. The Series 2005 Pay-Go Note was payable solely from a portion of tax increment revenues generated from the Project, excluding the Housing Improvements. The Series 2005 Bonds and the Series 2005 Pay-Go Note are hereinafter referred to collectively as the "Series 2005 Obligations."

1.05. Terms for Redemption of the Series 2005 Bonds. Under the terms of Section 3.1 of the Indenture and the Series 2005 Bonds, the Series 2005 Bonds are subject to redemption at the option of the City, on or after February 1, 2014, upon: (i) notice by the City to the Prior Trustee of the optional redemption of the Series 2005 Bonds which notice must be provided to the Prior Trustee at least forty-five (45) days prior to an optional redemption date fixed by the City (unless a shorter notice is satisfactory to the Prior Trustee); and (ii) notice by the Prior Trustee to the holders of the Series 2005 Bonds of the optional redemption of the Series 2005 Bonds which notice must be given at least thirty (30) days prior to the redemption date.

1.06. Terms for Redemption of the Series 2005 Pay-Go Note. Under the terms of the Series 2005 Pay-Go Note, the Series 2005 Pay-Go Note may be prepaid in full or in part at any time without penalty.

1.07. Authority to Issue Refunding Bonds. In accordance with the provisions of Section 469.178 of the Tax Increment Act, the City is authorized to issue and sell its tax increment revenue bonds for the purpose of refunding the Series 2005 Obligations and to pledge to the payment of the principal of and interest on such tax increment revenue bonds the available tax increment revenues derived from the TIF District established within the Redevelopment Project.

SECTION 2. ISSUANCE OF THE SERIES 2015 BONDS

2.01. Authorization to Issue Refunding Bonds. In order to provide for the redemption and prepayment of the outstanding principal amount of the Series 2005 Obligations, there is hereby authorized to be issued by the City the Series 2015 Bonds, as hereinafter defined.

2.02. The Series 2015 Bonds. The City Council hereby authorizes the issuance of tax increment revenue bonds to be designated as the Tax Increment Revenue Refunding Bonds (Ivy Tower Project), Series 2015 (the "Series 2015 Bonds"), in a principal amount not to exceed \$6,500,000. The Series 2015 Bonds shall be issued on such date and upon the terms and conditions determined by the Finance Officer of the City (the "Finance Officer"). The Series 2015 Bonds may be designated by such other name or names as determined to be appropriate by the Finance Officer. The Series 2015 Bonds shall be issued in one or more series as the Finance Officer may determine, and shall be assigned a separate series designation determined by the Finance Officer for each separate series issued by the City. The Series 2015 Bonds are authorized to be issued as obligations the interest on which is not includable in gross income for federal and State of Minnesota income tax purposes. This authorization to issue the Series 2015 Bonds is effective without any additional action of the City Council and shall be undertaken by the Finance Officer on such date or dates and upon the terms and conditions deemed reasonable by the Finance Officer. The City Council hereby authorizes the sale of the Series 2015 Bonds to Dougherty & Company LLC (the "Underwriter") in accordance with the terms and conditions of a Bond Purchase Agreement, to be dated on or after the pricing date of the Bonds (the "Bond Purchase Agreement"), between the City and the Underwriter.

2.03. Indenture of Trust and Bond Purchase Agreement. There have been presented to the City Council forms of the following documents: (i) an Indenture of Trust, to be dated on or after September 1, 2015 (the "Indenture"), between the City and U.S. Bank National Association (the "Trustee"); and (ii) the Bond Purchase Agreement. The Indenture and Bond Purchase Agreement are hereby approved and the Finance Officer is hereby authorized to execute and deliver the Indenture and the Bond Purchase Agreement on behalf of the City. All of the provisions of the Indenture and the Bond Purchase Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution (the "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 Indenture and the Bond Purchase Agreement shall be substantially in the forms now on file with the City with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Finance Officer, in his discretion, shall determine, and the execution and delivery thereof by the Finance Officer or his designee shall be conclusive evidence of such determination.

2.04. Terms of Series 2015 Bonds. The Series 2015 Bonds shall have the maturities, interest rates, shall be dated, numbered, and issued in such denominations, shall be subject to mandatory and optional redemption and prepayment prior to maturity, shall be executed, sealed, and authenticated in such manner, shall be in such form, and shall have such other details and provisions as are prescribed in the Indenture. The form of the Series 2015 Bonds included in the Indenture is approved in substantially the form in the Indenture, subject to such changes that are not inconsistent with this Resolution and applicable law and that are approved by the Finance Officer. Without limiting the generality of the foregoing, the Finance Officer is authorized to approve the original aggregate principal amount of each series of Series 2015 Bonds to be issued under the terms of this Resolution (subject to the maximum aggregate principal amount for all series authorized by this Resolution), to establish the terms of redemption, the principal amounts subject to redemption, and the dates of redemption of the Series 2015 Bonds, and to approve other changes to the other terms of the Series 2015 Bonds which are deemed by the Finance Officer to be in the best interests of the City. The issuance and delivery of the Series 2015 Bonds shall be conclusive evidence that the Finance Officer has approved the terms and provisions of the Series 2015 Bonds in accordance with the authority granted by this Resolution. The proceeds derived from the sale of the Series 2015 Bonds, and the earnings derived from the investment of such proceeds, shall be held, transferred, expended, and invested in accordance with the determinations of the Finance Officer.

2.05. Security for the Series 2015 Bonds. The Series 2015 Bonds shall be secured by the terms of the Indenture and shall be payable solely from Available Tax Increments (as defined in the Indenture) that are expressly pledged to the payment of the Series 2015 Bonds in accordance with the terms of the Indenture.

2.06. Special Obligations of the City. It is hereby found, determined, and declared that the issuance and sale of the Series 2015 Bonds, the execution and delivery by the City of the Indenture and the Bond Purchase Agreement (the "City Documents"), and the performance of all covenants and agreements of the City contained in the City Documents, and of all other acts required under the Constitution and laws of the State of Minnesota to make the Series 2015 Bonds the valid and binding special obligations of the City enforceable in accordance with their respective terms, are authorized by applicable Minnesota law, including, without limitation, the Tax Increment Act and this Resolution.

2.07. Source of Payment of Series 2015 Bonds. Under the provisions of the Tax Increment Act, and as provided in the Indenture and the Series 2015 Bonds, the Series 2015 Bonds are not to be payable from or chargeable against any funds other than the revenues pledged to the payment thereof; the City shall not be subject to any liability thereon other than from such revenues pledged thereto; no holder of any Series 2015 Bonds shall ever have the right to compel any exercise by the City of its taxing powers (other than as contemplated by the pledge of tax increment revenues under the terms of the Indenture) to pay the principal of, premium, if any, and interest on the Series 2015 Bonds, or to enforce payment thereof against any property of the City other than the property expressly pledged thereto; the Series 2015 Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City other than the revenues expressly pledged thereto; the Series 2015 Bonds shall recite that the Series 2015 Bonds are issued without a pledge of the general or moral obligation of the City, and that the Series 2015 Bonds, including interest thereon, are payable solely from the revenues pledged to the payment thereof; and the Series 2015 Bonds shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation of indebtedness.

SECTION 3. DISCLOSURE DOCUMENTS AND CLOSING CERTIFICATES

3.01. Disclosure Documents and Continuing Disclosure Certificate. The preparation of a preliminary official statement (the "Preliminary Official Statement"), a final official statement (the "Final Official Statement"), or other forms of disclosure documents (collectively, the "Disclosure Documents") in connection with the offer and sale of the Series 2015 Bonds is hereby authorized. When approved by the Finance Officer, the Disclosure Documents are authorized to be distributed in connection with the offer and sale of the Series 2015 Bonds. In order to provide for continuing disclosure with respect to the Series 2015 Bonds in accordance with the continuing disclosure obligations imposed by Rule 15c2-12 (17 CFR §240.15c2-12) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), the Finance Officer may execute and deliver a Continuing Disclosure Certificate, to be dated on or after September 1, 2015 (the "Continuing Disclosure Certificate"), of the City.

3.02. Finance Officer Certificates. The Finance Officer is authorized to furnish to the purchasers of the Series 2015 Bonds, on the date of issuance and sale of the Series 2015 Bonds, a certificate that, to the knowledge of the Finance Officer, the Final Official Statement (or other final Disclosure Document) does not, as of the date of closing, contain any untrue statement of a material fact or omit to state a material fact which should be included therein relating to the Series 2015 Bonds or the City for the purpose for which the Final Official Statement is to be used, or which is necessary in order to make the statements made in the Final Official Statement, in light of the circumstances under which they are made, not misleading. Unless litigation shall have been commenced and be pending questioning the Series 2015 Bonds, the proceedings for approval of the Series 2015 Bonds, tax increment revenues generated or collected for payment of the Series 2015 Bonds, revenues pledged for payment of the Series 2015 Bonds, or the organization of the City, or incumbency of its officers, the Finance Officer shall also execute and deliver a suitable certificate as to absence of material litigation. The Finance Officer is also authorized and directed to execute and deliver a certificate as to payment for and delivery of the Series 2015 Bonds. The Finance Officer may also execute and deliver, in the discretion of the Finance Officer, such other certificates, forms, and other documents requested by the Trustee, the Underwriter or its counsel, or Kennedy & Graven, Chartered, acting in its capacity as bond counsel ("Bond Counsel") with respect to the Series 2015 Bonds. The Finance Officer shall also make arrangements for delivery of the signed approving legal opinion of Bond Counsel as to the validity and enforceability of the Series 2015 Bonds and as to the tax-exempt status of interest on the Series 2015 Bonds.

3.03. Closing Certificates. The City Clerk, the Finance Officer, and other agents, officers, and employees of the City are hereby authorized and directed, individually and collectively, to furnish to the attorneys approving the Series 2015 Bonds, on behalf of the purchasers of the Series 2015 Bonds, certified copies of all proceedings and certifications as to facts as shown by the books and records of the City, and the right and authority of the City to issue the Series 2015 Bonds, and all such certified copies and certifications shall be deemed representations of fact on the part of the City. Such officers, employees, and agents of the City are hereby authorized to execute and deliver, on behalf of the City, all other certificates, instruments, and other written documents that may be requested by Bond Counsel, the Underwriter, the Trustee, or other persons or entities in connection with the issuance of the Series 2015 Bonds and the expenditure of the proceeds of the Series 2015 Bonds. Without imposing any limitations on the scope of the preceding sentence, such officers and employees are

specifically authorized to execute and deliver one or more Uniform Commercial Code financing statements, a certificate relating to federal tax matters including matters relating to arbitrage and arbitrage rebate, a receipt for the proceeds derived from the sale of the Series 2015 Bonds, an order to the Trustee, a general certificate of the City, and an Information Return for Tax-Exempt Governmental Obligations, Form 8038-G (Revised September 2011).

3.04. Filing with Hennepin County. The City Clerk is hereby authorized and directed to certify a copy of this Resolution and the Finance Officer is hereby authorized to cause the same to be filed with the Director of the Taxpayer Services Department of Hennepin County, exercising the powers of the County Auditor under Minnesota Statutes, Section 475.63, and to obtain a certificate from the Director of the Taxpayer Services Department of Hennepin County as to the registration of the Series 2015 Bonds.

SECTION 4. REDEMPTION OF SERIES 2005 OBLIGATIONS

4.01. Redemption of Series 2005 Obligations. The City elects to apply the net proceeds of the Series 2015 Bonds to the optional redemption and prepayment of: (i) the Series 2005 Bonds in accordance with their terms and the terms of the Series 2005 Indenture; and (ii) the Series 2005 Pay-Go Note in accordance with their terms. Following the sale and issuance of the Series 2015 Bonds, the Prior Trustee, as Bond Registrar of the Series 2005 Bonds, is directed to cause notice of redemption of the Series 2005 Bonds to be given to the holders of the Series 2005 Bonds in accordance with the terms of the Series 2005 Bonds and the Series 2005 Indenture and to take all other actions necessary to cause the redemption and prepayment of the Series 2005 Bonds to occur as soon as possible after the date of issuance of the Series 2015 Bonds. Following the sale and issuance of the Series 2015 Bonds, the City is directed to take all actions necessary to cause the redemption and prepayment of the Series 2005 Pay-Go Note as soon as practicable after the date of issuance of the Series 2015 Bonds.

SECTION 5. MISCELLANEOUS

5.01. Liability of Members, Officers, Employees, or Agents. All agreements, covenants, and obligations of the City contained in this Resolution and in the above-referenced documents shall be deemed to be the agreements, covenants, and obligations of the City to the full extent authorized or permitted by law, and all such agreements, covenants, and obligations shall be binding on the City and enforceable in accordance with their terms. No agreement, covenant, or obligation contained in this Resolution or in the above-referenced documents shall be deemed to be an agreement, covenant, or obligation of any member of the City Council, or of any officer, employee, or agent of the City in that person's individual capacity. Neither the members of the City Council, nor any officer executing the Series 2015 Bonds shall be liable personally on the Series 2015 Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2015 Bonds.

5.02. Limitation of Liability. Nothing in this Resolution or in the above-referenced documents is intended or shall be constructed to confer upon any person (other than as provided in the Indenture, the Series 2015 Bonds, and the other agreements, instruments, and documents hereby approved) any right, remedy, or claim, legal or equitable, under and by reason of this Resolution or any provision of this Resolution.

5.03. Execution of Documents. If for any reason the Finance Officer, or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written

documents on behalf of the City shall for any reason cease to be an officer, employee, or agent of the City after the execution by such person of any certificate, instrument, or other written document, such fact shall not affect the validity or enforceability of such certificate, instrument, or other written document. If for any reason the Finance Officer, or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall be unavailable to execute such certificates, instruments, or other written documents for any reason, such certificates, instruments, or other written documents may be executed by an acting finance officer, or deputy or assistant finance officer, or by such other officer of the City as in the opinion of the City Attorney is authorized to sign such document.

5.04. Tax Covenants. The City shall not take any action or authorize any action to be taken in connection with the application or investment of the proceeds of the Series 2015 Bonds or any related activity which would cause the Series 2015 Bonds to be deemed to be “private activity bonds,” within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”). The City shall not take any action or authorize any action to be taken in connection with the application or investment of the proceeds of the Series 2015 Bonds, or any related activity, that would cause the Series 2015 Bonds to be deemed to be “arbitrage bonds,” within the meaning of Section 148 of the Code. Furthermore, the City shall take all such actions as may be required under the Code to ensure that interest on the Series 2015 Bonds is not and does not become includable in gross income for federal income tax purposes.

5.05. Amendments. The authority to approve, execute, and deliver future amendments to the documents executed and delivered by the City in connection with the transactions contemplated hereby is hereby delegated to the Finance Officer, subject to the following conditions: (a) such amendments do not require the consent of the holders of the Series 2015 Bonds or, if required, such consent has been obtained; (b) such amendments do not materially adversely affect the interests of the City as the issuer of the Series 2015 Bonds; (c) such amendments do not contravene or violate any policy of the City; (d) such amendments are acceptable in form and substance to the City Attorney, Bond Counsel, or other counsel retained by the City to review such amendments; (e) the City has received, if necessary, an opinion of Bond Counsel to the effect that the amendments will not adversely affect the tax-exempt character or interest on the Series 2015 Bonds, if the Series 2015 Bonds are then tax-exempt obligations; and (f) such amendments do not materially prejudice the interests of the owners of the Series 2015 Bonds. 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 Finance Officer shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Finance Officer, any instrument authorized by this paragraph to be executed and delivered by the Finance Officer may be executed by such other officer of the City as in the opinion of the City Attorney is authorized to execute and deliver such document.

5.06. Effective Date. This Resolution shall take effect and be in force from and after its approval and publication.

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