

RESOLUTION
By Goodman and Quincy

Authorizing the issuance, sale, and delivery of Multifamily Housing Revenue Bonds (Plymouth Stevens House, LP Project), Series 2016; approving the form of and authorizing the execution and delivery of such obligations and related documents; and providing for the security, rights, and remedies with respect to such obligations.

Resolved by the City Council of the City of Minneapolis:

1. **STATUTORY AUTHORIZATION.** The City of Minneapolis, a home rule city, municipal corporation, and political subdivision duly organized and existing under its Charter and the Constitution and laws of the State of Minnesota (the “City”), is authorized by Minnesota Statutes, Chapter 462C, as amended (the “Act”), to carry out the public purposes described in the Act by issuing its revenue bonds to provide funds to finance multifamily housing developments within its boundaries. In the issuance of revenue bonds and in the making of loans to finance multifamily housing developments, the City may exercise, within its corporate limits, any of the powers that the Minnesota Housing Finance Agency may exercise under Minnesota Statutes, Chapter 462A, as amended, without limitation under the provisions of Minnesota Statutes, Chapter 475, as amended.

2. **THE BORROWER AND THE PROJECT.** Plymouth Stevens House, LP, a Minnesota limited partnership (the “Borrower”), has requested that the City participate in the financing of the acquisition, substantial construction, rehabilitation and equipping of an existing 207-unit multifamily rental housing development and facilities functionally related and subordinate thereto, located at 1405, 1414, 1500, 1501, 1516, 1611, 1701, and 1815 Plymouth Avenue North and 1300 Irving Avenue North in the City, commonly known as Plymouth Avenue Townhomes, and at 2625 Stevens Avenue South in the City, commonly known as Stevens House (collectively, the “Project”), through the issuance of conduit revenue obligations the proceeds of which are to be loaned by the City to the Borrower. The Project will be owned and operated by the Borrower or an affiliate, related person, successor, or assign of the Borrower.

3. **THE HOUSING PROGRAM.** A Program for a Multifamily Housing Development (the “Housing Program”) with respect to the Project and the proposed issuance of conduit revenue obligations to finance the Housing Program and the Project was prepared in accordance with the requirements of Section 462C.03, subdivision 1a, of the Act, and is on file with the City. The Housing Program was submitted to the Metropolitan Council for its review and comments in accordance with the requirements of the Act. The City received a letter from the Metropolitan Council providing its comments to the Housing Program and the Project.

4. **PUBLIC HEARING AND PRELIMINARY RESOLUTION.** The Community Development and Regulatory Services Committee of the City Council of the City held a public hearing on Tuesday, March 1, 2016, with respect to the Housing Program and the proposed issuance of conduit revenue obligations of the City to finance the Project. The public hearing was conducted at least fifteen (15) days after publication of a notice of such public hearing in the official newspaper of the City and in a newspaper of general circulation in the City. Following the public hearing, the Community Development and Regulatory Services Committee approved the Housing Program and the proposed financing and recommended the adoption of this resolution by the City Council.

5. **APPROVAL OF SERIES 2016 BONDS AND RELATED FINANCING DOCUMENTS.** For the purpose of financing a portion of the costs of the acquisition, construction, and rehabilitation of

the Project and related costs, there is hereby authorized the issuance, sale, and delivery of conduit revenue obligations of the City, in an aggregate principal amount not to exceed \$17,500,000, for the benefit of the Borrower. The obligations are to be designated as Multifamily Housing Revenue Bonds (Plymouth Stevens House, LP Project), Series 2016 (the "Series 2016 Bonds"). The Series 2016 Bonds may be issued in any number of series, as determined in the discretion of the Finance Officer. If issued in two series, the Series 2016 Bonds may be designated as: (i) Multifamily Housing Revenue Bonds (Plymouth Stevens House, LP Project), Series 2016A (the "Series 2016A Bonds"); and (ii) Multifamily Housing Revenue Bonds (Plymouth Stevens House, LP Project), Series 2016B (the "Series 2016B Bonds"). The Series 2016 Bonds may be given a different designation in the discretion of the Finance Officer of the City (the "Finance Officer"). The Series 2016A Bonds, substantially in the form set forth in a Trust Indenture, dated on or after April 1, 2016 (the "Series 2016A Indenture"), between the City and a trustee to be selected by the Borrower (the "Trustee"), now on file with the City, are hereby approved with the amendments referenced herein. The Series 2016B Bonds, substantially in the form set forth in a Trust Indenture, dated on or after April 1, 2016 (the "Series 2016B Indenture" and together with the Series 2016A Indenture, the "Indentures"), between the City and the Trustee, now on file with the City, are hereby approved with the amendments referenced herein.

6. The Indentures are hereby approved and the Finance Officer is hereby authorized to execute and deliver the Indentures on behalf of the City. All of the provisions of the Indentures, when executed and delivered 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 Indentures 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, as the Finance Officer, in the discretion of the Finance Officer, shall determine, and the execution and delivery thereof by the Finance Officer shall be conclusive evidence of such determination.

7. One or more series of the Series 2016 Bonds may be sold to one or more banks or other financial institutions (the "Lender") in a private placement under terms and conditions negotiated between the Borrower and the Lender.

8. The proceeds derived from the sale of the Series 2016A Bonds are to be loaned by the City to the Borrower under the terms of a Loan Agreement, dated on or after April 1, 2016 (the "Series 2016A Loan Agreement"), between the City and the Borrower. The proceeds derived from the sale of the Series 2016B Bonds are to be loaned by the City to the Borrower under the terms of a Loan Agreement, dated on or after April 1, 2016 (the "Series 2016B Loan Agreement" and together with the Series 2016A Loan Agreement, the "Loan Agreements"), between the City and the Borrower. The Loan Agreements are hereby approved and the Finance Officer is hereby authorized to execute and deliver the Loan Agreements on behalf of the City. All of the provisions of the Loan Agreements, when executed and delivered 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 Loan Agreements 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, as the Finance Officer, in his discretion, shall determine, and the execution and delivery thereof by the Finance Officer shall be conclusive evidence of such determination. The proceeds of the loans to be made under the terms of the Loan Agreements (the "Series 2016A Loan" and the "Series 2016B Loan" and together, the "Loans") are hereby authorized to be applied to the payment of a portion of the costs of the acquisition, construction, and rehabilitation of the Project and related costs.

9. LIMITED REVENUE OBLIGATIONS OF THE CITY. The City acknowledges, finds, determines, and declares that the issuance of the Series 2016 Bonds is authorized by the Act and is consistent with the purposes of the Act and that the issuance of the Series 2016 Bonds, and the other actions of the City under this resolution and the Loan Agreements constitute a public purpose and are in the interests of the City. In authorizing the issuance of the Series 2016 Bonds for the financing of the Project and related costs, the City'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 and moderate income residents of the City and otherwise furthering the purposes and policies of the Act. The Series 2016 Bonds will be issued under the terms of this resolution. The Series 2016 Bonds and the interest on the Series 2016 Bonds: (i) shall be payable solely from the revenues pledged therefor under the terms of the Series 2016 Bonds and the Loan Agreements; (ii) shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation; (iii) shall not constitute nor give rise to a pecuniary liability of the City 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 other than the City's interest in the Loan Agreement; and (v) shall not constitute a general or moral obligation of the City.

10. TERMS OF THE SERIES 2016 BONDS. The City hereby authorizes the Series 2016 Bonds to be issued as "tax-exempt bonds" the interest on which is not includable in gross income for federal and State of Minnesota income tax purposes. In accordance with the provisions of Minnesota Statutes, Chapter 474A, as amended ("Chapter 474A"), and Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"), the City shall: (i) allocate to the Series 2016 Bonds a portion of its "entitlement issuer allocation" granted under the provisions of Chapter 474A and Section 146 of the Code; or (ii) allocate to the Series 2016 Bonds a portion of its "carryforward allocation;" or (iii) allocate to the Series 2016 Bonds a portion of its entitlement issuer allocation and a portion of its carryforward allocation. All of the provisions of the Series 2016 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 Series 2016 Bonds shall bear interest at the rates, shall be designated, shall be numbered, shall be dated, shall mature, shall be issued in the aggregate principal amount, shall be subject to redemption prior to maturity, shall be in such forms, and shall have such other terms, details, and provisions as are prescribed in the Indentures, in the forms now on file with the City, which forms are hereby approved, with such necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amounts of the Series 2016 Bonds, the stated maturities of the Series 2016 Bonds, the interest rates on the Series 2016 Bonds, and the terms of redemption of the Series 2016 Bonds) as the Finance Officer, in the discretion of the Finance Officer, shall determine. The execution of the Series 2016 Bonds with the manual or facsimile signature of the Finance Officer and the delivery of the Series 2016 Bonds by the City shall be conclusive evidence of such determination.

The Series 2016 Bonds shall not constitute general or moral obligations of the City but shall be special, limited obligations of the City payable solely from the revenues provided by the Borrower under the terms of the Loan Agreements and from the revenues and security pledged, assigned, and granted under the terms of this resolution, the Series 2016 Bonds, the Loan Agreements, and any other security documents provided by the Borrower or any other party to secure the timely payment of the principal of, premium, if any, and interest on the Series 2016 Bonds. As provided in the Loan Agreements, the Series 2016 Bonds shall not be payable from nor charged upon any funds other than the revenue pledged to their payment, nor shall the City be subject to any liability thereon, except as otherwise provided in this paragraph. No holder of the Series 2016 Bonds shall ever have the right to compel any exercise by the City of any taxing powers of the City to pay the Series 2016 Bonds or the interest or premium thereon, or to enforce payment thereof against any property of the City except the interests of the City in the Loan

Agreements and the revenues and assets thereunder, which will be assigned to the Trustee under the terms of the Indentures.

The Series 2016 Bonds shall recite that the Series 2016 Bonds are issued under the Act, and that the Series 2016 Bonds, including interest and premium, if any, thereon, are payable solely from the revenues and assets pledged to the payment thereof, and the Series 2016 Bonds shall not constitute a debt of the City within the meaning of any constitutional or statutory limitations.

11. SECURITY FOR THE SERIES 2016 BONDS. The City acknowledges and hereby approves any one or more of the following to be provided as security for the payment of the obligations of the Borrower under the Loan Agreements, and the payment of the principal of, premium, if any, and interest on the Series 2016 Bonds: (i) one or more mortgages or security agreements granting a mortgage lien or security interest with respect to the Project or any portion thereof to the Trustee; (ii) one or more collateral assignments of the contracts between the Borrower and the architect and contractor with respect to the Project; (iii) one or more indemnity agreements; (iv) one or more disbursing agreements, between the Borrower, the Trustee, a disbursing agent to be selected by the Borrower, and a lender to provide for the disbursement of the proceeds of the Series 2016 Bonds and the Loans and (v) other security documents that are intended to ensure timely payment of the Loans and the Series 2016 Bonds. In addition, the City acknowledges and hereby approves with respect to the Series 2016B Bonds, the following to be provided as security for the payment of the obligations of the Borrower under the Series 2016B Loan Agreement, and the payment of the principal of, premium, if any, and interest on the Series 2016B Bonds: (i) an Assignment of Capital Contributions, dated on or after April 1, 2016, from the Borrower and Plymouth Stevens House, LLC, a Minnesota limited liability company, to the Trustee; and (ii) a Guaranty, dated on or after April 1, 2015 (the "Guaranty"), from Marv Kotek, David E. Dye, and Richard Hutsell, individually, or other guarantors, to the Trustee. All such security documents, if any are delivered, shall be substantially in the forms authorized and approved by the Borrower.

12. THE REGULATORY AGREEMENTS. To ensure continuing compliance with certain rental and occupancy restrictions imposed by the Act, Chapter 474A, and Section 142(d) of the Code, and to ensure continuing compliance with certain restrictions imposed by the City, the Finance Officer is hereby authorized and directed to execute and deliver: (i) with respect to the Plymouth Avenue Townhomes, a Regulatory Agreement, dated on or after April 1, 2016 (the "Plymouth Regulatory Agreement"), between the City, the Borrower, and the Trustee; and (ii) with respect to the Stevens House, a Regulatory Agreement, dated on or after April 1, 2016 (the "Stevens Regulatory Agreement" and together with the Plymouth Regulatory Agreement, the "Regulatory Agreements"), between the City, the Borrower, and the Trustee. The Regulatory Agreements shall be substantially in the forms now on file with the City which are hereby approved, with such omissions and insertions as do not materially change the substance thereof, as the Finance Officer, in the discretion of the Finance Officer, shall determine, and the execution thereof by the Finance Officer shall be conclusive evidence of such determinations. All of the provisions of the Regulatory Agreements, when executed and delivered 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.

13. OTHER CITY DOCUMENTS. The Finance Officer is hereby designated as the representative of the City with respect to the issuance of the Series 2016 Bonds and the transactions related thereto. The Finance Officer is authorized, upon request, to furnish certified copies of all proceedings and records of the City relating to the Series 2016 Bonds, and such other affidavits and certificates as may be required to show the facts relating to the Series 2016 Bonds as such facts appear from the books and records in the custody and control of the City; and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall constitute representations of the City

as to the truth of all statements contained therein. The Finance Officer is hereby further 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 Trustee, the Lender (as applicable), the Borrower, or other persons or entities in conjunction with the issuance of the Series 2016 Bonds and the expenditure of the proceeds of the Series 2016 Bonds. Without imposing any limitations on the scope of the preceding sentence, the Finance Officer is specifically authorized to execute and deliver such other documents and certificates as are necessary or appropriate in connection with the issuance, sale, and delivery of the Series 2016 Bonds, including a Bond Purchase Agreement, dated on or after the pricing date of the Series 2016 Bonds, among the City, the Borrower, and Dougherty & Company LLC, as original purchaser of one or more series of the Series 2016 Bonds (the "Underwriter"), one or more consents to the assignment of a development agreement, and other funds made available to the Borrower and the Project by the City and Hennepin County, one or more Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038, with respect to the Series 2016 Bonds, endorsements to any tax certificates as to arbitrage, rebate, and other federal tax matters executed and delivered in connection with the issuance of the Series 2016 Bonds, appropriate amendments to the Housing Program, and all other documents and certificates as the Finance Officer shall deem to be necessary or appropriate in connection with the issuance, sale, and delivery of the Series 2016 Bonds. The Finance Officer is hereby further authorized and directed to execute and deliver all other instruments and documents necessary to accomplish the purposes for which the Series 2016 Bonds are to be issued. The preparation and filing of Uniform Commercial Code financing statements with respect to the assignment of the interests of the City in the Loan Agreements (excluding any unassigned rights as provided in the Loan Agreements), are hereby authorized. The City hereby authorizes Kennedy & Graven, Chartered, as bond counsel to the City ("Bond Counsel"), to prepare, execute, and deliver its approving legal opinions with respect to the Series 2016 Bonds.

14. DISCLOSURE DOCUMENTS. The City will not participate in the preparation or distribution of any official statements or other disclosure documents relating to the offer and sale of the Series 2016 Bonds (the "Disclosure Documents"), except only for certain information relating specifically to the City as approved by the Finance Officer, and will make no independent investigation with respect to the information contained in the Disclosure Documents, including the appendices thereto, and the City assumes no responsibility for the sufficiency, accuracy, or completeness of such information. Subject to the foregoing, the City hereby consents to the distribution and the use by the Underwriter of the Disclosure Documents in connection with the offer and sale of series of the Series 2016 Bonds to be offered and sold pursuant to such Disclosure Documents. The Disclosure Documents are the sole materials consented to by the City for use in connection with the offer and sale of each publicly-offered series of the Series 2016 Bonds. The City hereby approves the execution by the Borrower and delivery to the Trustee of continuing disclosure agreements or undertakings with respect to the Project and the Borrower.

15. SUBSEQUENT AMENDMENTS. On any date subsequent to the date of issuance of the Series 2016 Bonds, the Finance Officer is hereby authorized to execute and deliver any amendments or supplements to any of the documents referred to in this resolution on behalf of the City if, after review by and consultation with the City Attorney and Bond Counsel, the Finance Officer determines that the execution and delivery of such amendment or supplement is not materially inconsistent with this resolution. The Finance Officer may impose any terms or conditions on the execution and delivery by the Finance Officer of any such amendment or supplement as the Finance Officer deems appropriate.

16. LIMITATIONS OF LIABILITY. 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 City Council of the City, or any officer, agent, or employee of the City in that person's individual capacity, and neither the City Council of the City nor

any officer, agent, or employee executing the Series 2016 Bonds or any such documents shall be personally liable on the Series 2016 Bonds or such documents or be subject to any personal liability or accountability by reason of the issuance of the Series 2016 Bonds or the execution and delivery of such documents. No provision, covenant, or agreement contained in the aforementioned documents, the Series 2016 Bonds, or in any other document relating to the Series 2016 Bonds, and no obligation therein or herein imposed upon the City or the breach thereof, shall constitute or give rise to a general or moral obligation of the City or any pecuniary liability of the City or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants, and representations set forth in such documents, the City 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 Series 2016 Bonds, as provided therein.

Except as herein otherwise expressly provided, 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 City, and any holders of the Series 2016 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 City, the Borrower, the Underwriter, the Lender, and any beneficial owners from time to time of the Series 2016 Bonds issued under the provisions of this resolution.

17. SEVERABILITY. In case any one or more of the provisions of this resolution, other than the provisions limiting the liability of the City, or of the aforementioned documents, or of the Series 2016 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 Series 2016 Bonds, but this resolution, the aforementioned documents, and the Series 2016 Bonds shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

18. VALIDITY OF THE SERIES 2016 BONDS. The Series 2016 Bonds, when executed and delivered, shall contain a recital that they are issued in accordance with the Act, and such recital shall be conclusive evidence of the validity of the Series 2016 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 Series 2016 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.

19. ADDITIONAL ACTIONS. The officers of the City, the City Attorney, Bond Counsel, other attorneys, and other agents or employees of the City are hereby authorized to do all acts and things required of them by or in connection with this resolution, the aforementioned documents, or the Series 2016 Bonds, for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Series 2016 Bonds, the aforementioned documents, and this resolution.

20. DESIGNATION AS PROGRAM BONDS. The Series 2016 Bonds are hereby designated "Program Bonds" and are determined to be within the "Housing Program" and the "Program," all as defined in Resolution 88R-021 of the City adopted January 29, 1988, and as amended by Resolution 1997R-402 of the City adopted December 12, 1997.

21. FEES AND INDEMNIFICATION. The Borrower has agreed to pay the administrative fees of the City in accordance with the applicable policies and procedures of the City. It is hereby determined that any and all costs incurred by the City in connection with the financing of the Project will

be paid by the Borrower. It is understood and agreed by the Borrower that the Borrower shall indemnify the City against all liabilities, losses, damages, costs, and expenses (including attorney's fees and expenses incurred by the City) arising with respect to the Project and the Series 2016 Bonds, as provided for and agreed to by and between the Borrower and the City in the Loan Agreement. The financing transaction represented by the Series 2016 Bonds is subject to all existing policies and procedures of the City and is also subject to any conduit bond policies and procedures subsequently adopted by the City to the extent the provisions thereof are intended to be applied retroactively to conduit revenue obligations issued prior to the adoption of such conduit bond policies and procedures.

22. EFFECTIVE DATE. This resolution shall take effect and be in force from and after its approval and publication. In accordance with the terms of Chapter 4, Section 9, of the Charter of the City, only the title of this resolution and a summary of this resolution conforming to Minnesota Statutes, Section 331A.01, subdivision 10, shall be published in the official newspaper of the City.

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