



Resolution No. 2026R-290

City of Minneapolis

File No. 2026-00693

Author: Osman

Committee: BHZ

Public Hearing: Jul 7, 2026

Passage: Jul 16, 2026

Publication: JUL 25 2026

RECORD OF COUNCIL VOTE				
COUNCIL MEMBER	AYE	NAY	ABSTAIN	ABSENT
Payne	X			
Osman	X			
Chughtai				X
Wonsley	X			
Rainville	X			
Vetaw	X			
Warren	X			
Shaffer	X			
Stevenson	X			
Chavez	X			
Whiting	X			
Chowdhury	X			
Palmisano	X			

MAYOR ACTION

☒ APPROVED☐ VETOED

MAYOR FREY

JUL 23 2026

DATE

Certified an official action of the City Council

ATTEST:

CITY CLERK

Presented to Mayor: JUL 17 2026

Received from Mayor: JUL 23 2026

Providing preliminary and final approval to and authorizing the issuance of multifamily housing revenue obligations under Minnesota Statutes, Chapter 462C, as amended, for the purpose of financing a housing program consisting of the acquisition of existing buildings and the construction, rehabilitation, and equipping thereon of a multifamily rental housing development for the benefit of Grain Exchange Housing Limited Partnership, a Minnesota limited partnership, or another entity to be formed by or affiliated with Sherman Associates Inc.; approving the forms of and authorizing the execution and delivery of the obligations and related documents; providing for the security, rights, and remedies with respect to the obligations; and granting approval for certain other actions with respect thereto.

Whereas, the City of Minneapolis (the “City”) is authorized, under the provisions of Minnesota Statutes, Chapter 462C, as amended (the “Act”), to develop and administer programs to finance one or more multifamily housing developments within its boundaries; and

Whereas, Section 462C.07 of the Act authorizes the City to issue and sell revenue bonds or obligations to finance programs for multifamily housing developments located within the City, and as a condition to the issuance of such revenue bonds, adopt a housing program providing the information required by Section 462C.03, subdivision 1a, of the Act; and

Whereas, representatives of Grain Exchange Housing Limited Partnership, a Minnesota limited partnership, or another entity to be formed by or affiliated with Sherman Associates Inc. (collectively, the “Borrower”), have requested that the City adopt a program for a multifamily housing development (the “Program”) to provide for the issuance of one or more series of tax-exempt or taxable multifamily housing revenue obligations (the “Obligations”) in an aggregate principal amount not to exceed \$39,000,000 for the purpose of loaning the proceeds thereof to the Borrower to finance the acquisition of two existing buildings located at 400 S. 4th St. and 301 4th Ave. S. in the City and the construction, rehabilitation, and equipping thereon of a 232-unit multifamily rental housing development and facilities functionally related and subordinate thereto, for occupancy by persons and families of low and moderate income (the “Project”); and

Whereas, the overall development will also include commercial space, which will not be financed with proceeds of tax-exempt Obligations of the City; and

Whereas, Section 147(f) of the Internal Revenue Code of 1986 (the “Code”), and regulations promulgated thereunder (the “Treasury Regulations”), require that prior to the issuance of the Obligations, this Council approve the Obligations after conducting a public hearing thereon preceded by publication of a notice of public hearing (in the form and method required by Section 147(f) of the Code and applicable Treasury Regulations) in a newspaper of general circulation at least seven (7) days prior to the public hearing date; and

Whereas, Section 462C.04 of the Act requires that, as a condition of the issuance of the Obligations, a public hearing must be held on the Program after one publication of notice in a newspaper circulating generally in the City at least ten (10) days before the hearing; and

Whereas, in accordance with the requirements of the Act and the Code, a notice of public hearing in the form required by the Act and Section 147(f) of the Code was published in *Finance & Commerce*, the official newspaper of the City, and in the *Star Tribune*, a newspaper of general circulation in the City, at least ten (10) days before the public hearing; and

Whereas, in accordance with the requirements of Section 462C.04 of the Act, the Program was submitted to Metropolitan Council for its review and comment on or before the date of publication of the notice of public hearing; and

Whereas, on July 7, 2026, the Business, Housing & Zoning Committee of the Minneapolis City Council, on behalf of the City, held a public hearing on the Program and the proposed issuance of the Obligations in accordance with the requirements of the Act and the Code; and

Whereas, the Obligations are proposed to be issued as “exempt facility bonds” the interest on which is excludable from gross income for federal income tax purposes under Sections 103 and 141(e)(1)(A) of the Code; and

Whereas, the Obligations will be issued by the City to evidence a loan (the “Funding Loan”) to be made by JPMorgan Chase Bank, N.A., a national banking association, and any transferee, purchaser, successor, or assignee (collectively, the “Funding Lender”), to or for the account of the City, in accordance with a Funding Loan Agreement (the “Funding Loan Agreement”) between the Funding Lender and the City, as governmental lender; and

Whereas, the City, as governmental lender, will use the proceeds of the Funding Loan to make a loan to the Borrower (the “Borrower Loan”) pursuant to a Borrower Loan Agreement (the “Borrower Loan Agreement”) between the City and the Borrower, the proceeds of which Borrower Loan the Borrower will use to finance the Project; and

Whereas, to evidence its payment obligations under the Borrower Loan Agreement, the Borrower will issue a Project Loan Note (the “Borrower Note”) to the City in a principal amount corresponding to the Obligations, which Borrower Note the City will endorse to the Funding Lender as security for the Funding Loan; and

Whereas, as further security for the repayment of the Borrower Loan, the Borrower will execute and deliver a mortgage (the “Mortgage”) in favor of the City, which Mortgage the City will assign to the Funding Lender as security for the Funding Loan pursuant to an Assignment of Mortgage and Security Documents (the “Mortgage Assignment”); and

Whereas, 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 City, the City and the Borrower will enter into a Regulatory Agreement (the “Regulatory Agreement”); and

Whereas, the Obligations will be issued pursuant to this resolution, and the Obligations and the interest thereon (i) shall be payable solely from the revenues pledged therefor under the Borrower Loan Agreement, the Funding Loan Agreement, the Mortgage, or other security documents described therein; (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 or give rise to a charge, lien, or encumbrance, legal or equitable, upon any property of the City other than the City’s interest in the Borrower Loan Agreement; and (v) shall not constitute a general or moral obligation of the City;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the issuance of the Obligations is authorized by the Act and is consistent with the purposes of the Act and that the issuance of the Obligations, and the other actions of the City under the Funding Loan Agreement, the Borrower Loan Agreement and this resolution constitute a public purpose and are in the interests of the City. 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 further the purposes of the Act. In authorizing the issuance of the Obligations for the financing of the Project and the 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 or moderate income residents of the City and otherwise furthering the purposes and policies of the Act.

Be It Further Resolved that the preparation of the Program is hereby ratified, confirmed, and approved. The Program is hereby adopted, ratified, and approved in all respects without amendment. The City's staff, the Finance Officer of the City (the "Finance Officer"), and the City's advisors and legal counsel are hereby authorized to do all other things and take all other actions as may be necessary or appropriate to carry out the Program in accordance with the Act and any other applicable laws and regulations.

Be It Further Resolved that for the purpose of financing all or a portion of the costs of the acquisition, construction, rehabilitation, and equipping of the Project and related costs, the issuance of the Obligations in accordance with the terms and conditions of the Act, the Program, and this resolution, in a principal amount up to \$39,000,000 (all of which will be issued with the City's annual entitlement and/or carryforward bonding authority allocation), is hereby approved; provided that the City's current year or carryforward bonding authority allocated to any portion of the tax-exempt series of Obligations shall not exceed the amount of permanent financing that the Project can support and that is expected to be issued or otherwise obtained for the Project, up to fifty-three percent (53%) of the Borrower's basis in the Project.

Be It Further Resolved that the Obligations may be issued in any number of series, as determined in the discretion of the Finance Officer of the City (the "Finance Officer").

Be It Further Resolved that the Obligations, substantially in the form now on file with the City, are hereby approved with the amendments referenced herein.

Be It Further Resolved that the loan repayments to be made by the Borrower pursuant to the Borrower Loan Agreement and the Funding Loan Agreement with respect to the Funding Loan will be sufficient to produce revenue to pay the principal of, premium, if any, and interest on the Obligations when due. Upon the execution of the Funding Loan Agreement, the City will assign its rights to the basic payments and certain other rights under the Borrower Loan Agreement, the Borrower Loan, the Borrower Note, the Mortgage, and certain moneys and securities held in the funds and accounts established under the Funding Loan Agreement to the Funding Lender.

Be It Further Resolved that the Funding Loan Agreement and the Borrower Loan Agreement are hereby approved, and the Finance Officer is hereby authorized to execute and deliver the Funding Loan Agreement and the Borrower Loan Agreement on behalf of the City. All of the provisions of the Funding Loan Agreement and the Borrower Loan Agreement, 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 Funding Loan Agreement and the Borrower Loan 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, as the Finance Officer, in her discretion, shall determine, and the execution and delivery thereof by the Finance Officer shall be conclusive evidence of such determination. The proceeds of the Borrower Loan are hereby authorized to be applied to the payment of a portion of the costs of the acquisition, construction, rehabilitation, and equipping of the Project and related costs, the financing of capitalized interest during construction and rehabilitation of the Project, the funding of any required reserves, and the payment of costs of issuance.

Be It Further Resolved that to ensure continuing compliance with certain rental and occupancy restrictions imposed by the Act, Minnesota Statutes, Chapter 474A, as amended (the "Allocation Act"), 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 the Regulatory Agreement. The Regulatory Agreement shall be substantially in the form now on file with the City which is hereby approved, with such omissions and insertions as do not materially change the substance thereof, as the Finance Officer, in her discretion, shall determine, and the execution thereof by the Finance Officer shall be conclusive evidence of such determination. All of the provisions of the Regulatory Agreement, 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.

Be It Further Resolved that the City acknowledges, finds, determines, and declares that the issuance of the Obligations is authorized by the Act and is consistent with the purposes of the Act and that the issuance of the Obligations, and the other actions of the City under this resolution, the Funding Loan Agreement, and the Borrower Loan Agreement constitute a public purpose and are in the interests of the City. In authorizing the issuance of the Obligations 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.

Be It Further Resolved that the City hereby authorizes the Obligations to be issued as "taxable bonds" or as "tax-exempt bonds" the interest on which is excludable from gross income for federal income tax purposes and from taxable net income of certain taxpayers for State of Minnesota income tax purposes.

Be It Further Resolved that in accordance with the provisions of the Allocation Act and Section 146 of the Code, the City shall (i) allocate to the Obligations a portion of its "entitlement issuer allocation" granted under the provisions of the Allocation Act and Section 146 of the Code; or (ii) allocate to the Obligations a portion of its "carryforward allocation"; or (iii) allocate to the Obligations a portion of its entitlement issuer allocation and a portion of its carryforward allocation. The maximum aggregate principal amount of the Obligations to be issued on a tax-exempt basis from entitlement issuer allocation and/or carryforward allocation shall not exceed the amount of permanent financing that the Project can support and that is expected to be issued or otherwise obtained for the Project, up to fifty-three percent (53%) of the Borrower's basis in the Project.

Be It Further Resolved that all of the provisions of the Obligations, 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 Obligations 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 form, and shall have such other terms, details, and provisions as are prescribed in the Obligations, in the form included in the Funding Loan Agreement and on file with the City, which form is hereby approved, with such necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of the Obligations, the stated maturities of the Obligations, the interest rates on the Obligations, and the terms of redemption of the Obligations) as the Finance Officer, in her discretion, shall determine. The execution of the Obligations with the manual or facsimile signature of the Finance Officer and the delivery of the Obligations by the City shall be conclusive evidence of such determination.

Be It Further Resolved that the Obligations 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 Borrower Loan Agreement and from the revenues and security pledged, assigned, and granted under the terms of this resolution, the Obligations, the Funding Loan Agreement, the Borrower Loan Agreement, 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 Obligations. As provided in the Funding Loan Agreement and the Borrower Loan Agreement, the Obligations shall not be payable from or 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 Obligations shall ever have the right to compel any exercise by the City of any taxing powers of the City to pay the Obligations 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 Borrower Loan Agreement and the revenues and assets thereunder, which will be assigned to the Funding Lender under the terms of the Funding Loan Agreement.

Be It Further Resolved that the Obligations, 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 Obligations 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 Obligations, 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. The Obligations shall also recite that the Obligations, including interest and premium, if any, thereon, are payable solely from the revenues and assets pledged to the payment thereof, and the Obligations shall not constitute a debt of the City within the meaning of any constitutional or statutory limitations.

Be It Further Resolved that 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 Borrower Loan Agreement, and the payment of the principal of, premium, if any, and interest on the Obligations: (i) the Mortgage, which shall be assigned to the Funding Lender pursuant to the Mortgage Assignment, or security agreements granting a mortgage lien or security interest with respect to the Project or any portion thereof to the Funding Lender; (ii) the Borrower Note, which shall be endorsed by the City to the Funding Lender; (iii) one or more collateral assignments of the contracts between the Borrower and the architect and contractor with respect to the Project; (iv) one or more indemnity agreements; (v) one or more disbursing agreements, between the Borrower and a disbursing agent to be selected by the Borrower to provide for the disbursement of the proceeds of the Obligations and the Borrower Loan; (vi) one or more assignments of rents, guaranties, and other security instruments and documents that are intended to ensure timely payment of the Borrower Loan and the Obligations; (vii) one or more subordination agreements; and (viii) such other documents that the Funding Lender may require from the Borrower. All such security documents, if any are delivered, shall be substantially in the forms authorized and approved by the Borrower.

Be It Further Resolved that the Finance Officer is hereby designated as the representative of the City with respect to the issuance of the Obligations 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 Obligations, and such other affidavits and certificates as may be required to show the facts relating to the Obligations 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 Kutak Rock LLP, Minneapolis, Minnesota, as bond counsel to the City ("Bond Counsel"), the Funding Lender, the Borrower, or other persons or entities in conjunction with the issuance of the Obligations and the expenditure of the proceeds of the Obligations. 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 Obligations, including the Mortgage Assignment, one or more general certificates of the City, an Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038, one or more endorsements to the Borrower Note, an endorsement to any tax certificates as to arbitrage, rebate, and other federal tax matters executed and delivered in connection with the issuance of the Obligations, appropriate amendments to the 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 Obligations. 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 Obligations 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 Borrower Loan Agreement (excluding any unassigned rights as provided in the Funding Loan Agreement), are hereby authorized. The City hereby authorizes Bond Counsel to prepare, execute, and deliver its approving legal opinions with respect to the Obligations.

Be It Further Resolved that it is not expected that any disclosure documents will be prepared in connection with the issuance and sale of the Obligations. In the event an official statement or other disclosure document is prepared relating to the offer and sale of the Obligations (the "Disclosure Documents"), the City will not participate in the preparation or distribution of such Disclosure Documents and will make no independent investigation with respect to the information contained in the Disclosure Documents, and the City assumes no responsibility for the sufficiency, accuracy, or completeness of such information, except for any information contained therein describing the City, or litigation with respect to the City. Subject to the foregoing, the City hereby consents to the distribution of any Disclosure Documents. The City hereby approves the execution and delivery by the Borrower (and any guarantor of the obligations of the Borrower) of any continuing disclosure agreement prepared and delivered for the benefit of the Funding Lender or any successors or assigns.

Be It Further Resolved that on any date subsequent to the date of issuance of the Obligations, 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.

Be It Further Resolved that 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 Council of the City, or any officer, agent, or employee of the City in that person's individual capacity, and neither the Council of the City nor any officer, agent, or employee executing the Obligations or any such documents shall be personally liable on the Obligations or such documents or be subject to any personal liability or accountability by reason of the issuance of the

Obligations or the execution and delivery of such documents. No provision, covenant, or agreement contained in the aforementioned documents, the Obligations, or in any other document relating to the Obligations, 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 Borrower Loan Agreement or the Funding Loan Agreement, which are to be applied to the payment of the Obligations, as provided therein.

Be It Further Resolved that 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 Obligations 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 Funding Lender, and any beneficial owners from time to time of the Obligations issued under the provisions of this resolution.

Be It Further Resolved that 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 Obligations 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 Obligations, but this resolution, the aforementioned documents, and the Obligations shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

Be It Further Resolved that the City 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 Section 1.148-1(b) of the Treasury Regulations relating to tax-exempt obligations shall be met with respect to the tax-exempt obligations: (i) the program involves the origination or acquisition of purpose investments; (ii) at least ninety-five percent (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; (iii) at least ninety-five percent (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; (iv) the program documents prohibit any obligor on a purpose investment financed by the program or any related party to that obligor from purchasing the Obligations that finance the program in an amount related to the amount of the purpose investment acquired from that obligor; and (v) the City shall not waive the right to treat the investment as a program investment.

Be It Further Resolved that the Obligations 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, as amended and supplemented by Resolution 97R-402 of the City adopted December 12, 1997.

Be It Further Resolved that the United States Department of the Treasury has promulgated final regulations governing the use of the proceeds of tax-exempt obligations, all or a portion of which are to be used to reimburse the City or a borrower from the City for project expenditures paid prior to the date of issuance of such obligations. Those regulations, including Section 1.150-2 of the Treasury Regulations (the "Regulations"), require that the City adopt a statement of official intent to reimburse an original expenditure not later than sixty (60) days after payment of the original expenditure. The Regulations also generally require that the Obligations be issued and the reimbursement allocation made from the proceeds of the Obligations occur within eighteen (18) months after the later of: (i) the date the expenditure is paid; or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the Obligations.

Be It Further Resolved that the City reasonably expects to reimburse the Borrower for the expenditures made for costs of the Project from the proceeds of the Obligations in an aggregate principal amount not to exceed \$39,000,000 after the date of payment of all or a portion of the costs of the Project. All reimbursed expenditures shall be capital expenditures, a cost of issuance of the Obligations, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations and also qualifying expenditures under the Act.

Be It Further Resolved that based on representations by the Borrower, no expenditures for the Project have been made by the Borrower more than sixty (60) days before the date of adoption of this resolution other than: (i) expenditures to be paid or reimbursed from sources other than the Obligations; (ii) expenditures permitted to be reimbursed under prior regulations pursuant to the transitional provision contained in Section 1.150-2(j)(2)(i)(B) of the Regulations; (iii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations; or (iv) expenditures in a "de minimis" amount (as defined in Section 1.150-2(f)(1) of the Regulations).

Be It Further Resolved that based on representations by the Borrower, as of the date hereof, there are no funds of the Borrower reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Project to be financed from proceeds of the Obligations, other than pursuant to the issuance of the Obligations. This resolution, therefore, is determined to be consistent with the budgetary and financial circumstances of the Borrower as they exist or are reasonably foreseeable on the date hereof.

Be It Further Resolved that in anticipation of the issuance of the Obligations to finance all or a portion of the Project, and in order that completion of the Project will not be unduly delayed when approved, the Borrower is hereby authorized to make such expenditures and advances toward payment of that portion of the costs of the Project to be financed from the proceeds of the Obligations, as the Borrower considers necessary, including the use of interim, short-term financing, subject to reimbursement from the proceeds of the Obligations if and when delivered but otherwise without liability on the part of the City.

Be It Further Resolved that 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 Obligations, for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Obligations, the aforementioned documents, and this resolution.

Be It Further Resolved that the staff of the City is hereby authorized, in cooperation with Bond Counsel, to take all steps necessary and desirable to proceed to develop the Program and to issue the Obligations.

Be It Further Resolved that 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.

Be It Further Resolved that it is understood and agreed by the Borrower that the Borrower shall indemnify the City against all liabilities, losses, damages, costs, and expenses (including attorneys' fees and expenses incurred by the City) arising with respect to the Project and the Obligations, as provided for and agreed to by and between the Borrower and the City in the Borrower Loan Agreement.

Be It Further Resolved that the financing transaction represented by the Obligations 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.

Be It Further Resolved that this resolution shall take effect and be in force from and after its approval and publication. In accordance with the terms of Article IV, Section 4.4(d), 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.